



Financial Condition Report

AXA China Region Insurance Company
(Bermuda) Limited – FY2019

Sign-off

We certify that to the best of our knowledge and belief, this Financial Condition Report of AXA China Region Insurance Company (Bermuda) Limited fairly represents the financial condition of the company in all material respects.

Signed by the Chief Executive Officer:

 Signature	Sally Yuen Wai WAN Name	16 July 2020 Date
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Signed by the Chief Actuary:

 Signature	YAO CHE YAN NORMAN Name	16 July 2020 Date
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1. BUSINESS AND PERFORMANCE

1.1 NAME OF THE INSURER

AXA China Region Insurance Company (Bermuda) Limited

1.2 INSURANCE SUPERVISOR

The principal regulatory supervisors of the company are the Bermuda Monetary Authority and the Insurance Authority of Hong Kong.

Insurance Authority
19/F, 41 Heung Yip Road, Wong Chuk Hang, Hong Kong

Bermuda Monetary Authority
BMA House, 43 Victoria Street, Hamilton, Bermuda

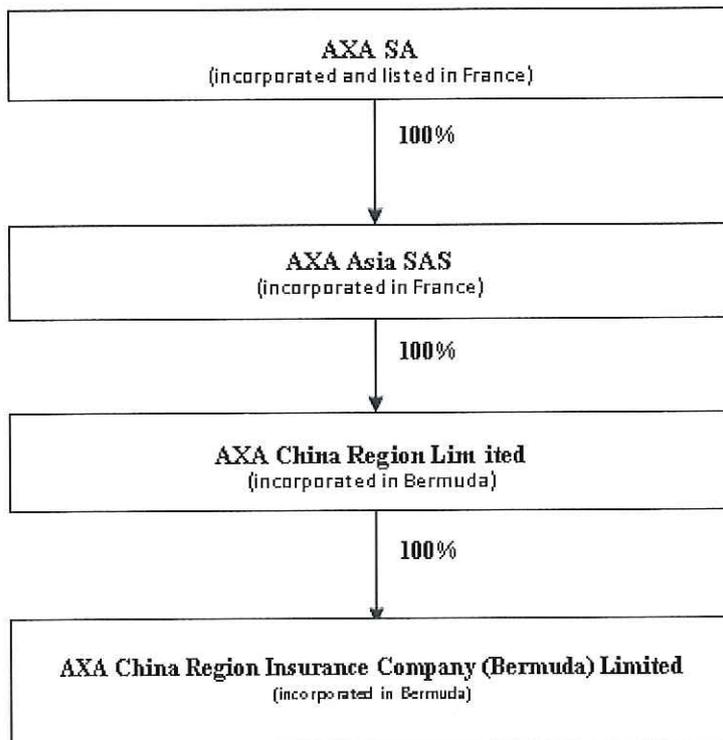
1.3 APPROVED AUDITOR

PricewaterhouseCoopers
22/F, Prince's Building, Central, Hong Kong

1.4 DESCRIPTION OF THE OWNERSHIP DETAILS

Please refer to the FY2019 AXA China Region Insurance Company (Bermuda) Limited Financial Statement page 4.

1.5 STRUCTURE IN AXA GROUP



1.6 INSURANCE BUSINESS WRITTEN BY BUSINESS SEGMENTS AND BY GEOGRAPHICAL REGION

AXA China Region Insurance Company (Bermuda) Limited writes long term business (traditional life and unit linked). In addition the company previously wrote a small block of general insurance business which is in run-off. Please refer to the FY2019 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 110 to 113 for further details. The company has business in both Hong Kong and Macau.

1.7 PERFORMANCE OF INVESTMENTS

Please refer to the FY2019 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 15 and 64.

1.8 ANY OTHER MATERIAL INFORMATION

Nil in 2019.

2. GOVERNANCE STRUCTURE

2.1 BOARD AND SENIOR EXECUTIVE

Please refer to the FY2019 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 4 to 5, 65 and 100.

2.2 FITNESS AND PROPRIETY REQUIREMENTS

AXA China Region Insurance Company (Bermuda) Limited applies the same fitness and propriety requirements as AXA Group. For details please refer to page 16 of the Solvency and Financial Condition Report of 2019 of AXA Group.

https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com%2F09af29af-f672-42db-a0e3-ccbba2053693_axa_sfc_r_2019_va.pdf

2.3 RISK MANAGEMENT AND SOLVENCY SELF-ASSESSMENT

AXA China Region Insurance Company (Bermuda) Limited applies the same policies as AXA Group. For details please refer to page 16 of the Solvency and Financial Condition Report of 2019 of AXA Group.

https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com%2F09af29af-f672-42db-a0e3-ccbba2053693_axa_sfc_r_2019_va.pdf

2.4 INTERNAL CONTROLS

AXA China Region Insurance Company (Bermuda) Limited applies the same policies as AXA Group. For details please refer to page 17 of the Solvency and Financial Condition Report of 2019 of AXA Group.

https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com%2F09af29af-f672-42db-a0e3-ccbba2053693_axa_sfc_r_2019_va.pdf

2.5 INTERNAL AUDIT

AXA Hong Kong Internal Audit exists to help the Board and Executive Management protect the assets, reputation and sustainability of the organisation by providing an independent and objective assurance activity designed to add value and improve the organisation's operations. It helps the organisation meet its objectives by bringing a systematic, disciplined approach to challenge Executive Management and evaluate the effectiveness of risk management, control and governance processes. The AXA Hong Kong internal audit function has an audit charter to document its mission, independence, scope, accountabilities, responsibilities, authorities and standards. The charter is approved by the relevant Audit Committee each year. The head of the AXA Hong Kong internal audit function has a direct and unfettered reporting line directly to his/her respective Audit Committee Chairman. AXA Hong Kong Internal Audit functionally reports through Regional Head of Internal Audit Asia to the Global Head of Audit who reports to the Group Audit Committee Chairman. AXA Hong Kong Internal Audit annually sets up an internal audit plan of work, based on an assessment of both the inherent risk and the adequacy of controls. Its performance is formally monitored and reported to the Audit Committee. Over the audit cycle, all applicable audit universe components for each entity are expected to be audited. Any exceptions identified are notified to the Audit Committee for ratification. A report is issued at the conclusion of each audit assignment to the relevant senior management. The results of the audits and resolution status of internal audit issues are presented to the Audit Committee and Executive Management on a regular basis.

2.6 ACTUARIAL FUNCTION

AXA China Region Insurance Company (Bermuda) Limited applies the same policies as AXA Group. For details please refer to page 17 of the Solvency and Financial Condition Report of 2019 of AXA Group.

https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com%2F09af29af-f672-42db-a0e3-cbba2053693_axa_sfc_r_2019_va.pdf

2.7 OUTSOURCING

AXA China Region Insurance Company (Bermuda) Limited applies the same policies as AXA Group. For details please refer to page 17 of the Solvency and Financial Condition Report of 2019 of AXA Group.

https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com%2F09af29af-f672-42db-a0e3-cbba2053693_axa_sfc_r_2019_va.pdf

In compliance with the Bermuda Insurance regulations, AXA China Region Insurance Company (Bermuda) Limited has outsourced to Estera Services (Bermuda) Limited to provide Corporate Administration services (registered office and Company Secretary) and Estera Management (Bermuda) Limited to provide Insurance Manager and Principal Representative services (including services of a Director resident in Bermuda) for the Company in Bermuda.

2.8 ANY OTHER MATERIAL INFORMATION

Nil in 2019.

3. RISK PROFILES

3.1 MATERIAL RISKS

Please refer to the FY2019 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 41 to 56.

3.2 RISK MITIGATION

Please refer to the FY2019 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 41 to 56.

3.3 MATERIAL RISK CONCENTRATIONS

Please refer to the FY2019 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 41 to 56.

3.4 ASSET INVESTMENTS

Please refer to the FY2019 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 41 to 56.

3.5 STRESS TESTING AND SENSITIVITIES ANALYSIS

Please refer to the FY2019 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 41 to 56.

3.6 ANY OTHER MATERIAL INFORMATION

Please refer to the FY2019 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 41 to 56.

4. SOLVENCY VALUATION

4.1 VALUATION BASIS, ASSUMPTIONS AND METHODOLOGY FOR ASSETS

Please refer to the FY2019 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 25 to 32.

4.2 VALUATION BASIS, ASSUMPTIONS AND METHODOLOGY FOR TECHNICAL PROVISIONS

Please refer to the FY2019 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 79 to 91.

4.3 RECOVERABLES FROM REINSURANCE CONTRACTS

Please refer to the FY2019 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 31 to 40 and 91.

4.4 VALUATION BASIS, ASSUMPTIONS AND METHODOLOGY FOR OTHER LIABILITIES

Please refer to the FY2019 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 31 to 40 and 91.

4.5 ANY OTHER MATERIAL INFORMATION

Please refer to the FY2019 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 31 to 40.

5. CAPITAL MANAGEMENT

5.1 ELIGIBLE CAPITAL

Please refer to the FY2019 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 56 and 76.

5.2 REGULATORY CAPITAL REQUIREMENTS

Please refer to the FY2019 AXA China Region Insurance Company (Bermuda) Limited Financial Statement page 56.

5.3 APPROVED INTERNAL CAPITAL MODEL

Nil in 2019.

6. SUBSEQUENT EVENT

Nil in 2019.