

The Manufacturers Life Insurance Co. (Phils.), Inc.

About Manulife Philippines

In 1901, the first Manulife life insurance policy was sold in the Philippines. A few years later, in 1907, Manulife received its license to engage in business in the Philippines. Since then, Manulife's Philippine Branch and later The Manufacturers Life Insurance Co. (Phils.), Inc. (Manulife Philippines) has grown to become one of the country's top ten life insurance companies. Manulife Philippines' agency force is considered to be amongst the most professional in the local life insurance industry. In 2007, Manulife Philippines was proud to celebrate 100 years of doing business in the Philippines.

Structure of Manulife Philippines

- From 1907 to 1998, Manulife Financial operated in the Philippines as a branch of The Manufacturers Life Insurance Company.
- On January 1, 1999, Manulife's operations in the country became Manulife Philippines, a wholly owned subsidiary. This move established a more formidable and permanent presence for Manulife's Philippine operations by conducting its business through a domestic company. In addition, the incorporation of Manulife Philippines paved the way for the Company to expand its presence and accelerate its growth to deliver a broad portfolio of products and services to more Filipino families.
- On August 24, 2000, Manulife received approval from the Philippines Securities and Exchange Commission (SEC) to operate its Pension & Education (P&E) affiliate – Manulife Financial Plans, Inc. (MFP). MFP is committed to offering high quality P&E plans to the public. In the process, it aims to extend the same valued service Manulife is known to provide.
- In 2007, the Philippine Insurance Commission (IC) and the Bangko Sentral ng Pilipinas (Central Bank) approved the operation of a bancassurance joint venture company, Manulife Chinabank Life Assurance Corporation. The joint venture company is a strategic bancassurance alliance of China Banking Corporation (China Bank), the Philippines' first privately owned commercial bank, and Manulife Philippines.

Business operations of Manulife Philippines

- Manulife Philippines' total sales grew by 78 per cent in the first quarter of 2010 compared with the same period in 2009. There was a 56 per cent increase in total regular premium sales and a 165 per cent increase in total single premium sales for the first quarter of 2010 over 2009. Total premiums and deposits in the first quarter of 2010 increased by 16 per cent over the same period last year, while total assets under management grew by 30 per cent.
- Manulife's agency retention standards play a key role in maintaining a professional agency force. The Company continues to focus on recruiting and training quality Sales Associates in its tradition to provide professional service for its customers and stakeholders. Headquartered in

Metro Manila, today Manulife Philippines reaches out to the archipelago with 16 strategically located branch offices and a team of more than 1,500 professional agents.

- In recent years, Manulife Philippines has implemented various initiatives designed to expand its presence in the Philippines and better position itself for the future. Among these are:
 - **June 2002** – Manulife Philippines acquired the in-force business formerly belonging to MetLife Insurance Company of the Philippines, Inc. by way of an Assumption Reinsurance Agreement.
 - **January 2003** – All regulatory requirements for acquiring CMG Philippines were completed; the acquisition represented the largest transaction of its kind ever in the country. Manulife successfully completed the integration of CMG Life Insurance Co., Inc. business with Manulife Philippines in September 2003.
 - **September 2003** – Relocation of Manulife Philippines Head Office to LKG Tower on Ayala Avenue in Makati City – Metro Manila’s Central Business District. Consequently, a number of provincial agency offices also underwent improvements by way of new office location or renovation, in an effort to improve service delivery to Manulife’s policyholders.
 - **February 2004** – Manulife Philippines completes the acquisition of the life insurance business of Zurich Life Philippines, Inc., by way of an Assumption Reinsurance Agreement.
 - **June 2004** – Manulife Philippines acquires the life insurance business of John Hancock Life Insurance Corporation in the Philippines (JHLIC) by way of an Assumption Reinsurance Agreement. This transaction is part of a global initiative by Canadian-based Manulife Financial Corporation, the ultimate parent of Manulife Philippines, to merge with U.S.-based John Hancock Financial Services, Inc.
 - **August 2006** – Manulife Financial received approval from local and foreign regulators for its purchase of The Pramerica Life Insurance Company, Inc. in the Philippines from Prudential International Insurance Holdings Ltd. This transaction would be the fifth of its kind since 2002.
 - **September 2007** – Manulife announced a strategic bancassurance alliance with China Banking Corporation (China Bank) in January 2007; regulators subsequently approved the operation of a joint venture company, Manulife Chinabank Life Assurance Corporation effective October 1, 2007. This venture offers a wide range of Manulife’s insurance products tailored to the needs of China Bank’s depositors and clients.
 - **February 2009** – Manulife inaugurated its signage atop the LKG Tower, headquarters of MFC’s financial services subsidiaries in the Philippines.

Innovative products and services

- **Affluence Builder** is a regular pay variable life insurance product that offers the policyholder, an opportunity to earn market yield rates on a range of investment fund options, while providing ample insurance protection.
- **Affluence & Affluence Max** are single pay variable life products with several investment options to match the investment requirements of the policyholder. These products allow policy owners the flexibility to invest in any one or combination of separate investment funds through a single premium and later, opt to switch investments partially or entirely from one fund to another. Affluence & Affluence Max are available in both peso and dollar currencies.
- **Seasons** is a participating whole life insurance product that provides guaranteed protection and returns and benefits such as guaranteed cash values and non-guaranteed accumulated dividends. It comes with several options like guaranteed cash payouts option, premium paying period option of 5 years, 10 years and until age 85, and rider options. Seasons is available in both Peso and USD currencies.

- **Freedom** is a participating 20-year endowment that gives guaranteed protection, guaranteed cash values and non-guaranteed dividends for 20 years. It has the option of giving guaranteed cash benefit payouts on a regular basis and adding riders to optimize the value of the plan. It is payable either in 5 years, 10 years or 20 years. Freedom is available in both Peso and USD currencies.
- **Critical Care** is a 5-year critical illness insurance that provides a lump sum benefit in the event that the insured is diagnosed to have a critical illness condition. It is a comprehensive medical protection policy with the following core features: guaranteed accelerated critical illness benefit; guaranteed invasive surgical treatment benefit; guaranteed gender-specific illness benefit; guaranteed 50% return of premium if the insured is still alive at the end of the 5th year; and guaranteed life insurance protection. It also has a renewability option subject to certain conditions.

Competitive strengths

- Manulife Philippines was a key participant in MFC's demutualization project. This structural change paved the way for Manulife Financial Corporation to list its shares on the Philippine Stock Exchange (PSE). In 1999, MFC made history by becoming the first foreign company to list at the PSE. This has significantly improved Manulife Philippines' public visibility and reinforced Manulife's commitment to the local insurance marketplace. As of end-January 2010, MFC continues to be the largest company (by market capitalization) listed on the PSE.
- Manulife Philippines' agency force is considered to be amongst the most professional in the local life insurance industry. The same quality service and financial integrity that has allowed it to endure for a hundred years will continue to bring Manulife Philippines success in the new millennium.

Contribution to the community

Manulife is proud to be an active corporate citizen in the Philippines, giving back to the communities in which it does business.

In 2000, the Company established a relationship with the Migi's Corner Foundation, Inc., a non-profit association dedicated to building playrooms and libraries in hospitals for young cancer patients.

In more recent years, R.E.A.C.H. Foundation, Inc., has also established a growing relationship with the Company. A non-profit organization, it is dedicated to providing therapy-related training and guidance facilities for underprivileged families with special children and/or loved ones.

Awards & recognition

- **Most Astute Investors in Local Currency Bonds by *The Asset Benchmark Research***
Aira Gaspar, CFA, Vice President and Chief Investment Officer and Anthony Garces, Fixed Income Director, Investments of Manulife Philippines have been named among the "Most Astute Investors in Local Currency Bonds 2009" in *The Asset Benchmark Research* survey. Both were named among Asia's most astute investors for the second consecutive year, having been named in both 2008 and 2009.

About Manulife Financial

Manulife Financial is a leading Canadian-based financial services group serving millions of customers in 22 countries and territories worldwide. Operating as Manulife Financial in Canada and Asia, and primarily through John Hancock in the United States, the Company offers clients a diverse range of financial protection products and wealth management services through its extensive network of employees, agents and distribution partners. Funds under management by Manulife Financial and its subsidiaries were C\$446 billion (US\$ 440 billion) as at March 31, 2010.

Manulife Financial Corporation trades as 'MFC' on the TSX, NYSE and PSE, and under '945' on the SEHK. Manulife Financial can be found on the Internet at www.manulife.com.

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