

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 The Manufacturers Life Insurance Company (Manulife), a wholly owned subsidiary of Canadian-based Manulife Financial Corporation.

Business Operations of Manulife Philippines

For the year 2008, Manulife Philippines achieved an 11% growth in regular premium sales and 2% increase in total premiums and deposits for combined Life and Pre-Need businesses compared to 2007. The Company's fourth quarter regular premium sales from the agency and bancassurance distribution channels grew by 8% from the previous year.

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 numerous strategically located branch offices and a team of more than 1,000 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 Philippines 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 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, 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. (“Pramerica Life”) 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.

Creating 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.
- **Adam** is a packaged plan exclusively for men that provides guaranteed protection, guaranteed cash values and non-guaranteed dividends up to age 85. It is packaged with major disease benefit, accident coverage and premium waiver. It has the option of giving a monthly family income benefit or adding protection through a term rider. It also has an option to add riders.
- **Eve** is a packaged plan exclusively for women that provides guaranteed protection, guaranteed cash values and non-guaranteed dividends up to age 85. It is packaged with major disease benefit, accident coverage and premium waiver. It has optional female benefits such as cancer benefits, maternity benefits or surgical benefits. It also has an option to add riders.

Competitive Strength

- 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). 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 December 2008, 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.

“Bringing Dreams to Life” as the Manulife brand promise

We have a long-term commitment to helping our customers, employees and local communities achieve their dreams. Those might be the dreams of a secure retirement, of investing in their children's education, or of simply knowing their money is safe and growing for their future. These dreams and aspirations for the future unite people and communities across the region.

Whatever those dreams may be, Manulife's broad range of protection, savings and investment products, backed by its global expertise and leadership will help achieve those dreams. That's why you can be assured that Manulife will be your trusted partner in managing your financial needs.

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***

Manulife Philippines' Aira Gaspar, Vice President and Chief Investment Officer and Anthony Garces, Fixed Income Director, Investments were among the eight Manulife fixed income fund managers who were named in The Asset Benchmark Research as the region's Most Astute Investors in Local Currency Bonds. The annual survey, now in its 10th year, asks sell side analysts to nominate the fund managers they consider to be the most astute investors in eight countries across the Asia region.

- **Manulife Philippines given 2008 "Excellence in Education" award**

Manulife Philippines was one of only 85 Life Office Management Association (LOMA) member-companies to have been recognized with this honor worldwide.

Demonstrated Financial Strength

From the roots of the design of every individual product we sell -- through the direct oversight of the company's senior management -- our long record of astute financial and risk management expertise is a testament to our financial strength and ability to honor all our commitments to clients.

Our financial discipline and record of strong operational performance have resulted in our key operating subsidiaries having among the highest ratings in the insurance industry. With a rigorous risk management framework that is applied globally, Manulife Financial is among only 5% of companies measured that have earned an "Excellent" Enterprise Risk Management designation from Standard & Poor's.

These, combined with our significant scale, diverse business platform and disciplined investment philosophy, mean that we are well placed to continue our focus on managing our business prudently and serving our clients well.

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 Cdn\$ 421 billion (US\$ 362 billion) as at June 30, 2009.

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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