

**October 2008**

## **Manulife Philippines**

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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**

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- 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 Philippines 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 (MCBLife). MCBLife 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**

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- 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 1,200 full time professional agents.
- In recent years, Manulife 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 Philippines successfully completed the integration of CMG business with Manulife Philippines in September 2003.
- **September 2003** – Relocation of Manulife Philippines Head Office to its new office 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 (MCBLife), effective October 1, 2007. This venture will offer a wide range of Manulife’s insurance products tailored to the needs of China Bank’s depositors and clients.

## Creating Innovative Products and Services

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- **Affluence Builder** is a regular pay variable life insurance product that offers the policyholder, opportunity to earn market yield rates on a range of investment fund options, while providing ample insurance protection.
- **Affluence** is the first variable life insurance product offering from Manulife Philippines. It allows policyowners the flexibility to invest in any one or combination of separate investment funds through a single premium and later, choose to switch investments partially or entirely from one account to another. Affluence is 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.
- **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.

- **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

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- Manulife Philippines was a key participant in the Company's demutualization project. This structural change paved the way for Manulife Financial Corporation (MFC) 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 Philippines' insurance marketplace. As of December 2007, Manulife 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.

## Official Life Insurance Partner of the Beijing 2008 Olympic Games

Manulife is the Official Life Insurance Partner of the Beijing 2008 Olympic Games. Our sponsorship provides a compelling platform to demonstrate how Manulife improves the quality of life in the communities in which we do business.

Manulife's Olympic Theme for the Beijing 2008 Olympic Games is **Bringing Dreams to Life**. Ultimately, Manulife's products and services provide peace of mind, and provide its customers with the resources to help them achieve their dreams. Beyond the net effect of our products and services, Manulife has also directly contributed to improving quality of life through numerous and on-going community programs.

## 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.

**About Manulife Financial**

Manulife Financial is a leading Canadian-based financial services group serving millions of customers in 19 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\$400 billion (US\$393 billion) as at June 30, 2008.

Manulife Financial is one of two publicly traded life insurance companies in the world whose rated life insurance subsidiaries hold Standard & Poor's Rating Services' highest "AAA" rating.

Manulife Financial Corporation trades as 'MFC' on the TSX, NYSE and PSE, and under '0945' on the SEHK. Manulife Financial can be found on the Internet at [www.manulife.com](http://www.manulife.com).

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