



Driving bold
ambitions in
*a rapidly
transforming*
world

Annual Report

2022



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Message from the Chairperson

Sachin N. Shah

General Manager, Emerging Markets
Manulife

Since 1907, Manulife Philippines has been a trusted financial partner for Filipinos as they navigate life's uncertainties and challenges, so they can face the future with confidence and live every day better. As new global realities set in, Manulife prides itself in being uniquely positioned to continue serving our customers' financial protection needs. Our winning team takes pride in our history and legacy in the country, as well as our global heritage – as these give us leverage to take our Philippine business to the next level.

In 2022, we continued our transformation journey to become the most digital, customer-centric global company in our industry. With the post-pandemic world being very different from the pre-pandemic environment, our team's focus in supporting our customers' needs has never been stronger. Filipinos have trusted us to be their financial partner for the past 116 years, and they can firmly do so for generations to come.

Transforming to be future-ready

In keeping with our mission — Decisions made easier, Lives made better — we supported our customers in their times of need. We continued to boost our digital capabilities so we can serve them when and where they'd like our assistance. We recently launched our eCommerce site, Manulife Shop. In a matter of minutes, Filipinos can buy our '365 Ready' plans anytime and anywhere – on their own or with assistance from a Manulife Financial Advisor.

This is well aligned with what we've found in our “Modern Filipino Family: Exploring Family Dynamics and Digitalization in the New Normal” research study. With Filipinos' heightened awareness towards ensuring their financial security, more than 40% are now seeking digitally enabled insurance and investments to secure their protection.

We also launched FutureBoost, a flexible life insurance plan that provides customers with multiple rewards and bonuses to help them achieve their life goals and enrich their future. This plan offers life and financial protection so Filipinos can secure every stage of their lives.

To accelerate our growth, we made a number of leadership appointments in 2022, including the appointment of Rahul Hora, an award-winning insurance industry veteran, as President and CEO. I am confident we have a strong leadership team in the Philippines which will unlock our business' growth potential.



Enabling positive change, making a difference

In 2022, we introduced Manulife's Impact Agenda - and we activated this global framework in the Philippines through partners, like: Corazon Sanchez Atayde Memorial Foundation (Peso Smart x Recovereads and Peso Smart Pinays), Gawad Kalinga (Goodbye Gutom and Peso Smart Hubs), and Haribon Foundation (Forests for Life Movement). These programs will help us to truly make a difference in the communities we serve – by empowering their sustained health and wellbeing, driving inclusive economic opportunities, and accelerating a sustainable future.

At Manulife, we aim to build a better business to better the world. This is a commitment we're focused on strengthening in the years to come. This commitment also extends to how we evolve our ways of working and invest heavily in the talent and capabilities of our team members, so we can anticipate and serve our customers' needs. As we embrace the future steadfast towards our Bold Ambition, I am confident in the dedication, drive, and enthusiasm of everyone on our winning team in the Philippines and its management team leading the way forward.

On behalf of the Company's Board of Directors, please allow me to thank our team in the Philippines for displaying their passion and energy amid the challenging past few years. You are what makes Manulife a great workplace by embodying and living our values every day. To our distribution teams and partners, many thanks for helping us make every day better for more Filipino families.

Together, let us bring Manulife to our next phase of *growth and reach* even more milestones as one strong and empowered team.

Message from the President and CEO

Rahul Hora
Manulife Philippines



It has been my privilege to assume leadership of Manulife Philippines in 2022, a year that had no shortage of challenges, but at the same time brought exciting opportunities to be better and bolder in fulfilling our mission to make decisions easier and lives better for Filipinos.

As our business is built on long-term relationships, Manulife Philippines strives to nurture the trust and confidence of our customers, stakeholders, communities, and colleagues every day. As one of the leading global insurers in the country, we are strongly positioned to carve our way forward by offering Filipinos relevant and innovative solutions to address their evolving needs. This means constantly enhancing our products,

services, and business operations to adapt to the customers of today.

In a rapidly changing environment, Filipinos have become more interested and invested in health and financial protection. There is now a heightened awareness that there are events and situations beyond our control, and being financially prepared is the best way to face the unexpected. Against this backdrop, we have become more inspired than ever to raise our game and deliver best-in-class products and services to our customers.

Operating on a customer-first mindset

One of our core values at Manulife is obsessing about customers. This means driving success by focusing on customer needs, and informing our strategy by listening to them, and deep diving on their most important concerns.

To this end, we regularly conduct research studies to understand today's consumers, as well as their shifting attitudes and behaviors. Our 2022 Manulife Asia Care Survey revealed how the COVID-19 pandemic hit Filipinos hard financially, and how they have taken charge of their finances by cutting expenses and looking for longer-term solutions to cushion the blow. Our study further revealed that 91% of Filipinos said they recognize the importance of insurance, and 76% of them look for simple and affordable insurance products that can be purchased online. We leveraged this insight to develop new products and platforms within the year.

In October 2022, we launched another study titled, "The Modern Filipino Family: Exploring family dynamics and digitalization in the new normal," where we discovered how Filipinos have embraced a hyper-digitalized life. Here, we learned that as Filipinos' enthusiasm for digital has grown, so has their interest in insurance and investment.

Knowing these insights allowed us to identify opportunities where we can drive our digital aspirations and better serve customers.

Strengthening our distribution and sales force

We have continued to empower our thousands-strong distribution force, so they are more empowered to serve and financially protect our customers. During our 2022 Agency Annual Awards, we recognized over 300 top Financial Advisors, including the youngest Financial Advisor of the Year in Manulife Philippines history. We also recognized 210 Million-Dollar Round Table (MDRT) members who demonstrated consistent excellent performance as Financial Advisors. MDRT is a global, independent association of the world's leading life insurance and financial services professionals, with members from more than 500 companies in 70 nations and territories. At the end of the year, Manulife had the fifth highest MDRT membership among life insurers in the Philippines.

In October 2022, we also launched Manulife Academy, a digital learning portal that provides 24/7 learning support to our distributors. It offers

engaging, scalable learning materials and gamified experience to reinforce the learners' progress. We are excited to see its full adoption yield remarkable results for our empowered agency force, as learning never stops at Manulife.

Our commitment to providing viable employment opportunities for Filipinos remains strong, amid a challenging and aggressive job market. We advocate for a fulfilling career as Financial Advisors through our Life Champions recruitment program. Our drive to hire across industries also helped underscore how being at Manulife allows individuals of diverse talents, backgrounds, knowledge, and skillsets can thrive in the industry and help more Filipino families achieve financial security and peace of mind.

Harnessing innovation to be a digital, customer leader

In 2022, we launched FutureBoost, an investment-linked life insurance plan that provides customers with rewards and bonuses to accelerate fund growth while providing life protection. This highlights our strong commitment to help Filipinos build the financial resilience that can help weather uncertain times.

We also launched Manulife Shop, a direct-to-customer digital platform that offers annually renewable insurance products. These products – 365 Ready Accident, 365 Ready Life and 365 Ready Duo – aim to respond to the needs of Filipinos who want access to easy and affordable insurance protection options, powered by a digital customer experience.

Sharing our humanity by serving our community

Our Environment, Social and Environmental Governance (ESG) goals have been strengthened by the launch of Manulife's Impact Agenda in 2022. Our Impact Agenda identifies three key pillars: empowering sustained health and well-being, driving inclusive economic opportunities, and accelerating a sustainable future. We brought this to life in the Philippines by partnering with three non-government organizations (NGOs): Gawad Kalinga, Corazon Sanchez Atayde Memorial Foundation (CSAMF), and Haribon Foundation, who were selected based on their proven track record, expertise, and ability to mobilize on-the-ground operations. Working with these community partners, we introduced new community investment initiatives that support each pillar of our Impact Agenda:

- Through Goodbye Gutom, Gawad Kalinga's family food sufficiency program, Manulife is training 300 families to produce food through organic farming on their family plots.
- Manulife and CSAMF are expanding the number of Peso Smart x RecoverEADS reach to 1,200 public school students in more cities and provinces, and have launched Peso Smart Pinays, a bespoke

financial literacy program for female heads of households.

- Through Haribon's Forests for Life program, which aims to restore Philippine rainforests, Manulife Philippines commits to planting 15,000 seedlings covering about 12 hectares of land in Haribon's conservation areas in the provinces of Laguna, Quezon, and Rizal.

I am also proud of our financial literacy program Peso Smart, which continued to evolve in 2022 to benefit more students and learners across sectors and demographics, teaching them the importance of saving, budgeting, and investing to be financially empowered. The program now has multiple variants – Peso Smart x RecoverEADS for public school elementary students; Peso Smart University for college students; and Peso Smart Pinays for female heads of household.

Finally, diversity, equity, and inclusion (DEI) remain an integral part of our culture and ways of working. We take great pride in our employee-resource groups like the Global Women's Alliance and Professionals Reaching out for Unity and Diversity (MP PROUD), who have continued to be steadfast in their efforts to promote the importance of fostering an inclusive environment for all, regardless of our differences.

Winning Team Philippines

Our 2022 achievements would not be possible without our Winning Team, who relentlessly go above and beyond to make progress against our ambitions. It is true that the ultimate driving force of any organization is its people, and navigating change is impossible without everyone's support and collaboration. Indeed, our team is the most important ingredient to do what we do.

Thank you for keeping your focus on our priorities, seizing opportunities for growth, and embracing change. I am confident that in 2023 and beyond, we can achieve new heights together.

About Manulife

Manulife Financial Corporation is a leading international financial services provider, helping people make their decisions easier and lives better. With our global headquarters in Toronto, Canada, we provide financial advice and insurance, operating as Manulife across Canada, Asia, and Europe, and primarily as John Hancock in the United States.

Through Manulife Investment Management, the global brand for our Global Wealth and Asset Management segment, we serve individuals, institutions, and retirement plan members worldwide. At the end of 2022, we had more than 40,000 employees, over 116,000 agents, and thousands of distribution partners, serving over 34 million customers.

We trade as 'MFC' on the Toronto, New York, and the Philippine stock exchanges and under '945' in Hong Kong.

Not all offerings are available in all jurisdictions. For additional information, please visit manulife.com.

Our Mission

Decisions made *easier*.
Lives made *better*.

Our Values

Our values represent how we operate. They reflect our culture, inform our behaviors, and help define how we work together.

1. Obsess about customers

We predict our customers’ needs and do everything in our power to satisfy them.

2. Do the right thing

We act with integrity and do what we say.

3. Think big

Anything is possible. We can always find a better way.

4. Get it done together

We’re surrounded by an amazing team. We can do it better by working together.

5. Own it

We have the freedom and power to make decisions and the courage to pursue our mission and vision.

6. Share your humanity

We build a supportive, diverse, optimistic and thriving workplace.

Our Five Strategic Priorities:



Portfolio Optimization

We are actively managing our legacy businesses to improve returns and cash generation while reducing risk.



Expense Efficiency

We are getting our cost structure into fighting shape and simplifying and digitizing our processes to position us for efficient growth.



Accelerate Growth

We are accelerating growth in our highest-potential businesses.



Digital, Customer Leader

We are improving our customer experiences, using digitization and innovation to put customers first.



High-Performing Team

We are building a culture that drives our priorities.

Manulife Philippines

The Manufacturers Life Insurance Company (Manulife) opened its doors for business in the Philippines in 1907. Since then, Manulife’s Philippine Branch and later, The Manufacturers Life Insurance Co. (Phils.), Inc. (Manulife Philippines) has grown to become one of the leading life insurance companies in the country.

Manulife Philippines is a wholly-owned domestic subsidiary of Manulife Financial Corporation, among the world’s largest life insurance companies by market capitalization.

1907

Founding Year

US\$ 2,022.80 Billion

Assets Under Management

US\$ 181.93 Million

Total Premium for Wealth

US\$ 121.69 Million

Total Premium for Insurance

7,909

Insurance Commission-Licensed Agents

458,196

Policies in Force

Ownership Structure



*40% Owned by China Banking Corporation
All Entities are 100% controlled unless otherwise indicated

Board of Directors

*as of May 2022





Sachin Shah
Chairperson

Sachin N. Shah (55) was appointed General Manager, Emerging Markets, Asia in August 2020. He is a member of Manulife’s Asia Executive Committee and Global Leadership Team.

Sachin is responsible for driving the development of the Company’s operations in Southeast and South Asia – namely Cambodia, India, Indonesia, Malaysia, Myanmar, Philippines and Vietnam. The General Managers of these markets report to him. He is based in Singapore.

Sachin has vast industry experience, principally in Asia and the United States. He joined Manulife from AIG, where he was CEO, Asia Pacific General Insurance. He previously held a variety of senior leadership roles across a 20-year tenure at MetLife, most recently as Chairman, President and CEO, MetLife Japan. Sachin also served as President of the American Chamber of Commerce in Japan.

He has a Masters in Finance and Technology from Stevens Institute of Technology.



Rahul Hora
Executive Director

Rahul Hora (49) is the President and CEO of Manulife Philippines. He currently serves as an executive director of Manulife Philippines, and as director of Manulife China Bank Life Assurance Corp. and Manulife Investment Management and Trust Corporation. He first served as a director of said companies in 2022.

As President and CEO, Rahul is responsible for the development and execution of Manulife’s strategy in the Philippines, supercharging the business so the company can continue making every day better for more Filipinos.

Hora is an insurance industry veteran, having taken on various sales and distribution leadership roles in operations, agency, and bancassurance across geographies. He joins Manulife from another multinational insurance company, where he held distribution roles at market and regional levels, and most recently led their life and non-life insurance operations in the Philippines.



Matthew Lawrence
Non-Executive Director

Matthew Edward Lawrence (46) serves as a non-executive director of Manulife Philippines, Manulife Financial Plans, Inc., and Manulife China Bank Life Assurance Corp. He was first elected as director on 01 October 2019. He also serves as a member of the Company’s Audit Committee, Corporate Governance Committee, and Related Party Transactions Committee. Matt joined Manulife as Regional Controller, Asia, in June 2019. In this role, he is responsible for the Asia regional finance team, overseeing financial planning and analysis, management reporting, expense management and accounting policy.

Matt has over 20 years of experience in the insurance industry, holding leadership positions in both the corporate and professional services fields that span across North America, Europe and Asia. Prior to joining Manulife, he worked at Prudential where he held a series of progressive roles; most recently as Finance Director of Prudential Assurance Company Singapore, where he was responsible for strategic planning and analysis, financial reporting, finance operations, and finance innovation. Prior to his time with Prudential, he spent many years at KPMG and has experience that covers accounting advisory, audit, and transaction services.

A Chartered Accountant and Fellow of the Institute of Chartered Accountants in England and Wales, Matt holds a Bachelor of Science in Economics from London School of Economics and Political Science. He speaks frequently at industry events on the subject of accounting change



Anthony Buchanan
Non-Executive Director

Anthony Buchanan (42) serves as a non-executive director of Manulife Philippines and Manulife Financial Plans, Inc., having been first elected as such in January 2020.

Anthony is the Chief Transformation Officer of Manulife Asia. He is likewise a member of the board of directors of Manulife IT Development Centre and a board supervisor of Manulife Information and Technology Services Co., Ltd. in Chengdu, China.

Anthony has been Chief Information Officer, Manulife Hong Kong and Macau, having previously also held dual responsibility as Interim Chief Operations Officer, Hong Kong. Prior to that, he was in the Regional IT and Operations team.

Prior to joining Manulife, Anthony was the Head of IT and Operations Performance and Planning of QBE Emerging Markets. Prior to that Anthony came from a strategy and IT consulting background working with Capgemini and Ernst & Young.

Anthony is a Mechanical Engineering graduate of Monash University in Victoria, Australia and has a Masters in Aeronautical Engineering from the same university.



Rhoda Regina Reyes-Rara
Independent Director

*resignation effective April 20, 2023

Rhoda Regina Rara (56) serves as an Independent Director of Manulife Philippines, Manulife Financial Plans, Inc., and Manulife China Bank Life Assurance Corp. She was first elected as Independent Director in September 2007.

She also chairs the Corporate Governance Committee and Related Party Transaction Committee of the Company. In 2021, Regina was appointed as Lead Independent Director for Manulife China Bank. Presently, Regina is the Managing Partner of MarksPro Philippines / Law Firm of Reyes Rara & Associates.

She is also the Vice President for Internal Affairs of the Intellectual Property Professors & Research Organization of the Philippines, and an accredited Mandatory Continuing Legal Education lecturer. She was also a Professor of Criminal Law at the De La Salle University College of Law.

Prior to her present roles, Regina was a Partner at Ponce Enrile Reyes & Manalastas Law Offices (1990-2004), and Corporate Secretary of First Asia Realty Development Corp. (1996-2004), and Phil. Global Communications, Inc. (1994 -1996).

Regina holds Bachelor of Science in Legal Management and Bachelor of Laws degrees from the Ateneo de Manila University.



Janette L. Peña
Independent Director

Janette L. Peña (63) is an Independent Director of Manulife Philippines, Manulife Financial Plans, Inc., and Manulife China Bank Life Assurance Corp. She was first elected as Independent Director of the Company in 2007. In 2021, Janette was appointed as Lead Independent Director of Manulife Philippines.

She is also the Chairperson of the Audit Committee of the Company. Janette is currently engaged in legal consultation and special projects. She is a director and/or Corporate Secretary of Central Azucarera de Tarlac, Inc., Chinese International School, Inc., First Lucky Group of Companies, Oak Drive Group of Companies, and the China Oceanis Group of Companies.

Prior to her present roles, Janette was a Senior Partner at Ponce Enrile Reyes Manalastas Law Offices (1985-2003); Director and Corporate Secretary of Pancake House Group of Companies (2000-2014), Bousted Technologies (2004-2013), Corporate Secretary of Salcon Holdings (2003-2009), Del Monte Philippines and Philippine Plaza Holdings (1995-2003).

Janette holds a Bachelor of Science degree in Business Economics and a Bachelor of Laws degree from the University of the Philippines and Master of Laws from Harvard Law School.



Conrado Favorito
Independent Director

Conrado Favorito (64) is an Independent Director of Manulife Philippines, Manulife Financial Plans, Inc., and Manulife China Bank Life Assurance Corp. He was first elected as director of the Company in April 2018. In 2021, Conrad was appointed as Lead Independent Director of Manulife Financial Plans.

He is currently the CEO-President and Chief Consultant of his company, Mr. Fave Management Training & Consulting Services. He acts as his company's Management Consultant, TQM & ISO 9001 Adviser, Keynote Speaker, Trainer for Webinars and Seminars, and Book Editor. Likewise, he serves as a consultant/ adviser of Inkwell Publishing Co., Inc., VFP Business Support Services, Inc., and Blue Macay Food Manufacturing Group.

He is also an accredited speaker/ trainer/ consultant of South East Asia Speakers & Trainers Bureau Inc., Ariva Academy, and SMESoft.

Conrad holds a Pre-Divinity/Philosophy degree from the Ateneo de Manila University and a Master in Business Management degree from the Asian Institute of Management.

1
Rahul Hora
President and CEO

2
Neil Bowyer
President, Manulife China Bank Life
Chief Partnership Distribution
Officer, Manulife Philippines

3
Macaria Gaspar
President and CEO
Manulife Investment Management
and Trust Corporation

4
Justin Helferich
Chief Financial Officer

5
Melissa Henson
Chief Marketing Officer

6
Fritzie Tangkia-Fabricante
Chief Legal and Compliance Officer

7
Ivan Dave Buenaventura
Chief Information Officer

8
Dong Young "Maya" Lee
Chief Operations Officer

9
Katerina Suarez
Chief Risk Officer

10
Anna Liza Villamor
Chief Human Resources Officer





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- 1 **Joseph Daryl Abesamis**
Chief Actuary
- 2 **Jenell Lagman**
Head, Data Analytics
- 3 **Mervin Keng**
Territory Head
- 4 **Maxima Linda Galido**
Agile Product Owner
- 5 **Cherryl Asinas**
Head, Corporate Solutions
- 6 **Anna Elizza Bustos-De Leon**
Data Privacy Officer

- 7 **Juvelene Amosco**
Head, Product Pricing
- 8 **Jake Ilagan**
Head, Technology and Governance Strategy
- 9 **Roselle Sibayan**
Head, Agency Learning



- 17 **Lorna Lee Dela Paz-Almojera**
Alternate Data Privacy Officer and Anti-Money Laundering Risk Officer
- 18 **Juan Fernando Salazar**
Head, National Agency Sales
- 19 **Katherine Wong**
Head, Branding, Marketing Communications and Digital
- 20 **Mikael Diaz De Rivera**
Head, Distribution Operations
- 21 **Edwin Magpantay**
Controller (MP)
Treasurer (MCBL)

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23	24		

- 22 **Abbiegail Divinagracia Sac**
Corporate Secretary
- 23 **Sylvia Stolk**
Head of Health
- 24 **Prahlad Agarwal**
Chief of Staff and Head of Strategy



- 10 **Mara Herrera**
Assistant Corporate Secretary
- 11 **Sailesh Nalinakshan**
Head, Distribution Transformation
- 12 **Maria Trinidad Henson**
Head, Client Centricity
- 13 **Marilyn Ong**
Head, Operations Strategy Planning
- 14 **Rommel Ong**
HR Business Partner
- 15 **Jared Anthony Uichico**
Head, Partnership Distribution
- 16 **Maria Luisa Mayuga**
Head, New Business Portfolio

	10	11	
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16			

Manulife in the Philippines

Manulife Philippines

In 1901, the first Manulife life policy was sold in the Philippines . A few years later, in 1907, the Manufacturers Life Insurance Company received its license to engage in business in the country. Since then, Manulife has grown to become one of the top life insurance companies in the Philippines.

Prior to incorporation, Manulife operated as a Philippine branch from February 1907 to December 1998. Since January 1, 1999, the Manufacturers Life Insurance Co. (Phils.), Inc. (Manulife Philippines) has operated as a wholly owned domestic subsidiary of Manulife Financial Corporation.

Manulife Philippines also operates a pre-need subsidiary, Manulife Financial Plans, Inc. (MFP); a bancassurance joint venture company, Manulife China Bank Life Assurance Corporation (MCBL) with China Banking Corporation; and an asset management and trust company, Manulife Investment Management and Trust Corporation (MIM PH).

MBPS and MITDC

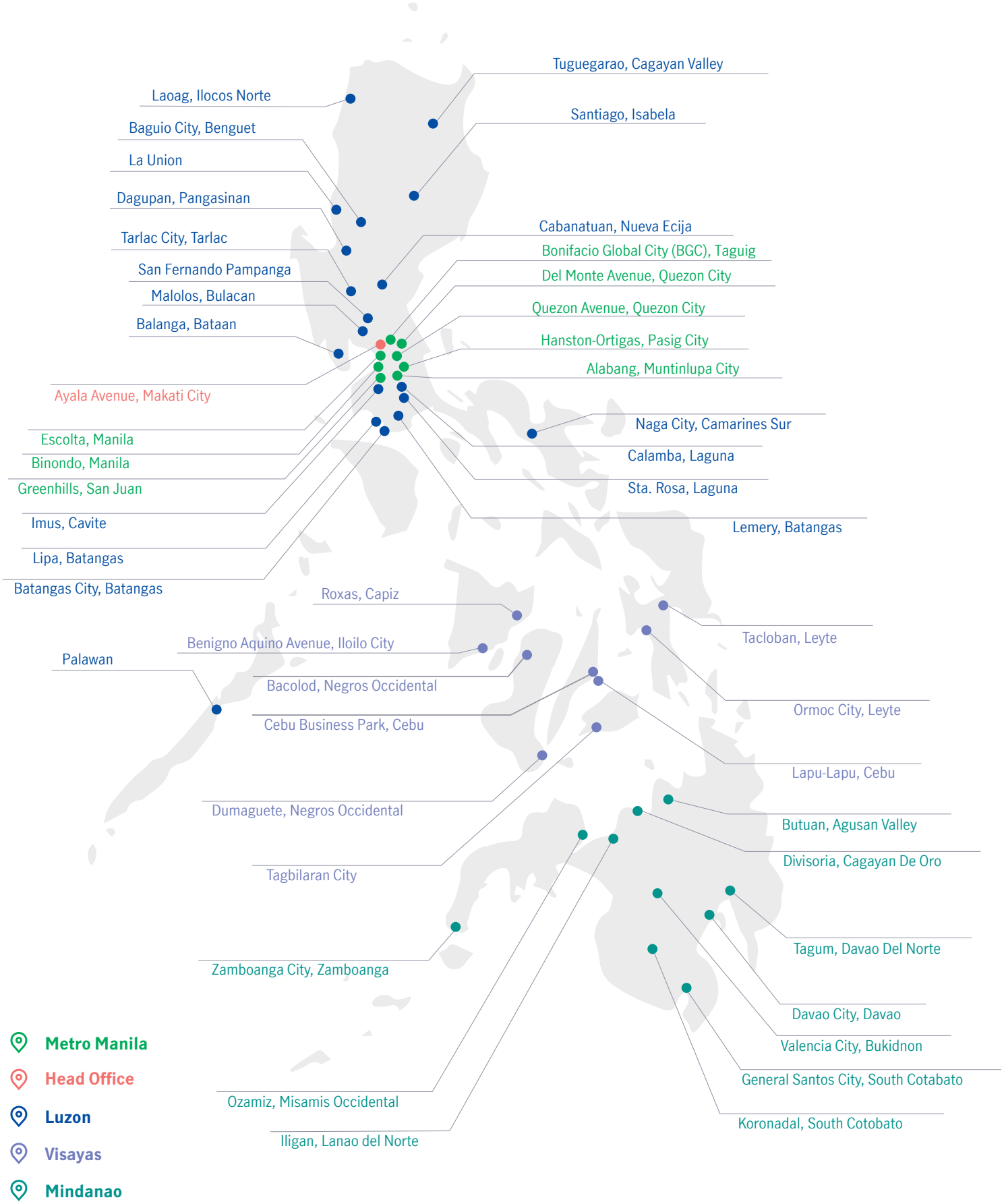
Manulife also operates two offshoring businesses in the country: Manulife Data Services, Inc., more commonly known as Manulife Business Processing Services (MBPS), and Manulife IT Delivery Services (MITDC).

MBPS is a wholly owned subsidiary of Manulife Financial Corporation. It was established in 2006 to provide financial, insurance, and wealth management operations services to Manulife’s global operations that span across Asia, Canada, and the U.S. Manulife IT Delivery Center (MITDC) was established in the Philippines in 2019 to deliver and maintain digital solutions, to provide faster and better service to Manulife customers across Asia. Apart from its operations in Manila, it also has a branch in Ho Chi Minh, Vietnam.

MBPS and MITDC are operated by Manulife global and are independent from the operations of Manulife Philippines.

Branch Map

47 offices nationwide



Our Subsidiaries

Manulife Investment Management

Manulife Investment Management and Trust Corporation (MIM PH) is a wholly owned subsidiary of Manulife Philippines. MIM acquired its trust and other fiduciary business license from the Banko Sentral ng Pilipinas in 2017 and started operations in September 2017. It is the first trust corporation in the Philippines that is backed by a leading multinational financial services group.

MIM PH is part of the global network of asset management companies of Manulife Investment Management the global asset management arm of Manulife Financial Corporation. Manulife Investment Management has operations in 17 countries and territories and has more than 450 investment professionals. Assets under management of Manulife Investment Management amount to approximately USD 409 Billion.

Leveraging Manulife Investment Management's global and regional investment capability, MIM PH aims to provide investment solutions that can help clients grow their wealth portfolio according to their risk and return objectives. MIM PH's competitive advantage of interconnectivity and idea sharing among the network of investment management professionals is unmatched by many local and global asset managers. It has access to the best investment ideas from 10 markets across Asia and the funds under its management benefit from real time information, market and policy insight and investment know-how that only strong connectivity can provide.



Manulife China Bank Life Assurance Corporation (MCBL) is a strategic alliance between Manulife Philippines and China Banking Corporation (China Bank). It provides a wide range of innovative insurance products and services to customers of China Bank as well as the bank's thrift arm, China Bank Savings (CBS). MCBL aims to ensure that every client receives holistic life, health, and wealth solutions to address his or her individual needs.

Since opening in October 2007, the company has grown into a business of significance for both Manulife and China Bank. The two strengthened their partnership further in 2014 when China Bank raised its equity stake in MCBL to 40%.



Corporate Governance Policy

Manulife Philippines is committed to its full compliance with the Insurance Commissions’ Code of Corporate Governance. The Company recognizes its primary responsibility to ensure effective corporate governance oversight throughout the organization and is committed to maintain and continue improving its good corporate governance culture and practices.

Ensuring that the needs and interests of all its stakeholders are taken into account in a balanced and transparent manner is essential to the Company’s success.



Corporate Governance Manual

The Board of Directors of the Company, during its 28 November 2016 meeting, unanimously approved and adopted the Corporate Governance Manual for Manulife Philippines, and this was amended on 11 June 2021. This Manual was adopted from Manulife’s existing Asia Directors’ Manual and was modified to conform to local regulations.

The Manual’s objective is to institutionalize the principles of good corporate governance and to promote awareness of the principles in the entire organization.

The approval and adoption of the Manual likewise complies with the Securities and Exchange Commission’s (SEC) requirement that all covered corporations, including the Company, shall submit their respective Corporate Governance Manuals to the SEC. This also serves as a manifestation of the Company’s continued commitment to good corporate governance.

Roles and Responsibilities of the Board

The Board of Directors exercises all the powers of the corporation as granted by the Revised Corporation Code of the Philippines, the Company By-laws, the Manual of Corporate Governance, and all other relevant laws, rules, regulations and internal policies.

Under the Corporate Governance Manual, the following are among the matters that must be generally put before the Board of Directors:

1. Reviewing and approving the Company’s business plans prepared by management and monitoring the performance of the Company against these plans;
2. Considering the business risks and the Company’s risk management mechanisms and internal control and management information systems;
3. Reviewing and approving financial statements, major capital expenditures, raising capital and other major financial activities;
4. Monitoring and evaluating executive performance, hiring, compensation, assessment, development and succession;

5. Considering issues relating to the Company’s line of business and decisions regarding the allocation of resources to lines of business (though as a practical matter, the Board may take instructions based on divisional reporting lines);
6. Approving the appointment of senior management, at the instruction of the shareholder(s);
7. Reviewing and approving organizational restructurings, mergers, acquisitions and divestitures; and
8. Ensuring the integrity of communications between the Company and its stakeholders.

The Board of Directors is responsible for providing independent oversight of the management of the business and affairs of the Company. The Board’s oversight role also includes assessing whether the Company’s operations are being conducted in a prudent manner in compliance with legal and regulatory requirements. Consistent with its Parent Company’s Board Mandate, the Board approves and oversees the implementation of corporate strategic plans, strategic initiatives and business decisions taking into account, among other things, the opportunities and risks of business.

The Board also reviews and approves significant public disclosure policies and documents, including the financial statements and related disclosures prior to their release. In accordance with the Revised Corporation Code, prepared by management and monitoring the performance of the Company against these plans; the Board of Directors also approves the declaration of Company dividends out of the unrestricted earnings which shall be payable in cash, property, or in stock to all stockholders on the basis of outstanding stock held by them.

The Board likewise oversees the succession planning process of the Company, including the selection, appointment and development of the Chairperson of the Board, the Board members, the CEO and other senior executive officers, including the heads of the Company’s oversight functions, and the termination of the CEO, if required.

Audit Committee

The Audit Committee assists the Board of Directors in its oversight role with respect to financial information and audit functions by providing an independent review of the effectiveness of the financial reporting process and internal control system. After each committee meeting, the Audit Committee reports to the Board a summary of its findings highlighting significant issues that have arisen.

Specifically, the Audit Committee has the following duties:

- 1. Oversight of the External Auditor**
This includes reviewing the performance of the External Auditor and recommending to the Board of Directors the appointment, re-appointment, or removal of the External Auditor.
- 2. Financial Reporting**
This includes review of the audited financial statements, significant financial reporting issues and judgments, major issues as to the adequacy of the Company’s internal controls, and regulatory and accounting changes, among others.
- 3. Oversight of the Company’s Internal Audit Function**
This includes review of the scope and independence of the internal audit function, internal audit plan, and reports of the internal audit department.
- 4. Oversight of the Company’s Compliance and Risk Management Program**
This includes the review of reports prepared by management on the Compliance Program, Risk Management Program, review of investments or transactions that could adversely affect the well-being of the Company, and reports on regulatory findings and management’s response thereto.

The Audit Committee reviewed the Company’s material controls and risk management program, and found them to be adequate.

In 2022, the Audit Committee met four times as shown below:

Name of Director	Date of meeting			
	11 February 2022	29 April 2022	2 September 2022	4 November 2022
Janette Peña (Chairperson/Independent)	✓	✓	✓	✓
Rhoda Regina Rara (Independent)	✓	✓	✓	✓
Conrado Favorito (Independent)	✓	✓	✓	✓
Matthew Lawrence (Non-Executive)	✓	✓	✓	✓
Anthony Buchanan (Non-Executive)	✓	✓	✓	✓

In 2022, the Audit Committee’s majority membership was composed of Independent Directors. It is chaired by an Independent Director, as shown below:

Audit Commitee	
Janette Peña	Chairperson/Independent Director
Rhoda Regina Rara	Independent Director
Conrado Favorito	Independent Director
Matthew Lawrence	Non-Executive Director
Anthony Buchanan	Non-Executive Director

In its meeting on 29 April 2022, the Audit Committee recommended for board approval the appointment of Sycip, Gorres Velayo & Co. (SGV & Co.) as the Company’s external auditor for 2022.

Corporate Governance Committee

Pursuant to law and Manulife’s commitment to international best practices in the area of corporate governance and culture, the Corporate Governance Committee (formerly the Nomination & Remuneration Committee) was constituted. The functions of the Corporate Governance Committee are:

- (1) to ensure that all nominations to the Board as well as those being considered for other positions requiring approval of the Board are duly deliberated, reviewed and evaluated in accordance with applicable policies; and
- (2) to monitor the structure and level of remunerations of senior management and corporate officers.

The following characteristics are necessary for existing directors, as well as for new candidates being considered for nomination as a director:

- 1. A reputation for integrity and ethical behavior;
- 2. A demonstrated ability to exercise judgment and communicate effectively;
- 3. Financially knowledgeable;

- 4. Prominence in the individual’s area of expertise;
- 5. Previous experience relevant to the operations of the Company; and
- 6. Sufficient time to dedicate to Board and Committee work.

In addition, the Manual of Corporate Governance provides that while directors are not precluded from accepting several appointments, they must nevertheless carry out their fiduciary obligation to each corporation they serve.

Thus, Executive Directors shall submit themselves to a low indicative limit of four or lower on membership in other corporate boards. The same low limit applies to independent directors who serve as full-time executives in other corporations. The Board of Directors is notified of each member’s directorships in other companies.

In the search of a candidate for directorship, the Company engages professional search firms in identifying candidates to the Board, if necessary.

After review by the Committee of the candidate’s qualifications, it informs the stockholders, through the Corporate Secretary, that it has vetted the individuals nominated for election as director.

Each shareholder with voting privilege may thereafter vote in the manner provided by law and the Company’s By-laws. After the election, the Corporate Secretary declares the duly-elected directors.

In 2022, the Corporate Governance Committee met four times to deliberate and recommend for board approval nominees to the Board and corporate officers. The Committees ascertained that the qualifications and experience of the nominees are in line with the Company’s strategic direction.

Name of Director	Date of meeting			
	11 February 2022	29 April 2022	2 September 2022	4 November 2022
Rhoda Regina Rara (Chairperson/Independent)	✓	✓	✓	✓
Janette Peña (Independent)	✓	✓	✓	✓
Conrado Favorito (Independent)	✓	✓	✓	✓
Matthew Lawrence (Non-Executive)	✓	✓	✓	✓
Sachin Shah (Non-Executive)	✓	✓	✓	✓

In 2022, the Corporate Governance Committee’s majority membership was composed of Independent Directors. It was chaired by an Independent Director, as shown below:

Corporate Governance Committee	
Rhoda Regina Rara	Chairperson/Independent Director
Janette Peña	Independent Director
Conrado Favorito	Independent Director
Matthew Lawrence	Non-Executive Director
Sachin Shah (November 27, 2020 – present)	Non-Executive Director

Related Party Transaction Committee

In 2022, the Related Party Transaction Committee met three times to hear reports on transactions between the Company and its Related Parties.

Name of Director	Date of meeting		
	11 February 2022	2 September 2022	4 November 2022
Rhoda Regina Rara (Chairperson/Independent)	✓	✓	✓
Janette Peña (Independent)	✓	✓	✓
Conrado Favorito (Independent)	✓	✓	✓
Matthew Lawrence (Non-Executive)	✓	✓	X

The Related Party Transaction Committee reports to the Board of Directors on a regular basis the status and aggregate exposure to each Related Party. In 2022, the Related Party Transaction Committee’s majority membership was composed of Independent Directors. It was chaired by an Independent Director, as shown below:

Related Party Transaction Committee	
Rhoda Regina Rara	Chairperson/Independent Director
Janette Peña	Independent Director
Conrado Favorito	Independent Director
Matthew Lawrence	Non-Executive Director



Board Process

The Board meetings are generally held on a quarterly basis unless a special meeting is necessary to consider urgent matters. The schedule of meetings for 2022 was presented to the Board and approved in December 2021.

The directors receive the notice of the meeting at least two (2) weeks before the meeting and the materials at least five (5) business days in advance. The meeting pack includes information on the Company’s operation, minutes of the last Board and Committee meetings, and all other documents needed for the Board meeting discussion.

Minutes of meetings of the Board and all committees are kept by the Corporate Secretary. The said minutes are open for inspection by directors and stockholders upon request. Annually, the Corporate Secretary distributes a Board Effectiveness Survey to be accomplished by the directors.

The survey covers the following matters: Board Responsibility, Board Operations, Board and Committee Effectiveness, and Individual Director Self-Evaluation.

In 2022, the directors accomplished the Board Effectiveness Survey. The Board of Directors also assesses the President and CEO’s performance for the previous year.

Board Meetings

The Board met four (4) times in 2022. The Board members’ attendance during meetings is shown below:

Name of Director	Date of meeting				
	11 February 2022	29 April 2022	2 September 2022	4 November 2022	Percentage
Sachin Shah	✓	✓	✓	✓	100%
Richard Bates	✓	✓	-	-	-
Rahul Hora	-	-	-	✓	-
Janette Peña	✓	✓	✓	✓	100%
Rhoda Regina Rara	✓	✓	✓	✓	100%
Conrado Favorito	✓	✓	✓	✓	100%
Anthony Buchanan	✓	✓	✓	✓	100%
Matthew Lawrence	✓	✓	✓	✓	100%

Richard Bates resigned as Director, President and CEO of Manulife Philippines effective 8 August 2022, while Rahul Hora’s appointment as Director, President and CEO took effect on 6 October 2022.

Venue of Meetings

In 2022, all Board and Committee meetings were held at the Company’s head office at 10F NEX Tower, 6786 Ayala Avenue, Makati with the option to attend held via videoconference in line with precautions taken against COVID-19, and in compliance with SEC Circular No. 6, series of 2020.

Directors’ Orientation Program and Continuing Education

All newly elected directors are given an orientation by the Corporate Secretary on the organizational profile, charters, By-laws, policies and procedures of the Company. As required by regulations, the Company also facilitates the enrollment of all new directors to a corporate governance seminar by an accredited provider. All directors, the Corporate Secretary, and Chief Compliance Officer likewise attend annual training in matters related to corporate governance.

All directors are required annually by the Company to undergo Anti- Money Laundering and Anti-Terrorism and Financing (AML/ATF) and Code of Business Conduct and Ethics (COBE) training and certification. They are also required to review and sign a Conflict of Interest Disclosure Statement.

All directors are likewise encouraged to attend seminars that would aid them in their functions as members of the Board.

Board Remuneration

Under the Company’s By-laws, directors shall be entitled to receive only such compensation as may be granted to them by the vote of the stockholders representing at least seventy percent (70%) of the

outstanding capital stock.

Currently, independent directors receive a per diem for every board meeting attended. Independent directors do not participate in discussions or deliberations involving their remuneration. Executive and non-executive directors do not receive compensation for the performance of their functions as a director.

Succession Plan

The Board oversees the succession planning of the CEO and senior executive officers, including the heads of the Company’s oversight functions, and the termination of CEO. All nominations to such positions are deliberated and discussed by the Corporate Governance Committee which shall evaluate the nominees’ competency and credentials, and shall make appropriate endorsement and recommendation to the Board.

Board Diversity Policy

In choosing nominees to the Board, consideration is given to gender, ethnic background, geographic representation and other personal characteristics that contribute to diversity, recognizing that it is skills, experience and integrity that are most important in assessing candidates and their potential contributions.

Corporate Secretary

The Corporate Secretary is a lawyer, Filipino citizen and resident of the Philippines. Concurrently, she is the Head of Legal of the Company since 3 November 2020. Prior to joining the Company, she was the Head of Legal (2016-2018), Head of Legal & Compliance Strategy and Quality Assurance (2018-2019), and Head of Compliance (2020) of another insurance company.

As Corporate Secretary, she is primarily responsible for the following:

1. Ensure that all Board procedures, rules and regulations are strictly followed;
2. Safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its Committees, as well as the other official records of the Corporation;
3. Inform the members of the Board, in accordance with the By-laws, of the agenda of their meetings and ensure the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
4. Attend all Board meetings except for justifiable causes; and
5. Prepare and submit all necessary documents and certifications as may be required by laws and regulations.

The Corporate Secretary attends annual training related to corporate governance matters.

Risk Management

Delivering on our mission “**Decisions made easier. Lives made better**”, our ambition is to transform into the most digital, customer-centric global company in our industry, while delighting our customers, engaging our employees, and delivering superior returns for our shareholders. The activities required to achieve these results involve elements of risk taking.

Our approach to risk management is governed by our Enterprise Risk Management (“ERM”) Framework. This framework provides a structured approach to implementing risk taking and risk management activities across the enterprise, supporting our long-term revenue, earnings and capital growth strategy. It is communicated through risk policies and standards, which are intended to enable consistent design and execution of strategies across the organization. We have a common approach to managing all risks to which we are exposed, and to evaluating potential directly comparable risk-adjusted returns on contemplated business activities. Our risk policies and standards cover:

Risk roles and authorities – Assignment of accountability and delegation of authority for risk oversight and risk management, as well as accountability principles; and risk management. Our ERM Framework incorporates relevant impacts and mitigating actions as appropriate.

Three Lines of Defense Model

A strong risk culture and a common approach to risk management are integral to Manulife’s risk management practices. Management is responsible for managing risk within risk appetite and has established risk management strategies and monitoring practices. Our approach to risk management includes a “three lines of defense” governance model that segregates duties among risk taking activities, risk monitoring and risk oversight, and establishes appropriate accountability for those who assume risk versus those who oversee risk.

Our first line of defense includes the Chief Executive Officer (“CEO”) and Function Heads. The Chief Executive Officer is ultimately accountable for our business results, the risks we assume to achieve those results, and for the day-to-day management of the risks and related controls, and the Function Heads are accountable for the management of the risks and related controls for their function.

The second line of defense is comprised of the Company’s Chief Risk Officer, the Risk Management function, the Company’s Chief Compliance Officer and the Compliance function, and other oversight functions. Collectively, this group provides independent oversight of risk taking and risk management activities across the enterprise. Risk oversight committees, through broad-based membership, also provide oversight of risk taking and risk management activities.

The third line of defense is Audit Services, led by the Head of Audit Services, which provides independent, objective assurance that controls are effective and appropriate relative to the risk inherent in the business and that risk mitigation programs and risk oversight functions are effective in managing risks.

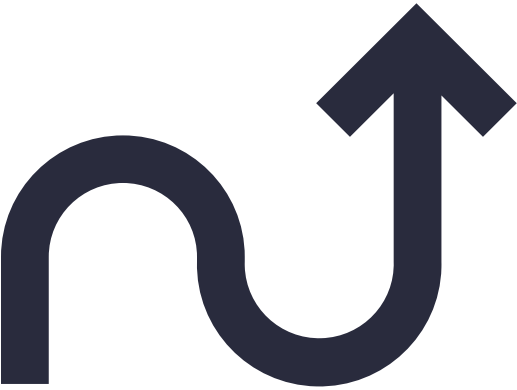
Risk Culture

To enable the achievement of our goals and strategies, we are committed to a set of shared values, which reflect our culture, inform our behaviors, and help define how we work together:

- **Obsess about Customers** – Predict their needs and do everything in our power to satisfy them.
- **Do the Right Thing** – Act with integrity and do what we say.
- **Think Big** – Anything is possible. We can always find a better way.
- **Get it Done Together** – We’re surrounded by an amazing team. Do it better by working together.
- **Own it** – Feel empowered to make decisions and take action to deliver our mission.
- **Share your Humanity** – Build a supportive, diverse and thriving workplace.

Risk Culture Vision

Within this context, we strive for a risk aware culture, where individuals and groups are encouraged, feel comfortable and are proactive in making transparent, balanced risk-return decisions that are in the long-term interests of the Company.



Risk Culture Framework

We have set a framework of desired behaviors to foster a strong risk aware culture. The framework is assessed against a set of qualitative and quantitative indicators and regularly reported to the Board and senior management, with the intent to continuously identify opportunities to increase risk awareness across the Company.

We believe that risk culture is strengthened once desired organizational behaviors and attitudes are reinforced through effective application of our corporate values. As such, we communicate key elements of our values through a risk lens to build a strong risk aware culture, including:

- **Transparency** – Encourage an environment where we can get it done together by openly discussing the strengths, weaknesses and potential range of outcomes of an issue, proposal or initiative and making informed decisions. Escalate issues before they become significant problems.
- **Risk appetite** – Once we have assessed a risk or situation, establish a risk appetite and own that decision. Establish appropriate limits and associated delegated authority so we can confidently execute our strategy within our risk appetite.
- **Learn** – Use mistakes and failures as learning moments and share what was learned; think big by sharing beyond teams and business units. Seek out lessons learned from throughout the organization in order to continuously improve and grow our business the right way.
- **Incentives** – Align personal incentives with our goals and how we want to execute our plan. When things go wrong, share our humanity by planning our reaction and maintaining a supportive environment to ensure appropriate incentives for continued transparency and lessons learned.

Risk Governance

The Board of Directors oversees the Company’s culture of integrity and ethics, strategic planning, risk management, and corporate governance, among other things.

The Board of Directors also carries out its responsibilities directly and through its three standing committees:

- **Audit Committee** – Oversees internal control over financial reporting and our finance, actuarial, internal audit, risk and global compliance functions, serves as the conduct review committee, reviews our compliance with legal and regulatory requirements and oversees the performance, qualifications and independence of our external auditors.

- **Corporate Governance Committee** – Oversees our human resources strategy, policies, programs, management succession, executive compensation, and pension plan governance.
- **Related Party Transactions Committee** – Oversees transactions among the Company, reviewing and approving before any such material transactions may be entered into, and that such transactions are conducted at arm’s length.

The CEO is directly accountable to the Board of Directors for our results and operations, and all risk-taking activities and risk management practices required to achieve those results. The CEO is supported by the Chief Risk Officer as well as by the Executive Risk Committee (“ERC”). Together, they shape and promote our risk culture, guide risk taking throughout our operations and strategically manage our overall risk profile. The ERC, along with other executive-level risk oversight committees, establishes risk policies, guides risk taking activity, monitors significant risk exposures and sponsors strategic risk management priorities throughout the organization.

The Risk Management function, under the direction of the Chief Risk Officer, establishes and maintains our ERM Framework and oversees the execution of individual risk management programs across the enterprise. Risk Management seeks to ensure a consistent enterprise- wide assessment of risk, risk-based capital and risk-adjusted returns across all operations.

The ERC approves and oversees the execution of the Company’s enterprise risk management program. It establishes and presents for approval to the Board of Directors the Company’s risk appetite and enterprise-wide risk limits and monitors our overall risk profile, including key and emerging risks and risk management activities. As part of these activities, the ERC monitors material risk exposures, endorses and reviews strategic risk management priorities, and reviews and assesses the impact of business strategies, opportunities and initiatives on our overall risk position. The ERC is supported by a number of oversight sub-committees including:

- **Product Steering Committee** - Oversees insurance risk and reviews risks in new products. Also monitors product design, new product pricing, and insurance risk exposures and trends.
- **Asset Liability Committee** – Oversees market and liquidity risk for insurance products, hedging, and asset liability management programs and strategies.

Risk Appetite

The Company’s strategic direction drives overall risk appetite. All risk taking activities are managed within the Company’s overall risk appetite, which defines the amount and types of risks the Company is willing to assume in pursuit of its objectives. It is comprised of three components:

overall risk taking philosophy, risk appetite statements, and risk limits and tolerances.

Risk Philosophy

Manulife is a global financial institution offering insurance, wealth and asset management products and other financial services. The activities required to achieve our mission of “Decisions made easier. Lives made better” are guided by our values and involve elements of risk taking. As such, when making decisions about risk taking and risk management, the Company places a priority on the following risk management objectives:

- Safeguarding the commitments and expectations established with our customers, creditors, shareholders and employees;
- Supporting the successful design and delivery of customer solutions;
- Prudently and effectively deploying the capital invested in the Company by shareholders with appropriate risk/return profiles;
- To invest wealth and asset management’s customer assets consistent with their objectives, including investment risks and returns;
- Protecting and/or enhancing the Company’s reputation and brand; and
- To maintain the Company’s targeted financial strength rating.

We aim to only accept risks we can appropriately analyze and monitor, we also manage risks which arise outside of our direct influence. We recognize that risk exposures change over time.

If exposures materially increase, we will activate management actions designed to bring exposures back to desired levels. As an integrated component of our business model, risk management assists the Company in achieving our objectives and in reaching higher levels of operational excellence, while encouraging transparency and organizational learning.

Risk Appetite Statements

At least annually, we establish and/or reaffirm that our risk appetite and the Company’s strategy are aligned. The risk appetite statements provide ‘guideposts’ on our appetite for identified risks, any conditions placed on associated risk taking and direction for where quantitative risk limits should be established. The Company’s risk appetite statements are as follows:

- Manulife Philippines accepts a total level of risk that provides a very high level of confidence to meeting customer obligations while targeting an appropriate overall return to shareholders over time;

- Manulife Philippines targets to be in line with its peers in terms of financial strength;

- Manulife Philippines values innovation and encourages initiatives intended to advance the ambition to be a digital customer-centric market leader;

- Capital market risks are acceptable when they are managed within specific risk limits and tolerances;

- Manulife Philippines believes a diversified investment portfolio reduces overall risk and enhances returns; therefore, it accepts credit and alternative long-duration asset related risks;

- Manulife Philippines pursues product risks that add customer and shareholder value where there is competence to assess and monitor them, and for which appropriate compensation is received;

- Manulife Philippines accepts that operational risks are an inherent part of the business when managed with thresholds and tolerances of key risk indicators and will protect its business and customers’ assets through cost-effective operational risk mitigation; and

- Manulife Philippines expects its officers and employees to act in accordance with the Company’s values, ethics and standards; and to enhance its brand and reputation.

Risk Limits and Tolerances

Risk limits and tolerances are established for risks within our risk classification framework that are inherent in our strategies in order to define the types and amount of risk the Company will assume. Risk tolerance levels are set for risks deemed to be most significant to the Company and are established in relation to economic capital, earnings-at-risk and regulatory capital required.

The purpose of risk limits is to cascade the total Company risk appetite to a level that can be effectively managed. Manulife establishes stand-alone risk limits for risk categories to avoid excessive concentration in any individual risk category and to manage the overall risk profile of the organization.

Risk Identification, Measurement and Assessment

We have a common approach and process to identify, measure, and assess the risks we assume. We evaluate all potential new business initiatives, acquisitions, product offerings, reinsurance arrangements, and investment and financing transactions on a comparable risk-adjusted basis. Functional groups are responsible for identifying and assessing key and emerging risks on an ongoing basis. A standard inventory of risks is used in all aspects of risk identification, measurement and assessment, and monitoring and reporting.

Risk exposures are evaluated using a variety of measures focused on both short-term net income attributed to shareholders and long-term economic value, with certain measures used across all risk categories, while others are applied only to some risks or a single risk type. Measures include stress tests such as sensitivity tests, scenario impact analyses and deterministic scenario tests scenario modeling. In addition, qualitative risk assessments are performed, including for those risk types that cannot be reliably quantified.

We perform a variety of stress tests on earnings, regulatory capital ratios, economic capital, earnings-at-risk and liquidity that consider significant, but plausible, events. We also perform other integrated, complex scenario tests to assess key risks and the interaction of these risks.

Economic capital and earnings-at-risk provide measures of enterprise-wide risk that can be aggregated and compared across business activities and risk types. Economic capital measures the amount of capital required

to meet obligations with a high and pre-defined confidence level. Our earnings-at-risk metric measures the potential variance from quarterly expected earnings at a particular confidence level. Economic capital and earnings-at-risk are both determined using internal models.

Risk Monitoring and Reporting

Under the direction of the Chief Risk Officer, the Risk Management function oversees a formal process for monitoring and reporting on all significant risks at the Company-wide level. Risk exposures are also discussed at various risk oversight committees, along with any exceptions or proposed remedial actions, as required.

On at least a quarterly basis, the ERC and the Board reviews risk reports that present an overview of our overall risk profile and exposures across our principal risks. The reports incorporate both quantitative risk exposure measures and sensitivities, and qualitative assessments. The reports also highlight key risk management activities and facilitate monitoring compliance with key risk policy limits.

Our Chief Financial Officer reports the compliance of the Company to the Insurance Commission’s Risk-Based Capital Ratio and Risk-Based Capital Requirement to the Board of Directors quarterly. The Head of Audit Services reports the results of internal audits of risk controls and risk management programs to the Audit Committee quarterly. Management reviews the implementation of key risk management strategies, and their effectiveness, with the Board annually.

Risk Control and Mitigation

Risk control activities are in place throughout the Company to seek to mitigate risks within established risk limits. We believe our controls, which include policies, procedures, systems and processes, are appropriate and commensurate with the key risks faced at all levels across the Company. Such controls are an integral part of day-to-day activity, business

management and decision making.

The Risk Management function oversees implementation of formal review and approval processes for product offerings, insurance underwriting, reinsurance, investment activities and other material business activities, based on the nature, size and complexity of the risk taking activity involved. Authorities for assuming risk at the transaction level are delegated to specific individuals based on their skill, knowledge

Emerging Risks

The identification and assessment of our external environment for emerging risks is an important aspect of our ERM Framework, as these risks, although yet to materialize, could have the potential to have a material impact on our operations and/or business strategies. We also consider taking advantage of opportunities identified to improve our competitiveness and ultimately our financial results.

Our Emerging Risk Framework facilitates the ongoing identification, assessment and monitoring of emerging risks, and includes: maintaining a process that facilitates the ongoing discussion and evaluation of potential emerging risks with senior business and functional management; reviewing and validating emerging risks with the ERC; creating and executing on responses to each emerging risk based on prioritization; and monitoring and reporting on emerging risks on a regular basis to the Board.

Company Policies

Customer Welfare Policy

Since customers depend on the Company to meet its financial promises, the Company maintains uncompromised paying ability, healthy earnings stream, and superior investment performance results, consistent with prudent investment management philosophy.

The Company commits to offer real value to its customers by providing the highest quality products, service, advice, and sustainable value. The Company also ensures that the customers receive excellent solutions to meet their individual needs. In line with its commitment to customers, the following key initiatives have been rolled-out to support the Company's bold ambition of becoming a digital, customer-centric market leader.

ePOS or Electronic Point of Sale tool is a digital end-to-end sales tool that advisors can use on their tablets to help their clients identify their priorities, find the right products, generate proposals, submit an application and get results in minutes.

Manulife Online is a mobile-optimized customer website that makes it easier and more convenient for customers to access their Manulife accounts anytime, anywhere. Here, they can update personal details and obtain information such as their account value, when their next payment is due, and other important policy-related information. They can also make premium payments online, make online payments in advance of their due dates, and edit the amount of premium they are paying. They can also download premium notices and Variable Life statements of account.

Manulife Online also allows more flexible payment options to continue to provide hassle-free transactions, and more seamless customer experience.

Customer communications are regularly sent via email, SMS, and Viber to keep customers informed on the latest advisories and updates about their policies; while digital copies of **customer correspondences** like **premium notices, statements of account, and eReceipts** are available to access and download via Manulife Online. For policy-related queries and concerns, customers may reach out to Manulife's Customer Care via hotline and email.

Manulife eClaims is an online submissions portal that streamlines the end-to-end claims experience of customers, making it easier and faster for them to file and submit claim requirements. With Manulife eClaims, both individual and group customers are now able to submit their requirements, get instant policy verification, and choose their payout options, completely online in a single transaction.

Unassigned Customer Management is a program that allows for a smoother transition from a departing advisor to a new advisor who is ready to respond to our customers' needs, and to continue to receive excellent service in their entire journey with Manulife.

The Net Promoter System has been implemented across the Company since 2016 as its customer metric and framework for identifying and addressing customer pain points. Feedback from customers is regularly obtained, analyzed, shared, and discussed with the rest of the organization. Customer-centric actions and initiatives are then continuously put in place to address customer issues. All of these initiatives help the Company stay focused on its efforts to provide exceptional customer service.

As a result of these efforts, the Manulife Philippines Net Promoter Score continued to improve in 2022, continuing a three-year upward trend.

Privacy Policy

At Manulife, we are committed to providing the highest quality financial products and services in a manner that fosters trust and confidence among our customers and representatives. That commitment includes protecting the privacy of all the personal and sensitive personal information in our care in accordance with the Philippines' Data Privacy Act of 2012, its implementing rules and regulations and our privacy policy available at www.manulife.com/Privacy-Policy.

In 2022, an online training on Privacy Awareness for the Company's Privacy Coordinators was conducted. Moreover, employees and agents complete annual Information Security (Privacy) training. Our Customer Privacy Policy can be found at <https://www.manulife.com.ph/Customer-Privacy-Policy>.

Anti-Money Laundering and Anti-Terrorist Financing Policy

At Manulife, we are committed to preventing the use of its products and facilities for the purposes of money laundering or to finance terrorist activities. That commitment includes having and adhering to policies, procedures and controls designed to meet the Company's obligations under the Philippines' Anti-Money Laundering Act, as amended, its revised implementing rules and regulations and our AML/ATF policy. On an annual basis, we conduct a localized AML/ATF refresher training for employees and agents.

In 2022, the Company conducted online training for its new hires on the basic principles of AML/ATF. Online Training on AML/ATF refresher is annually provided to all employees and agents.

Code of Business Conduct and Ethics

Manulife's Code of Business Conduct and Ethics (COBE) provides standards for ethical behaviour when representing the Company and

when dealing with customers, investors, employees, field representatives, external suppliers, competitors, government authorities and the public. It applies to all directors, officers and employees of Manulife and its subsidiaries including sales representatives, third party business associates, contractors and others with certain duties and obligations to the Company. COBE likewise governs any actual or potential conflict



of interest and does not waive actual conflicts of interest under any circumstances. Typical controls include clear and complete disclosure of the potential conflict of interest and recusal from any decision-making relating to the situation giving rise to the potential conflict of interest. To ensure knowledge and familiarity with the provisions of the COBE, directors, employees, senior management and agents are required to undergo training prior to onboarding and annually thereafter as a refresher course. This Code is also available on the Company's website and is available in print upon request.

Whistle Blowing Policy

The Company has a Whistle Blowing Policy which encourages employees to talk to appropriate personnel about suspected or potential illegal or unethical behavior or when the employee is in doubt about the best course of action to take in a particular situation. It is also the policy of the Company not to allow retaliation for reports of misconduct by others made in good faith. Directors, officers, employees, representatives and other associates are expected to cooperate in internal investigations of

misconduct. Employees are also encouraged to report by hotline where they are duty-bound to report suspected unethical behaviors or air their grievances anonymously.

Anti-Bribery and Anti-Corruption Policy

Maintaining high standards of integrity is paramount to success at Manulife. As stated in the Company's Code of Business Conduct and Ethics, "we must take special care to use our corporate positions responsibly when dealing with government agencies and representatives." This is especially true in relation to the political process. The Company recognizes the paramount importance of and ensures compliance with all laws and regulations that apply when offering to provide entertainment, meals, gifts, gratuities, and other items of value to any employee or representative of national or local governments or when accepting such items of value from any employee or representative of national or local governments.

To ensure that all its employees abide by Republic Act No. 3019 (the Anti-Graft and Corrupt Practices Act), the Revised Penal Code of the Philippines, the National Internal Revenue Code, Presidential Decree No. 46 and Insurance Commission Circular 12-2012, the Company recognizes the paramount importance of and ensures compliance with all laws and regulations that apply when offering to provide entertainment, meals, gifts, gratuities, and other items of value to any employee or representative of national or local governments or when accepting such items of value from any employee or representative of national or local governments.

To ensure that all its employees abideby Republic Act No. 3019 (the Anti-Graft and Corrupt PracticesAct), the Revised Penal Code of the Philippines, the National InternalRevenue Code, Presidential Decree No. 46 and Insurance Commission Circular 12-2012, the Company promulgated its Anti-Bribery and Anti-Corruption Policy.

The Company's Anti-Bribery and Anti-Corruption (ABC) Policy aims to ensure that the Company's directors, officers and employees, as well as representatives, agents and third-party providers do not give or receive bribes and comply with all applicable laws and regulations at all times. Anti-Bribery trainingmaterial is developed by Manulife RegionalOffice and customized by local markets.

As part of the policy, the Company implements a "no gift policy" directly or indirectly to any public official. Moreover, to ensure compliance withthe policy by business partners and third-party providers, the Company's anti-bribery and anti-corruption policy is made an obligatory provision to the agreements or contracts that the Companyenters into. The Company also mandates that all financial transactions are recorded in a timely and accurate manner in accordance with accounting standardsand principles to prevent off-the-book transactions such as bribes and kickbacks.

The policy requires the Compliance Officer to report any violation of laws and regulations to the Board of Directors and to recommend the imposition of appropriate disciplinary action on the responsible parties.

ABC training is conducted annually. In 2022, the ABC Policy was cascaded to all employeesas a reminder during the holiday season.



Gifts and Entertainment Policy

It is the policy of Manulife that no business or specific transactions may be contingent in any way on the receipt, offer or solicitation of any gift or favor. Further, an employee is prohibited from giving or receiving cash or equivalents to any vendor, broker, producer or other outside third party. However, modest gifts and favors, which would not be regarded as improper, may be accepted or given on an occasional basis. In all cases, an employee giving or receiving a gift or favor must declare the same to the Company's Compliance Department.

To ensure awareness of the employees of the Company's Gifts and Entertainment Policy, provisions of the policy are cascaded to the employees before the holiday season when gift giving is prevalent. Similar to other Company policies, employees are required to undergo training on the Gifts and Entertainment Policy prior to onboarding and annually thereafter.

In 2022, the Gifts and Entertainment Policy was cascaded to all employees as a reminder during the holiday season.

Insider Trading Policy

Directors, officers, employees, representatives and other associates of the Company are prohibited from:

- (a) benefiting from opportunities that are discovered through the use of Company property, information or position;
- (b) using Company property, information or position for personal gain; and
- (c) competing with the Company.

They owe it to the Company to advance its legitimate interests when the

opportunity to do so arises.

Dividend Policy

The company remits a percentage of its net income to shareholders subject to the following conditions:

- Statutory net worth, after dividend declaration, should not fall below regulatory minimum net worth requirement.
- Risk Based Capital (RBC) Ratio should meet internal benchmark of 200%.
- Local balance sheet should have positive Retained Earnings.
- Statutory net worth, after dividend declaration, is within the top five in the industry.

Related Party Transactions

Directors, officers and employees are required by the Company's Code of Business Conduct and Ethics to immediately report their interest in transactions and any actual or potential conflict of interest.

Directors and executives are also required to abstain from participating in any discussion on a particular subject that they are conflicted. Any related party transactions, mostly limited to contracts within the Manulife conglomerate, are conducted in such a way as that they are fair and at arm's length and subject to appropriate review and approval process.

In addition, as required by Insurance Circular Letter No. 2017-29, the Board of Directors approved the Company's Related Party Transaction Policy on 11 April 2018. The policy provides the framework for transactions among the Company and its related parties and establishes requirements to enable compliance with applicable laws, rules and regulations.

The Company also has a Related Party Transaction (RPT) Committee that reviews and approves before any such material transactions may be entered into. The RPT Committee is composed of a majority of independent directors.

The Board of Directors also regularly reviews the controls in place to determine its soundness and strength.

A summary of the approved related party transactions is provided in the Audited Financial Statements as submitted by the Company to its regulators. The Company has not entered into any transactions which may be classified as financial assistance to other entities other than investee companies.

The Company's RPTs are primarily related to shared services with its parent company and subsidiaries, reinsurance agreements, investment management agreement, and regional office allocations.

Financial Statements

Manulife Philippines, as approved by its shareholders and management, engages the services of SGV & Co., a member of Ernst and Young International, as its External Auditor. In 2022, Php 1,839,257 in audit fees were paid to SGV & Co. No non-audit fees were paid.

For the past few years and for the Year 2022, the Company has not received a qualified, adverse or disclaimer opinion in their audit of the Company.

Procurement Policy

Manulife routinely engages with third-party vendors and service providers to support the day-to-day management of business.

The Company has put in place a framework of policies, processes and tools, as well as a team of sourcing and contracts experts, to assist all business units in meeting their procurement, outsourcing and vendor risk management objectives. This requires all stakeholders to work collaboratively to ensure:

1. Compliance with related policies is achieved;
2. All dealings with suppliers are consistent with Manulife's Code of Business Conduct and Ethics;
3. Procurement processes are competitive and transparent;
4. Manulife's business requirements are clearly stated;
5. Manulife's risk exposure is identified, assessed and effectively managed;
6. Regulatory compliance on third-party outsourcing is met;
7. All contracts and supporting documents are reviewed and approved by appropriate officers; and
8. Suppliers meet their pricing, service level, and contractual commitments.

Supplier Selection Criteria

At Manulife, it is important that the supplier selection process must be both objective and transparent. The supplier selection decision should be based on evaluation criteria that include, but are not limited to, the supplier's:

1. Demonstrated ability to meet stated requirements;
2. Ability to provide competitive pricing (based on total cost of ownership);
3. Excellent customer service;

4. High quality products and/or services;
5. Financial stability;
6. Technical skills and capacity to meet current and future needs;
7. Willingness to agree to Manulife's contract terms and conditions;
8. Compliance with Manulife's Outsourcing and Vendor Risk Management Policy which aims to enhance design, structure and effectiveness of risk management processes; and
9. Compliance with Government statutory requirements.

Manulife strives to maintain the highest standards of integrity and is committed to fair competition in all its dealings with vendors.

Health and Safety Policy

Manulife is committed to providing a safe and healthy environment for all its employees, agents and customers through:

- Protection of the employees from work-related accidents and injuries
- Promotion of a drug-free workplace and a healthy lifestyle
- Prevention of violence and harassment in the workplace

The company also ensures compliance with reportorial and program requirements mandated by the Department of Labor and Employment. There is accountability at all levels of management and cooperation with employees for effective implementation of policy and other related programs, such as:

- Safety Officer (S01) Training of CSO assigned in the branch offices – September 23 to September 24, 2021
- Hazard Investigation and Risk Assessment and Control – annually and more frequently, if needed, since June 2019
- Reporting of unsafe workplace hazards and work practices – monthly
- Quarterly Nationwide Simultaneous Earthquake Drill (Hanston and BGC only, none for NEX due to COVID-19) – March 10,2022
- Orientation Programs - monthly

Other company-initiated safety and health activities include: COVID-19 Prevention and Control Program, Drug-Free Workplace, Mental Health, Monthly Safety Committee Meetings, and COVID Incident Management Team Meetings.

The Company is committed to continual improvement by conducting regular reviews and implementing actions necessary to improve its OSH Program.

Shareholder Information

Rights of Shareholders

The shareholders have the powers and responsibilities as stated in the Revised Corporation Code of the Philippines, the Company’s By-laws, the Manual of Corporate Governance, and all other relevant laws, rules, regulations, and internal policies.

Among others, all of the Company’s shareholders (including non-controlling shareholders) have the right to:

1. Participate in the amendments of the Company’s Articles of Incorporation;
2. Authorize issuance of additional shares;
3. Transfer all or substantially all assets of the Company, which may result in the sale of the Company;
4. Effectively participate in and vote in general shareholder meetings;
5. Nominate candidates for board of directors; and
6. Elect directors individually.

As provided in the Company By-laws, each shareholder is entitled to one vote for each share of stock entitled to vote and recorded in the shareholder’s name in the books of the Company. At all meetings of

the shareholders, all elections and all questions shall be decided by the majority vote of the stockholders present in person or by proxy and entitled to vote thereat, a quorum being present, unless it is otherwise provided by law or the Articles of Incorporation.

The shareholders are made aware of these rules and voting procedures governing the shareholder meetings.

Annual General Meeting

As mandated in the By-laws, the shareholders meet regularly or at least once a year. The Corporate Secretary ensures that the notice of the meeting, including the notice for the annual shareholders meeting, is sent to the stockholders at least 21 days from the date of the actual meeting. As much as possible, the Corporate Secretary ensures that all shareholders are available to attend the general meeting by scheduling the meeting on a commonly acceptable date to encourage attendance of all shareholders.

A Proxy letter is also attached to the notice or made readily available through the Company website to allow shareholders to send representatives in their absence.

In the most recent Annual General Shareholders Meeting held at the head office (with option to attend by video conference), the shareholders were given the opportunity to ask questions or raise issues during the Other Matters portion of the agenda.

The Company’s Shareholders as of March 2023

Name	Shares Held	Amount Paid	% of Ownership	Beneficial Owner	Nationality
Manulife Century Holdings (Netherlands) B.V.	929,993.0	Php 929,993,000 .00	99.999%		Dutch
Sachin Shah (Chairman/Non-Executive Director)	1.0	Php 1,000 .00	nil	MCHN	American
Rahul Hora (Executive Director)	1.0	Php 1,000 .00	nil	MCHN	Indian
Matthew Lawrence (Non-Executive Director)	1.0	Php 1,000.00	nil	MCHN	British
Anthony Buchanan (Non-Executive Director)	1.0	Php 1,000 .00	nil	MCHN	Australian
Conrado Favorito (Independent Director)	1.0	Php 1,000.00	nil	MCHN	Filipino
Janette L. Peña (Independent Director)	1.0	Php 1,000 .00	nil	MCHN	Filipino
Rhoda Regina Reyes-Rara (Independent Director	1.0	Php 1,000.00	nil	MCHN	Filipino

Employee Corner

Compensation Philosophy

Manulife’s global strategy requires everyone across the organization to perform at their best to achieve success. Leaders need to ensure that employees are able to make the link between specific performance and compensation, and fully understand how they are rewarded for their performance.

The Manulife compensation philosophy is pay-for-performance. The Company continues to differentiate compensation and rewards based on performance and contribution of the employees to drive high-performing culture. Our compensation objectives as an organization are the following:

- Provide flexibility to differentiate compensation for top talent.
- Maintain competitiveness with the external market.
- Prudently manage our compensation expense.
- Attract, retain, motivate, and reward employees at all levels through competitive compensation structures.
- Focus on the execution of our strategic plan.
- Maintain alignment with shareholder interests.

Global Recognition Program

Podium is Manulife’s global digital platform to appreciate and recognize colleagues who bring its core values to life through their actions. Regular full-time and regular part-time employees of Manulife or designated subsidiaries can both give and receive recognition through Podium.

Podium gives employees unlimited chances to say, “Thank you” to colleagues globally in the digital platform and recognize colleagues in additional fun ways by using award categories like “High Fives”, “Applause,” and “Take a bow,” with equivalent award values per category. Employees can redeem their Podium points any time for a variety of options, including shopping, dining, entertainment, charity and more.

Training and Development

Manulife continues to invest in employee development as employees started settling into the new normal. As the industry and the whole organization evolve, it is critical that employees continue to develop and grow so they can grow individually while helping meet Manulife’s strategic priorities.

In addition to the regular training sessions anchored on Customer Centricity and Leadership Development programs, Manulife continues to leverage its online learning platform Pursuit, empowering employees to discover and develop business, technology-related, and creative knowledge and skills through expert-led courses and videos.

Introduced in 2021, Pursuit includes a broad portfolio of programs, courses and tools that offer personalized learning plans for employees to continue growing their skills and capabilities. By the end of 2022, Pursuit has been upgraded into a fully automated, AI- powered learning experience for fast and easy access to all employees’ learning needs.

Because of Manulife’s “always learning culture,” more positive developments have been achieved in 2022.

- Employees can earn badges to showcase their commitment to learning and celebrate new skills
 - For employees that complete 22 hours of learning in Pursuit for 2022, they can earn **22 in 2022** badges.
 - For employees who complete learning around Agile, Human-Centred Design (HCD), Advanced Analytics & Artificial Intelligence, and Net Promoter Score (NPS), they can earn a **New Ways of Working Enthusiast** badge.
- Employees can access our **Pursuit Learning Pathway** for specially curated learning activities that include:
 - Getting to Know Risk Management
 - Your Role in Managing Risk
 - Risk Appetite
 - Cybersecurity

Fuel-Up Fridays

To further promote the importance of continuous learning and development at Manulife, the Company continued to hold its Fuel Up Fridays, where every afternoon of the second Friday of each month is focused on learning and development. This initiative, which started in 2021, provided employees with specific focus areas as learning sessions so they can acquire new sets of knowledge and skills that can help advance their personal and professional growth. Some of the sessions in 2022 included Embracing Transformation and Change, Communicating with Impact; Feedback, Recognition and Resilience; Data Governance and Analytics, Improving Your Wellness, The Importance of Managing Risk, among others.

Employee Health and Wellness

Manulife prioritizes the health and well-being of its employees, ensuring that everyone leads a healthier and more balanced life. In 2022, Manulife continues to partner with Human Dynamic, one of the leading consultancy companies globally that provide a Work Life Coaching program to employees so they can learn to better manage personal and work-related challenges and help improve their mental wellness.

The Work Life Coaching program provides personal work-life coaches to support our employees and their families, so that they have the resources to balance their work and personal priorities effectively. Sessions of this program include confidential one-on-one coaching, theme-based interventions, engaging formats and qualified experienced coaches.

Extra five days off

Manulife also offered five additional days of paid leave in 2022 so employees can take some meaningful time away from work. The Company aimed to show deep appreciation of the extraordinary efforts and sacrifices of its team members as they navigated the challenges brought by the pandemic. It was also an important initiative so employees can unplug, recharge and reenergize, prioritizing both their physical and mental health.



Special Feature

Sparking innovation and excellence to inspire better tomorrows

As we settle into post-pandemic life, Manulife Philippines remains strong and bold in its commitment to serve its customers, stakeholders and communities through relevant product offerings and initiatives that aim to address their evolving needs. Manulife’s efforts also underscore its goal to always be there for its customers, especially when it matters most.



Manulife’s “Firsts”

In January 2022, Manulife Philippines launched a digital short film, “Firsts,” which encouraged Filipinos to remain hopeful despite uncertainties, and look forward to a future filled with “new firsts.” It aimed to inspire Filipinos to find strength, courage, and gratitude from past experiences, and believe that they can rebuild, thrive, and bounce forward.

The film has reached over 7.7 million views across social media platforms, with highly affirming reception from the public, saying it “brings hope.” To engage consumers in conversations about how they celebrated their own “firsts,” Instagram stickers were introduced as part of the campaign.

“Firsts” can be viewed on Manulife Philippines’ Facebook page and YouTube channel.



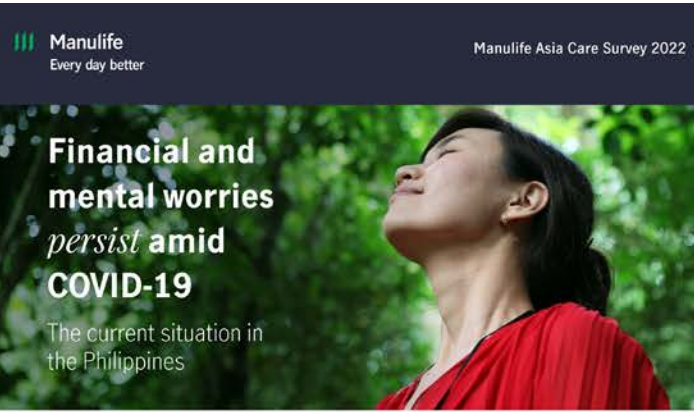
Manulife’s 2022 Asia Care Survey: Filipinos cope with COVID-19, as financial and mental health worries persist

Manulife Philippines also launched its third Asia Care Survey, an annual study, which, in 2022, aimed to learn about the evolving behavior and priorities of consumers across Asia, as they navigate the changes brought by the new normal.

The study found that mental health issues have grown, especially among Filipino women, and that depression has become a top health concern. Burnout is another new health concern mentioned by Filipinos in the survey, citing worries about simultaneously taking care of their family, finances, work, and health and well-being.

Survey findings likewise revealed that COVID-19 hit Filipinos’ personal finances hard, with 55% saying their monthly income was reduced and with nearly 1 in 5 (17%) saying they lost their jobs during the pandemic. This resulted in a drop in savings, with 79% of respondents saying their savings would only last for a year or less. Respondents, however, shared that they have sought to act on these declines by taking more control of their finances – and their expenses.

To mitigate further financial risk, 29% said they had cut back on unnecessary or big-ticket expenses, while 20% opted to invest. In addition, 25% of them also said they had started their own businesses in addition to their full-time or part-time job to make up for lost income.



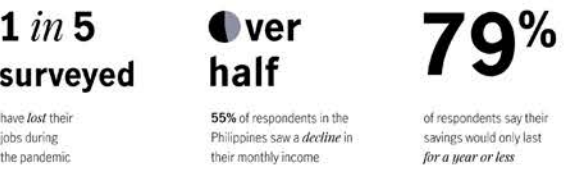
Filipinos' top health concerns amid COVID-19



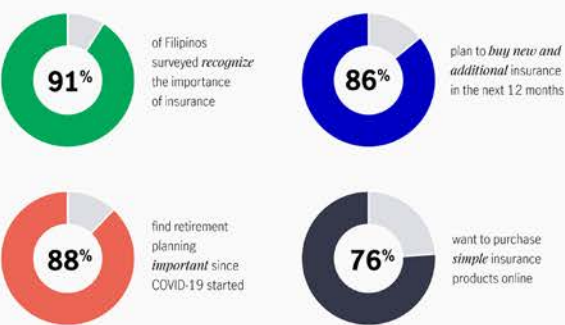
Mental health issues are more prevalent among Filipino women



Increasing financial health challenges



Filipinos' outlook on building financial resilience & security



There’s also a stronger appetite for insurance among Filipinos, with 91% of Filipinos surveyed recognizing the importance of insurance. Eighty-six (86%) of Filipinos surveyed said they plan to buy insurance in the next 12 months. Top products of interest included: hospitalization (37%), health and life (both at 34%). When buying insurance, 76% stated that they are looking for simple insurance products that can be purchased online and may be more affordable.

Manulife’s FutureBoost helps Filipinos achieve their goals faster



In February, Manulife Philippines launched FutureBoost, a flexible insurance plan that provides customers with rewards and bonuses designed to help them achieve their financial goals and enrich their future. FutureBoost includes life and financial protection in one plan, and offers key benefits including: potential income through a premium bonus equivalent to 5% of their basic premium, if paid on time; an additional bonus equivalent to 2% of their basic premium, if they opt to add to their premium by extending the number of years they put funds into their policy;

and an annual loyalty bonus equivalent to either 0.5% or 0.75% of their account values upon completion of their policy's 10th year. There are no upfront premium charges, and payments are automatically invested in the customers' chosen funds, allowing them to start building their investments quickly.

Through this product offering, Manulife aims to help more customers secure every stage of their life journey, accelerate growth in their finances and achieve their financial goals quicker. FutureBoost is available for as little as Php 20,000 a year in premiums, payable over a minimum of 5 or 10 years. Customers also have the flexibility to increase their coverage anytime and to enhance protection no matter their life stage – starting their careers as young professionals, growing their family, legacy-building for children or grandchildren, or growing their money while securing optimum protection coverage.

Manulife, with the support of adidas Philippines, helps Filipinos supercharge their future

In celebration of its 115th year in the Philippines, and to mark the launch of FutureBoost, Manulife partnered with global sportswear brand adidas™ through its Double Boost campaign. The Company gave away pairs of adidas UltraBoost sneakers and adidas store vouchers to those looking to charge up their future.

Manulife
Every day better

Manulife teams up with adidas PH to give your future a double *boost*!

We're celebrating 115 years! Learn more about our newest plan, **Manulife FutureBoost** and be one of the lucky **115 winners** to win a pair of adidas Ultraboost sneakers of your choice and store vouchers!

Note: A catalog will be made available to winners, so winners can choose their own Ultraboost design.



Manulife honors 300 financial advisors at Manulife's first-ever hybrid event

In May 2022, Manulife Philippines paid tribute to its financial advisors during the company's "Champions Dinner" at Conrad Manila, Pasay City. The event, themed "Glorious," aimed to honor its modern-day heroes,

whose resilience, passion, and commitment helped financially secure the future of Filipinos, so they can live every day better. This was the first hybrid gathering of Manulife's agency force since the pandemic.

While the last two years may have been filled with uncertainties, Manulife's financial advisors and agency leaders have weathered tough times, achieved a lot together, and have gotten bolder and stronger with renewed hope, optimism, and confidence to reach new heights. As many Filipinos acknowledge and understand the importance of financial protection, Manulife Philippines looks forward to giving more families the security and financial peace of mind they need and deserve.

Manulife's new survey reveals change in family dynamics in the "new normal"

In October 2022, Manulife's new study revealed notable differences in the impact of the pandemic and digitalization within families, with some embracing new passions and hobbies, while others, particularly younger Filipinos, expressing digital fatigue. The study provided insights into how family dynamics have evolved during the pandemic, and how technology has impacted behaviors at home and influenced everyday decisions.

Some of the key findings include: digital technology is enabling new behaviors and habits while **89% of Filipino parents find improved**

Manulife
Every day better

The Modern Filipino Family: Exploring family dynamics and digitalization in the new normal

Adjusting to the *new normal*: Parents find ways to flourish, while children experience struggles

51%
54%
Well-being is better

42%
57%
Stress levels are lower

More work-life balance for Filipino parents

82%
bond more with the families

89%
said their current family ties are very strong or somewhat

Gen XY parents find ways to flourish

- 35% familiar with sustainable investing
- Top interests:
 - 41 % Watching online content
 - 29% Health and fitness
 - 28% Finance
- 31% bought life insurance online
- 31% bought medical insurance online

Gen Z Kids experienced struggles

- 65% expressed digital fatigue.
- 60% experienced stress, fatigue and depression.
- 55% have increased irritability.
- 54% are sleep-deprived.
- 32% have developed unhealthy eating habits.

Download the full study here: manulife.ph/TheModernFilipinoFamily

work-life balance.

Furthermore, **54% of Gen XY parents say their well-being has improved** in today's digital-by-default life compared with the worst part of the pandemic.

Also, **80% of Filipinos approve of the use of personal data to develop better products and services.** Finally, new normal has fueled greater interest in purchasing insurance and investment products online.

Most Filipinos recognize the convenience (45%), sense of security (22%), and protection (17%) that buying insurance online offers. In the past 12 months, 25% of Generation X and 33% of Millennials bought insurance products online, while 41% of Generation Z intend to purchase insurance products in the next 12 months.

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The Modern Filipino Family: Exploring family dynamics and digitalization in the new normal

Amid a *hyper-digital* world, parents approve responsible use of personal data

The Filipino home has become an all-in-one hub for digital activities

64%
82%
90%
92%
95%

- Go online for leisure and entertainment
- Use e-commerce apps to buy food or products online
- Access health and fitness apps
- Communicate with family and friends through social media
- Use finance apps

For most Filipinos surveyed, it's acceptable to use personal data

80%
To develop better product and services

78%
To serve them better

68%
To show ads for relevant products and services

Top insurance products purchased in the last 12 months were life insurance (28%); medical/health/accident insurance (28%) and investment-linked insurance (10%).

These insights have helped Manulife to continuously innovate so the Company can continue offering seamless and intuitive end-to-end digital experiences, and best-in-class protection plans and investment opportunities to help Filipinos achieve financial security and make their every day better.

Manulife
Every day better

The Modern Filipino Family: Exploring family dynamics and digitalization in the new normal

Filipinos seek more *digitally enabled insurance* and investments to secure protection

Investing in insurance

41%
of Gen Z
intend to buy insurance online in the next 12 months

33%
of Millennials
have bought insurance online in the last 12 months

25%
of Gen X

Key Finding #3


Top reasons to buy insurance online across generation segments

45%
Convenience

22%
Sense of security

17%
Protection

Manulife invites Olympic gold medalist Hidilyn Diaz to share lessons amid digitalization at IMMAP DigiCon Valley 2022



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In October, Manulife shared key lessons on how to cope with changes and cultivate one's overall well-being at DigiCon Valley 2022, the largest gathering of the digital marketing and advertising industry in the country, organized by the Internet & Mobile Marketing Association of the Philippines (IMMAP). Headlining Manulife's segment were Melissa Henson, Chief Marketing Officer of Manulife Philippines and Hidilyn Diaz, Olympic Gold Medalist and one of Manulife's brand ambassadors. Actor and stand-up comedian Victor Anastacio served as the host.

In this special segment, Henson and Diaz shared their insights and personal takeaways based on Manulife's study, **“The Modern Filipino Family: Exploring Family Dynamics in the new normal.”**

The discussion also touched on one's mental health having a tangible impact on one's physical well-being. Diaz shared how training for the Tokyo Olympics also required “conditioning of the mind” that she could win, where part of her mental training was manifesting winning the gold medal. Manulife's DigiCon segment also highlighted how Filipinos can be ready to navigate uncertainty by keeping up with the pace of digitalization, while having a mindset and attitude towards protection and security. As the interest in insurance products and life protection increased during the pandemic -- because Filipinos became hyper aware of the physical and financial impact of falling ill – the growing demand also underscores the power of insurance and financial planning to help prepare for the unexpected before it happens.

Change is inevitable and developments can be beyond our control, so there is a need to learn how to adapt to the changing environment, which is crucial to resilience. Diaz ended with her view that planning ahead is important, and knowing the various financial options to financially secure the future can help Filipinos be a step closer to achieving their goals.

Three 365 Ready life and accident insurance plans available through ‘Manulife Shop’

To help Filipinos access affordable insurance products online at their own convenience, Manulife Philippines launched Manulife Shop (<https://manulife.com.ph/online-shop>), a new digital platform that offers annually renewable insurance products that empower customers to choose their coverage based on their budget, with life protection coverage up to Php 1,000,000, subject to the terms and conditions of their procured insurance policy.

The platform was developed in partnership with Democrance, an award-winning international insurtech start-up that digitizes distribution channels and insurance value chains for emerging market segments through fast and secure solutions.

Manulife Shop provides intuitive, convenient, and frictionless customer experience for today's hyper-digital Filipinos. Through Manulife Shop, Manulife gets to address the needs of Filipinos who want access to easy and affordable insurance protection options, with the comfort of digitally driven customer experiences where they can transact seamlessly.



The three products available on Manulife Shop are: **365 Ready Accident**, an accident life insurance plan that covers accidental death, dismemberment, total permanent disability, double indemnity, and family assistance for as low as Php 199.00 a year; **365 Ready Life**, a term life insurance plan that provides coverage for as little as Php 249.00 a year; and **365 Ready Duo**, a combination of term life and personal accident insurance plan that provides both life and accident protection benefits for as low as Php 448.00 a year.



Awards

Marketing Excellence Awards for insights-based integrated marketing

Manulife Philippines won a Bronze Award at the local Marketing Excellence Awards 2022 for the integrated marketing campaign centered on its research study: “Know Your Ys and Zs: A Closer Look at the Financial and Mental Well-Being of Filipino Millennials and Gen Zs in the time of COVID-19.”

Marketing Excellence Awards Philippines is organized by Marketing Interactive Magazine, Asia's leading source of advertising, marketing, and media news, which recognizes exceptional campaigns and talent. The Know Your Ys and Zs study won in the Excellence in Data-Driven Marketing & Consumer Insights category.

Manulife's financial literacy program Peso Smart was also named as a Finalist in the Excellence in the Corporate Social Responsibility category at this year's awards.

19th Philippine Quill Awards

At the prestigious 19th Philippine Quill Awards, Manulife Philippines was recognized for the integrated marketing campaign launching highly customizable insurance product HealthFlex, and its financial literacy program Peso Smart.

As the country's premiere awards in business communication, Philippine Quill honored Manulife with Awards of Merit under the Marketing, Advertising, and Brand Communication and Corporate Social Responsibility (CSR) categories. The recognitions from the Quill Awards reaffirmed the Company's commitments as it continues to make decisions easier and lives better for more Filipinos.”

HealthFlex, an affordable and customizable health insurance plan, allows customers to choose their critical illness coverage depending on their needs and budget. To support HealthFlex's launch and promotion, and

highlight its unique proposition, Manulife Philippines implemented a full-suite brand, communications, and digital campaign, anchoring on thought leadership and customer insights, and leveraging innovative marketing tools and strategy to inform customers and the general public.

The Philippine Quill Awards, organized by the International Association of Business Communicators (IABC), has honored the most reputable organizations and corporations in the nation for almost two decades, emphasizing the use of excellent communication to achieve business goals and make a positive difference in society.

Trusted Brand in the Philippines by Reader’s Digest for the fourth time

Manulife Philippines has been named one of the country's Trusted Brands for 2022, winning a Gold Award in the insurance category. This is the fourth time that the company has been recognized in the category since 2017. Marking its 24th year, the Trusted Brands Awards celebrates brands that Asian consumers trust the most, and which uphold solid local connections in their markets, testifying to their reliability, integrity, and relevance to their customers.

Manulife continues to listen to its customers so it can develop and offer relevant, best-in-class solutions to support their health and financial well-being. By keeping in mind their varying needs and priorities, and their unique life journeys, Manulife is able to create new opportunities to connect with them, building and sustaining customer trust even in the most uncertain times.

Reader's Digest commissioned market research company Catalyst Research to conduct a study for the Trusted Brands awards, where about 8,000 participants were asked to name brands that they “trust above all others.” Each brand was rated based on six attributes: trustworthiness and credibility, quality, value, understanding of customer needs, innovation, and social responsibility. The survey was administered in 2021 in five markets in Asia: the Philippines, Singapore, Malaysia, Hong Kong, and Taiwan.

Environmental, Social and Governance

Focus on sustainability

Manulife’s Impact Agenda: Building a better business to better the world

Decisions made easier. Lives made better. These are Manulife’s reasons for being. It is core to who the Company is and what its journey is all about.

As a health and wealth company, Manulife is staying true to its purpose by creating long-term value for its business, communities, and the planet. Through its Impact Agenda, Manulife commits itself and its resources to continue making lives better through three interconnected areas of focus.



Empower sustained health and wellbeing

For a company in the business of building financial resilience, empowering physical and financial well-being creates business value while achieving strong societal benefits. That’s why it’s important for Manulife to make it easy for anyone to choose healthier behaviors and smarter financial solutions that help lay the foundation of a good life for all.



Drive inclusive Economic opportunity

In business and in life, a diversity of perspectives makes for a solid organization, helping open opportunities for all, champion underrepresented groups and make financial solutions more accessible. Manulife aims to help level the playing field by giving everyone a fair shot at success.



Accelerate a Sustainable future

As a company that wants to help its customers be more resilient health-wise and wealth-wise, Manulife works to protect and restore the environment. The Company believes that people cannot be healthy if they live on an unhealthy planet. Climate change is impacting people’s ability to breathe clean air, access safe drinking water, and safeguard against natural disasters. That’s why Manulife is doing its part to help preserve the planet.



Caption: In June 2022, Manulife Philippines launched significant Corporate Social Responsibility (CSR) initiatives in the Philippines, in alignment with Manulife’s Global Impact Agenda. These initiatives aim to inspire change for the better as part of its Community Investment push, through partnerships with three non-government organizations (NGOs): Gawad Kalinga, Corazon Sanchez Atayde Memorial Foundation (CSAMF), and Haribon Foundation.

Supporting the Sustainability Development Goals (SDGs)

Through Manulife’s Impact Agenda goals, the Company is well-positioned to contribute toward six Sustainability Development Goals (SDGs) that are relevant to the business and where it will have the most impact.

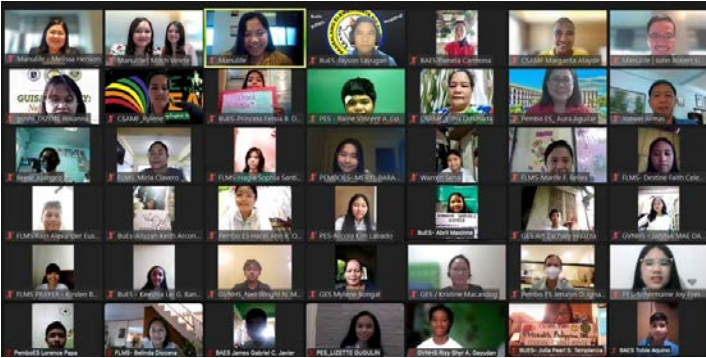
Sustainable Development Goal	Our Impact
Zero Hunger	Manulife has partnered with Gawad Kalinga to provide food security solutions to individuals most in need.
Good health and well-being	As a leading life insurer, Manulife promotes and fosters an environment in which its employees, customers, and community partners are empowered to live healthy lives -- both physically and mentally -- through its products and services.
Gender equality	Manulife aspires to create an inclusive and safe workplace culture through its diversity, equity, and inclusion (DEI) efforts. The Company helps remove barriers by empowering women within its organization and customer base with resources and opportunities to support their development.
Decent work and economic growth	Manulife provides access to employment, promote financial inclusivity, and support financial education to underrepresented communities through its corporate and community investment initiatives.
Reduced inequalities	Manulife provides increasingly digitized and accessible products and services within its operating markets, aiming to reduce and remove barriers to increase economic opportunity for its customer base. Within its organization, well-connected and strong network of Employee Resource Groups champion its DEI cultures and values.
Partnership for the goals	Manulife works and engages with partners, stakeholders, and peers to understand and influence change within its industries and areas of expertise. Through collaborative work and continuous engagement, Manulife can better inform and progress its sustainability efforts.

Financial inclusion through Peso Smart

The evolution of Peso Smart, which started in 2017 as a weekly face-to-face classroom program, was a continuing success story for Manulife Philippines. In 2022, Manulife Philippines further evolved the program to continue helping young students learn smart financial habits, and extending them to a new set of learners that will empower more people to take charge of their future.

Peso Smart x RecoveREADS

In June 2022, more than 250 students from six (6) public schools in Pasig, Makati, Baguio, and Albay graduated from Peso Smart X RecoveREADS. Schools include Bambang Elementary School, Buting Elementary School, and Francisco Legaspi Memorial School in Pasig; Pembo Elementary School in Makati; Guisad Valley National High School in Baguio; and Gubat Elementary School in Albay. This was the first time Peso Smart has been taught outside Metro Manila, producing the biggest batch of graduates since its inception.



Peso Smart webinars

In May 2022, more than 500 Peso Smart x RecoveREADS beneficiaries, together with their parents, teachers, and principals participated in Peso Smart financial literacy webinars. Through the webinars, employees from Manulife Philippines and Manulife China Bank Life Assurance Corporation (MCBL) taught lessons covering basic financial concepts such as saving, budgeting, and investing.



Peso Smart University

In November 2022, Manulife held a four-part virtual Peso Smart University class attended by 300 university students who learned more about personal finances, investments, and unit investment trust funds (UITFs), as well as explored a career as a financial advisor. Peso Smart University students included Gawad Kalinga scholars who study at various universities, along with students from Silliman University, St. Scholastica's College Manila, University of Santo Tomas, and University of the Philippines-Los Baños.



Peso Smart Pinays

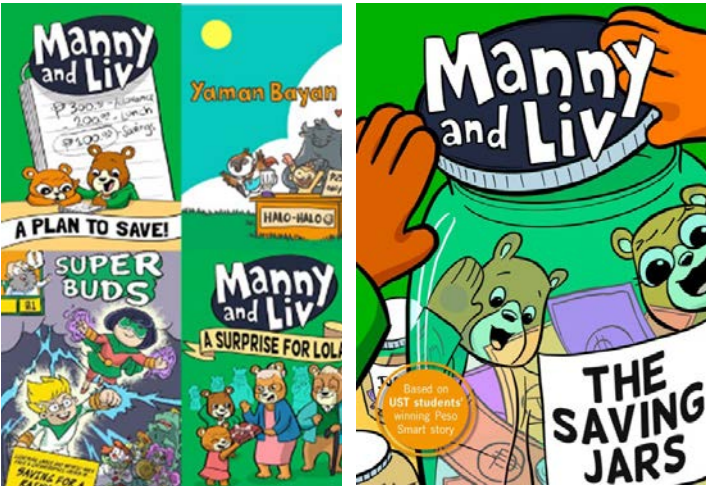


In partnership with CSAMF, Peso Smart has also produced self-learning modules and instructional videos for 50 female heads of household from Quezon City and Sagada, Mountain Province under Peso Smart Pinays. As part of this program, these women gathered weekly for two-hour huddles with a financial expert to discuss, share and analyze outputs.



Peso Smart Storybooks

To promote creativity in learning, Manulife also launched “Manny and Liv: The Saving Jars,” the fifth Peso Smart storybook installment. This is based on a winning entry from the Peso Smart University storybook creation competition, submitted by University of Santo Tomas (UST) AISEC members. The story follows the adventures of siblings Manny and Liv, who learn how to use three “Saving Jars”: “Savings (for my future),” “Just in case,” and “Wants.” The story also includes financial literacy concepts that are common in everyday life, so children can better understand and replicate these in their behavior. To date, Manulife has five (5) Peso Smart storybooks in its collection.



Caption: These storybooks, which are free to download from the Manulife Philippines' website, share the importance of developing smart financial habits at an early age.

Impact Agenda Pillar in Focus: Empowering sustained health and well-being

Goodbye Gutom



Hunger is a common experience among the marginalized. Nutritious food becomes a nice-to-have, where income is limited, or other pressing expenses exhaust the family's financial resources. To help alleviate the problems of food insecurity in the country and build self-sufficiency among families, Manulife began supporting Gawad Kalinga's Goodbye Gutom in 2022, by helping empower 380 individuals from poor families with knowledge and tools to grow their own nutritious food within their available spaces, so they can secure their family's well-being, regardless of circumstance or income.

Peso Smart Hubs

In 2022, as many students continued to attend classes online, Manulife partnered with Gawad Kalinga to create three Peso Smart Hubs in Gawad Kalinga communities. These hubs each provide students free internet connection and computer equipment to help them with remote schooling and after-school projects. On a weekly average, 20-80 students are able to utilize these hubs.



Peso Smart Hubs located in Mandaluyong



Peso Smart Hubs located in Taguig



Peso Smart Hubs located in Butuan

Water for Cambodia

In 2022, over 100 leaders across the Manulife Emerging Markets (EM), including the Manulife Philippines Executive Committee, gathered to visit a rural community in Siem Reap, and installed bio-sand water filters, in partnership with **Water for Cambodia**, to provide clean drinking water for 180 rural households diversity to truly build an inclusive world.



Protecting Banaue Rice Terraces from climate change impacts

Globally, Manulife has partnered with the National Geographic Society to better understand and mitigate the impact of climate change on significant heritage sites around the world and to secure the financial well-being of communities that rely on these places for their livelihoods. One of the chosen sites is the Cordillera Rice Terraces.



Fueling up on diversity, equity, and inclusion (DEI)

Manulife lives by its mission to make decisions easier and lives better. Foundational to the Company's success is ensuring that all its employees, customers, and partners are respected and feel connected to each other, and are treated with equity and dignity.

Promoting DEI in the Workplace

When people feel a sense of community and belongingness, they bring their authentic and whole selves to work. It is Manulife's commitment to create safe spaces for them so they can share their personal stories and enable them to thrive personally and professionally.

Employee Resource Groups

Employee Resource Groups (ERGs) also play an important role in implementing Manulife's DEI strategy, providing valuable support and advice, creating community connection, and raising awareness of issues, challenges, and initiatives. They provide insights to DEI issues that are top of mind for employees, identify opportunities where the Company can play a stronger role, and hold it accountable to its DEI strategy and commitments.

ERGs are voluntary, employees-led networks that provide members meaningful, personal, and professional development opportunities and are fundamental to achieving an inclusive and equitable workplace.

Below are Manulife Philippines' ERGs:



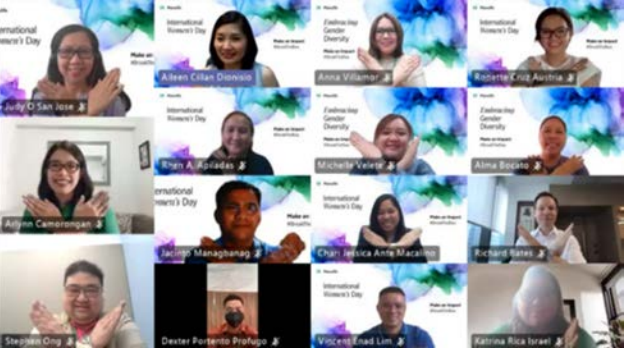
The Global Women's Alliance (GWA) aims to support and encourage the recruitment, development, and advancement of women throughout the organization by providing a network and opportunities in which women can be mentored, share experiences, and have fulfilling careers with Manulife.



MP Professionals Reaching out for Unity and Diversity (MP PROUD) promotes an inclusive workplace for LGBTQIA+ employees to promote their full and unencumbered contribution to Manulife.

Below are the initiatives and events hosted by Manulife's ERGs in 2022:

GWA's "Success Knows No Gender #BreakTheBias" talked about breaking stereotypes, thriving in gender-neutral roles, and embracing diversity to truly build an inclusive world.



GWA's "I Learned Them from Nanay: Tales of empowering maternal love" tackled how mothers play an important role in one's childhood and adulthood, as they nurture a supportive, loving and caring attitude among people, who can then help foster an inclusive environment and create safe spaces for all.



MP PROUD launched its PROUD Viber Stickers to support the LGBTQIA+ community and engage them through fun, colorful and empowering stickers that help promote more inclusive interactions and conversations.

GWA's "Finding your Confidence" special session shared lessons on confidence, leadership, and the power of self-promotion among Manulife employees to further empower women to seek advancement and development professionally and personally.

Management Discussion and Analysis (MDA)

This section provides an overview of the Company’s performance in the year 2022, understanding its financial fundamentals covering profitability, business performance and strategic highlights. The MDA also includes a discussion on the Company’s business goals and forward-looking plans anchored on its Banca, Agency and Margins (BAM) strategy for growth acceleration.

1. Profitability

	2021	2022 (Php Billions)
Net Income	2,826.5	1,137.1
General Expenses	3,329.3	3,830.5
Return on Equity	15.7%	6.9%

Net Income

- The Company’s Net income decreased by Php 1.7 Billion in 2022 due to a one-time change in legal reserves (Php 1.2 Billion reserve strengthening in 2022 and Php 1.97 Billion reserve release in 2021).¹
- Excluding the impact of changes in legal reserves, the Company’s net income grew on account of:
 - Php 0.7 Billion lower benefits and claims incurred on insurance contracts, mainly due to a decline in COVID-19-related claims;
 - Php 0.7 Billion lower income taxes due in 2022 (minimum corporate income or 2% of gross income in 2022 vs. regular corporate income tax);
 - Php 0.4 Billion lower impairment loss on investment in its pre-need subsidiary Manulife Financial Plans, Inc.; and
- Php 0.3 Billion higher investment and other income due to
 - higher interest on loan to parent company Manulife Financial Asia Limited;
 - and higher unit linked-related fees (increase in assets under management).

General expenses

- The Company’s expenses increased by Php 0.5 Billion (Php 3.3 Billion in 2021 to Php 3.8 Billion in 2022) due to:
 - Php 0.21 Billion higher service fees and administrative support expenses (Regional Office allocations);
 - Php 0.12 Billion impairment provision on policy over loans (excess of loans over cash surrender values); and

- Php 0.10 Billion higher project expenses (investments in digital and automation).

2. Business Performance

	2021	2022 (Php Billions)
AUM GA balance	112.95	108.34
Gross Premiums	18.26	17.63

Assets Under Management (AUM) General Account Balance

Financial assets (Note 5)		
Financial Assets at fair value through profit or loss (FPVL)	60,796,475,914	60,091,263,262
Available-for-sale financial assets	37,030,866,223	42,348,896,307
Loans and receivables	10,513,246,633	10,508,989,111

Gross Premiums

- In 2022, first year premiums grew 30% YoY, offsetting a drop in single premium of -41% YoY. The increase was primarily led by group insurance premiums, as the individual book did not increase much YoY.
- Renewal premiums were flat due to a similar level of persistency experience YoY.

	YTD Dec 2022	YTD Dec 2021	Change	% Change
Increase/ (Release) in Legal Reserves*	1,333	35	1,298	3676.0%
Transfer to Seg Funds	9,787	10,412	(625)	-6.0%
Reserves	11,120	10,448	673	6.4%
FY	2,898	2,229	668	30.0%
Renewal	12,999	13,118	(119)	-0.9%
Single Pay	1,728	2,916	(1,187)	-40.7%
Gross Premiums	17,625	18,263	(638)	-3.5%

3. Strategic Highlights

- Entering into 2023, the Company’s Net Promoter Score (NPS) is at an all-time high at 78 points, and closing the gap to the market leader from 9 points last year to 6 points this year.
- There has been a significant increase in adoption of digital assets with 85%+ of new policy submissions and 25%+ of all claims submitted digitally.
- Employee engagement scores have increased to 4.36 from pre-pandemic scores of 4.15.²

Manulife Philippines is strategizing its next 3-year growth acceleration through what it calls “BAM” or Bancassurance, Agency and Margins. This will leverage key enablers to achieve the Company’s Bold Ambition by 2025.

During 2023, it the Company intends to scan market opportunities for breakout growth, seek alignment with all relevant stakeholders, create a robust execution plan backed by KPIs and complete foundation for the Strategy House shown below.

BAM Pillars to accelerate growth and deliver value



Manulife Philippines (combined with its bancassurance arm, MCBL) is currently ranked 4th in terms total premiums adjusted with 10% of single pay premiums, as per data shared by the Insurance Commission as of 31 December 2022.

¹ [Page 57, Note 20 of 2022 Audited Financial Statements]

² Employee engagement scores are based on Gallup’s 5-point scale, placing Manulife at the 72nd percentile rank across companies globally in 2022. GrandMean measures overall workgroup engagement, which is an average of 12 workgroup engagement items (Q01-Q12). The higher the score (with a maximum possible score of 5.00), the more engaged employees are. The Gallup Database Percentile Rank shows how the GrandMean and individual Q12 item results compare with Gallup’s database of organizations that have administered the Q12 survey.



Independent Auditor's Report

The Board of Directors and Stockholders

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



Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the Parent Company financial statements of The Manufacturers Life Insurance Co. (Phils.), Inc. (the Parent Company), which comprise the Parent Company statements of financial position as at December 31, 2022 and 2021, and the Parent Company statements of income, Parent Company statements of comprehensive income, Parent Company statements of changes in equity and Parent Company statements of cash flows for the years then ended, and notes to the Parent Company financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Parent Company financial statements present fairly, in all material respects, the financial position of the Parent Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the **Auditor’s Responsibilities for the Audit of the Parent Company Financial Statements** section of our report. We are independent of the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the Parent Company financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the Parent Company financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of Parent Company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Parent Company financial statements, management is responsible for assessing the Parent Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Parent Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Parent Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent Company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Parent Company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company’s internal control.

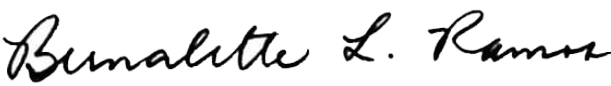
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Parent Company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Parent Company financial statements, including the disclosures, and whether the Parent Company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 30 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of The Manufacturers Life Insurance Co. (Phils.), Inc.



Bernalette L. Ramos
Partner

CPA Certificate No. 0091096
Tax Identification No. 178-486-666
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 91096-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions BIR Accreditation No. 08-001998-081-2021, February 1, 2021, valid until January 31, 2024 PTR No. 9564685, January 3, 2023, Makati City

March 31, 2023

The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Parent Company Statements of Financial Position

	December 31	
	2022	2021
Assets		
Cash and Cash Equivalents (Notes 4)	Php 2,492,518,745	Php 2,177,119,101
Insurance Receivables (Note 26)	148,850,685	133,720,939
Financial Assets (Notes 5)		
Financial assets at fair value through profit or loss (FVPL)	60,796,475,914	60,091,263,262
Available-for-sale financial assets	37,030,866,223	42,348,896,307
Loans and receivables	10,513,246,633	10,508,989,111
Accrued Income (Note 7 and 30)	420,839,900	379,787,097
Reinsurance Assets (Note 13)	65,745,392	125,828,744
Investments in Subsidiaries (Note 8)	1,339,286,607	1,455,047,004
Property and Equipment (Note 9)	362,859,403	482,243,828
Right-of-use Assets (Note 23)	166,377,430	230,488,091
Software Costs and Other Intangible Assets (Note 10)	706,416,505	651,850,662
Pension asset - net (Note 24)	27,292,281	–
Deferred Tax Assets (Note 25)	1,148,924,854	2,736,108,662
Other Assets (Note 11)	252,362,109	418,151,575
	Php 115,472,062,681	Php 121,739,494,383
Liabilities And Equity		
Liabilities		
Insurance contract liabilities (Notes 12 and 13)	Php 90,212,353,884	Php 94,792,707,909
Policyholders’ dividends (Note 26)	3,297,390,886	3,372,795,841
Insurance payables (Note 26)	1,479,123,159	1,204,498,186
Premium deposit fund (Note 26)	26,058,377	27,836,099
Accounts payable and accrued expenses (Note 14)	2,749,643,036	3,135,443,957
Income tax payable	–	114,973,405
Due to related parties (Note 27)	2,122,943,719	1,360,216,108
Lease liabilities (Note 23)	208,695,268	285,113,739
Pension liability - net (Note 24)	–	8,991,628
Total Liabilities	100,096,208,329	104,302,576,872
Equity		
Capital stock (Notes 16 and 28)	930,000,000	930,000,000
Additional paid-in capital (Note 16)	50,635,817	50,635,817
Retained earnings	17,801,773,758	17,406,155,393
Appropriated surplus - Negative reserves (Note 2)	3,688,221,591	3,922,213,814
Remeasurement loss on policy reserves (Notes 2 and 12)	(1,593,009,997)	(6,951,809,265)
Remeasurement gains (losses) on pension plan (Note 24)	72,895,933	38,729,171
Reserve for fluctuation in value of available-for-sale		
Financial assets (Note 5)	(5,574,662,750)	2,040,992,581
Total Equity	15,375,854,352	17,436,917,511
	Php 115,472,062,681	Php 121,739,494,383

See accompanying Notes to Parent Company Financial Statements.

Parent Company Statements of Income

	Years Ended December 31	
	2022	2021
Revenue		
Gross premiums earned on insurance contracts	Php 17,634,552,093	Php 18,262,565,356
Reinsurers’ share of gross premiums earned on insurance contracts	(707,790,783)	(751,992,818)
Net insurance premiums earned (Note 17)	16,926,761,310	17,510,572,538
Investment income (Note 18)	2,731,977,870	2,471,272,123
Gain on sale of available-for-sale financial assets (Note 5)	28,939,450	16,524,458
Fair value gain (loss) on financial assets at FVPL (Note 5)	(6,514,898)	(511,592)
Other income (Note 19)	3,750,087,896	3,441,512,058
Total revenue	Php 23,431,251,628	Php 23,439,369,585
Benefits, Claims and Operating Expenses		
Gross benefits and claims incurred on insurance contracts (Note 20)	4,018,265,398	4,760,441,809
Reinsurers’ share of benefits and claims incurred on insurance contracts (Note 20)	(13,167,131)	(67,375,928)
Gross change in legal policy reserves (Note 20)	11,759,611,983	8,489,843,308
Reinsurers’ share of gross change in legal policy reserves (Note 20)	(2,345,476)	(11,154,645)
Dividends to policyholders	375,904,098	416,263,798
Net insurance benefits and claims	16,138,268,872	13,588,018,342
General and administrative expenses (Note 21)	3,830,484,466	3,329,328,622
Commissions and other direct expenses (Note 22)	1,679,724,753	1,845,784,884
Impairment loss on Investment in subsidiary (Note 8)	115,760,397	563,636,306
Insurance and other taxes (Note 21)	269,622,747	272,443,132
Foreign currency exchange (losses)	(6,348,780)	(35,484,334)
Underwriting expenses	7,183,185	6,449,847
Interest on premium deposit fund	50,277	65,988
Total benefits, claims and operating expenses	22,034,745,917	19,570,242,787
Income from operations	1,396,505,711	3,869,126,798
Interest expense on lease liabilities (Note 23)	7,602,968	40,546,670
Income before income tax	1,388,902,743	3,828,580,128
Provision for income tax (Note 25)	251,776,601	1,002,032,652
Net income	Php 1,137,126,142	Php 2,826,547,476

See accompanying Notes to Parent Company Financial Statements.

Parent Company Statements of Comprehensive Income

	Years Ended December 31	
	2022	2021
Net Income	Php 1,137,126,142	Php 2,826,547,476
Other comprehensive income (loss)		
Items that will be reclassified to profit or loss in subsequent periods:		
Net change in fair value of available-for-sale financial assets (Note 5)	(7,615,655,331)	(4,903,000,804)
Remeasurement gains (losses) on legal policy reserves, net of tax (Note 12)	5,358,799,268	2,630,414,579
Item that will not be reclassified to profit or loss in subsequent periods:		
Remeasurement gains (losses) on pension plan, net of tax (Note 24)	34,166,762	70,037,831
	(2,222,689,301)	(2,202,548,394)
Total Comprehensive Income (Loss)	(Php 1,085,563,159)	Php 623,999,082

See accompanying Notes to Parent Company Financial Statements.

Parent Company Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

	Capital Stock (Note 16)	Additional Paid-in Capital (Note 16)	Retained Earnings (Notes 2)	Appropriated Surplus - Negative Reserves (Notes 2 and 12)	Remeasurement Loss on Policy Reserves (Notes 2 and 12)	Remeasurement Gains (Losses) on Pension Plan (Note 24)	Reserve for Fluctuation in Value of Available-for sale Financial Assets (Note 5)	Total
As at January 1, 2022	Php 930,000,000	Php 50,635,817	Php 17,406,155,393	Php 3,922,213,814	(Php 6,951,809,265)	Php 38,729,171	Php 2,040,992,581	Php 17,436,917,511
Net income	-	-	1,137,126,142	-	-	-	-	1,137,126,142
Other comprehensive income (loss)	-	-	-	-	5,358,799,268	34,166,762	(7,615,655,331)	(2,222,689,301)
Total comprehensive income (loss)	-	-	1,137,126,142	-	5,358,799,268	34,166,762	(7,615,655,331)	(1,085,563,159)
Dividends declared (Note 16)	-	-	(975,500,000)	-	-	-	-	(975,500,000)
Appropriation of negative policy reserves	-	-	233,992,223	(233,992,223)	-	-	-	-
As at December 31, 2022	Php 930,000,000	Php 50,635,817	Php 17,801,773,758	Php 3,688,221,591	(Php 1,593,009,997)	Php 72,895,933	(Php 5,574,662,750)	Php 15,375,854,352
As at January 1, 2021	Php 930,000,000	Php 50,635,817	Php 16,156,945,196	Php 4,004,876,535	(Php 9,582,223,844)	(Php 31,308,660)	Php 6,943,993,385	Php 18,472,918,429
Net income	-	-	2,826,547,476	-	-	-	-	2,826,547,476
Other comprehensive income (loss)	-	-	-	-	2,630,414,579	70,037,831	(4,903,000,804)	(2,202,548,394)
Total comprehensive income (loss)	-	-	2,826,547,476	-	2,630,414,579	70,037,831	(4,903,000,804)	623,999,082
Dividends declared (Note 16)	-	-	(1,660,000,000)	-	-	-	-	(1,660,000,000)
Appropriation of negative policy reserves	-	-	82,662,721	(82,662,721)	-	-	-	-
As at December 31, 2021	Php 930,000,000	Php 50,635,817	Php 17,406,155,393	Php 3,922,213,814	(Php 6,951,809,265)	Php 38,729,171	Php 2,040,992,581	Php 17,436,917,511

See accompanying Notes to Parent Company Financial Statements.

Parent Company Statements of Cash Flows

	Years Ended December 31	
	2022	2021
Cash Flows From Operating Activities		
Income before income tax	Php 1,388,902,743	Php 3,828,580,128
Adjustments for:		
Provision for impairment loss on investment in subsidiary (Note 8)	115,760,397	563,636,306
Change in IBNR provision (Note 12)	(67,159,977)	470,782,783
Depreciation and amortization (Note 21)	448,600,704	446,627,141
Retirement costs (Note 24)	50,315,246	68,054,583
Provision for impairment loss on:		
Loans and receivables (Note 5)	151,441,221	24,906,871
Other assets (Note 11)	468,041	42,698,833
Interest expense on lease liabilities (Note 23)	7,602,968	40,546,670
Fair value loss (gain) on financial assets at fair value through profit or loss (Note 5)	6,514,898	511,592
Interest on premium deposit fund	7,653,245	65,988
Interest income (Note 18)	(2,700,839,404)	(2,443,236,216)
Change in legal policy reserves (Note 12)	1,970,158,878	(1,933,537,094)
Unrealized foreign currency exchange losses (gains) - net	40,289,965	(86,589,589)
Dividend income (Note 18)	(31,138,466)	(28,035,907)
Gains on sale of available-for-sale financial assets	(28,939,450)	(16,524,458)
Gain on lease modification (Note 23)	-	-
Operating income before changes in operating assets and liabilities	1,359,631,010	978,487,631
Decrease (increase) in:		
Reinsurance assets	60,083,352	120,761,225
Financial assets at fair value through profit or loss	(703,531,550)	(5,407,078,203)
Loans and receivables	(156,166,784)	(332,119,299)
Other assets	199,961,475	(130,839,302)
Insurance receivables	(15,129,746)	(11,811,489)
Increase (decrease) in:		
Insurance contract liabilities - unit-linked	707,149,051	5,405,903,826
Accounts payable and accrued expenses	(385,800,920)	312,879,808
Due to related parties	644,380,882	129,349,025
Insurance payables	274,624,973	100,151,334
Policy and contract claims payable (Note 12)	(45,436,287)	93,710,453
Premium deposit fund	(1,777,722)	1,289,855
Policyholders' dividends	(75,404,955)	(56,911,785)
Cash generated from (used in) operations	1,862,582,779	1,203,773,079
Income taxes paid (including creditable withholding taxes)	(611,393,551)	(1,043,361,098)
Contributions to retirement fund (Note 24)	(41,043,473)	(47,387,777)
Interest paid	(7,653,245)	(40,612,658)
Net cash provided by (used in) operating activities	1,202,492,510	72,411,546

Years Ended December 31		
	2022	2021
Cash Flows From Investing Activities		
Proceeds from:		
Sales and/or maturities of available-for-sale financial assets (Note 5)	Php 1,695,009,141	Php 3,245,461,276
Property and equipment	5,453,378	8,464,188
Acquisitions of:		
Available-for-sale financial assets (Note 5)	(3,925,529,709)	(5,034,325,562)
Software costs and other intangible assets (Note 10)	(184,072,684)	(129,504,831)
Property and equipment (Note 9)	(88,013,259)	(97,757,260)
Interest received	2,724,617,514	2,470,718,507
Return of capital from subsidiaries (Note 8)	-	60,000,000
Dividends received	30,666,857	27,516,619
Additional investment in insurance investment fund - seed money	(8,196,000)	(11,723,400)
Net cash provided by investing activities	249,935,239	538,849,537
Cash Flows From Financing Activities		
Dividends paid (Note 16)	(975,500,000)	(1,660,000,000)
Payments of principal portion of lease liabilities (Note 23)	(137,060,335)	(98,130,742)
Net cash used in financing activities	(1,112,560,335)	(1,758,130,742)
Effect Of Foreign Currency Rate Changes In Cash And Cash Equivalents	(24,467,770)	22,030,637
Net Decrease In Cash And Cash Equivalents	315,399,644	(1,124,839,022)
Cash And Cash Equivalents At Beginning Of Year	2,177,119,101	3,301,958,123
Cash And Cash Equivalents At End Of Year (Note 4)	Php 2,492,518,745	Php 2,177,119,101

See accompanying Notes to Parent Company Financial Statements.

(Forward)

Branch Directory

Location	Address	Location	Address
Alabang	2/F Common Goal Tower, Finance cor Industry St, Madrigal Business Park, Ayala Alabang, Muntinlupa City	Koronadal	G/F FB Hotel & Convention Center, Alunan Avenue (National Highway), Koronadal City, South Cotabato
Bacolod	2/F O Residences, Lacson Street, Mandalagan, Bacolod City	Laoag	G/F CUA Building cor. J.P. Rizal and Farinas Street, Brgy. 8 San Vicente, Laoag City, Ilocos Norte
Baguio	2nd Floor MJP Building, Abanao St., Baguio	Lapu Lapu	G/F Lilang’s Building, ML Quezon, National Highway, Pajo, Lapu Lapu City, Cebu 6015
Bataan	90 dela Fuente Bldg., Capitol Drive, Balanga City, Bataan	La Union	2F Shania Building, M L Quezon Avenue, Catbangen, City of San Fernando, La Union
Batangas	2/F OJH Building National Highway, Barangay Alangilan, Batangas City	Lemery	2/F Humarang Bldg., Purok 1, Brgy. Palanas, Lemery, Batangas
BGC	G/F Unit 4, Ore Central, 9th St, cor. 31st, Fort Bonifacio, City of Taguig	Lipa	2/F Big Ben Complex, JP Laurel Highway, Lipa City, Batangas
Binondo	G/F & 2/F Federal Tower, Dasmarinas cor Muelle de Binondo, Binondo Manila	Makati	G/F, 5/F, 10/F NEX Tower 6786 Ayala Avenue, Makati City
Bukidnon (Valencia)	TS Mix Building, Sayre Highway, Poblacion, Valencia City, Bukidnon	Malolos	G/F MIDECOR Bldg, Km 41, McArthur Highway, Sumapang Matanda, Malolos, Bulacan
Butuan	2/F Samping Avenue, JC Aquino Ave., Butuan City	Naga	2/F Diaz Bldg., Elias Angeles St., Naga City, Camarines Sur
Cabanatuan	G/F Rosita Building, Maharlika Highway, Cabanatuan City	Ormoc City	2/F Ormoc Centrum Bldg., Aviles St., District 12, Ormoc City
Cagayan de Oro	Mezzanine, Pelaez Commercial Arcade 1 Extension, Tiano cor. Cruz, Taal, Cagayan de Oro City	Ortigas (Hanston)	20/F Hanston Square, 17 San Miguel Avenue, Ortigas, Pasig City
Calamba	Brgy 1 Purok 4, National Highway, Calamba City	Ozamis Branch	2/F, Infinity Building, Don Anselmo Bernard Avenue, Ozamiz City
Cebu Bonifacio	2/F Bonifacio District, F Cabahug Street, Kasambagan, Cebu City	Palawan	2/F Goland Plaza Building, National Highway cor. Malvar Street, Brgy. San Miguel, Puerto Princesa City, Palawan
Cebu 2Quad	G/F and 7/F 2QUAD Building Cardinal Rosales Avenue cor. Sumilon Road, Cebu Business Park, Cebu City	Quezon Ave	G/F & 5/F CWI Bldg, 1050 Quezon Avenue, Quezon City
Dagupan	G/F, VFV Towers, Perez Boulevard, Dagupan City	Roxas City	Arcade Bldg. B, Gaisano Roxas Arcade, Arnaldo Blvd., Roxas City
Davao Main	7/F Abreeza Corporate Center, JP Laurel Ave., Barangay 20-B, Poblacion District, Davao City	San Fernando	2/F Kingspire Business Center Km 17, San Fernando, Pampanga
Dumaguete	G/F and 2/F Yala Lifestyle Mall, Calindagan, Dumaguete City	Sta Rosa	3/F San Jose Bldg, Sta Rosa Tagaytay Road, Brgy Sto Domingo, Sta Rosa, Laguna
Escolta	G/F Natividad Bldg, Escolta cor. Tomas Pinpin, Binondo, Manila	Tacloban	G/F Tacloban Fil-Chinese Chamber of Commerce Inc. Bldg., 78 Justice Romualdez Street, Tacloban City
General Santos Branch	G/F Space 13-14 RD Building, Santiago Boulevard, General Santos City	Tagbilaran	QVC Business Plaza, CPG North Avenue, Tagbilaran City, Bohol
Greenhills	9/F BTTC Center, 288 Ortigas Ave. cor. Roosevelt St, San Juan City	Tagum	2/F Cuntapay Building, National Highway, Tagum, Davao City
Iligan Branch	2/F Garcia Building Party Plaza, Quezon Avenue Extension, Rabago, Iligan City	Tarlac	2/F RICNI Bldg., Zamora Street, McArthur Highway, San Roque, Tarlac City
Iloilo Plazuela	Plazuela Dos, San Rafael, Mandurriao, Iloilo City	Tuguegarao	G/F IRD Bldg., Diversion Road, Pengue Ruyu, Tuguegarao City, Cagayan Valley
Imus	Palico 4, Aguinaldo Highway, Imus, Cavite	Zamboanga	2/F Printex Printers Building, Mayor Jaldon St., Canelar, Zamboanga City
Isabela	G/F Navarro Building, National Highway, Villasis, Santiago City, Isabela		



Manulife

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

NEX Tower, 6786 Ayala Ave, Makati, 1229

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