



## Annual Report

Seizing new opportunities  
to build a better normal

# 2021



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## Message from the Chairperson

### Sachin N. Shah

General Manager, Emerging Markets  
Manulife



This year marks our 115-year anniversary in the Philippines. Since 1917, our Philippines business has witnessed challenges that have only strengthened our resolve to serve our customers and give them peace of mind. Looking back at the milestones our team has achieved in 2021, I am inspired by the team’s focus on empowering sustained health and well-being, as well as the focus on providing advice and solutions to drive financial security for our customers, especially in the midst of a pandemic.

Manulife has achieved positive momentum and continued our transformation journey into the most digital, customer-centric global company in our industry. When the pandemic hit, our focus quickly shifted to two key objectives: ensuring the health and safety of our team and supporting our customers, who needed us more than ever – and we have maintained this focus.

### Accelerating forward, embracing the future

From concerns about how to protect their savings and investments, to securing products that help with their medical needs and well-being, to enduring the devastating loss of a loved one, our customers turned to us in record numbers during this difficult time. In keeping with our mission—decisions made easier, lives made better—we supported customers in their time of need.

According to the Manulife Asia Care Survey, 9 out of 10 Filipinos have expressed greater interest in purchasing life insurance because of the uncertainties brought about by the COVID-19 pandemic. In 2021, we launched new offerings for both individual and business clients, geared towards enabling more Filipinos to achieve their life aspirations.

We launched three new fund options to our variable life portfolio: Tiger Growth Fund, US Growth Fund, and Global Preferred Securities Income Fund. Through these new funds, which are available with select Manulife Philippines’ variable life insurance (VUL) products, Filipinos can expand their portfolios to include global markets and optimize potential returns.

To help businesses in the Philippines protect their employees’ health and secure their future, we introduced Health Protect, a one-year renewable term insurance plan that provides employees with health protection coverage of up to Php 5 million against various critical illnesses.

To power our digital acceleration, we made a number of leadership appointments in 2021 that further strengthened our team and reinforced our commitment to growing our Philippines business – ensuring that we future-proof Manulife with the best talent to lead the company forward.

### Transforming with a stronger sense of purpose

The world is changing -- and so is our industry as well as customer needs. We are seeing unprecedented changes everywhere, and these transformations give us a sneak peek to the future. With customers at the heart of everything we do, we will navigate and fulfill the promise of tomorrow. As we go forth into achieving more milestones, I am confident in the passion, energy, and dedication of everyone on the Manulife Philippines team and its stellar leadership team charting the course.

On behalf of the Company’s Board of Directors, I extend my most heartfelt appreciation to our winning team for their grit and courage, and for sharing their humanity amid challenging times. As the future beckons, I count on your commitment as we empower sustained health and well-being, drive inclusive economic opportunity, accelerate a sustainable future, and always stay true to our mission:

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

# Message from the President and CEO

## Richard Bates

Manulife Philippines



In the past year, we have seen how the COVID-19 pandemic’s effects continue to pervade everyday life. Filipinos have shown, however, that there is no greater force than strength and resilience in the face of adversity, and the focus to turn challenges into opportunity. While needs and priorities have rapidly changed, Filipinos have also gained optimism and confidence to take charge of their health, well-being, and finances, setting their sights on bouncing forward to a better future.

We at Manulife Philippines have remained in a strong position to serve our customers amid the pandemic, as we’ve kept our sights firmly fixed on our mission – Decisions made easier. Lives made better. Our competitiveness, customer-centricity and innovativeness helped us adapt to the evolving business landscape, and helped us leverage all the right resources to address the needs of our customers.

### Customers at the heart of everything we do

In 2021, we continued listening to customers by way of research studies that aimed to understand Filipinos’ concerns and challenges amid COVID-19. Manulife’s Asia Care Survey, where over 500 respondents were from the Philippines, revealed that Filipinos are taking greater interest in their fitness and well-being, including insurance and retirement planning, as the country comes to terms with the longer-term impacts of the pandemic. This insight informed the strategy behind our health and retirement solutions, like HealthFlex and the redesigned Freedom, which can give Filipinos the security and financial peace of mind when it matters most.

We also surveyed 500 millennials and Gen Zs from across the Philippines to understand the habits of young Filipinos, who make up 70% of the population, and the actions they are taking to achieve financial independence and mental wellness. We found out that the pandemic’s impact on public health, personal relationships, and the global economy have made the younger generations of Filipinos more aware of the importance of their physical, mental, and financial health. Generations Y and Z now seek more products and services that encourage proactive financial management and highlight great regard for mental wellness, while also seeking ways to grow their money and secure a more stable future. Understanding these sentiments helped us find new ways to innovate and introduce more relevant financial protection solutions, so we can help them fulfill their most important goals.

### Product innovation and digitalization

This year, we also added three new fund options to our variable unit linked (VUL) portfolio: the Tiger Growth Fund, the US Growth Fund, and Global Preferred Securities Income Fund, which are available with select Manulife VUL products.

It shows our focus on offering customers relevant solutions that can provide both life protection and access to investment opportunities in key global markets. These funds can also enable Filipinos to expand their portfolios and optimize their potential returns.

Even before the pandemic, Manulife had started investing in technology to make our processes more efficient, and our customer experience more seamless and hassle-free. In 2021, we ramped up our digital initiatives to enhance our electronic point of sale and non-face-to-face financial consultations to allow our financial advisors to generate proposals, and

enable customers to purchase new policies, without the need for face-to-face interaction. We also migrated our official receipts from paper to digital. Since the beginning of 2021, our customers receive their receipts through a one-time password protected link sent via email and SMS.

Our digital efforts have also enabled our workforce to work remotely and in hybrid setup, prioritizing their health and safety, while ensuring flexibility and agility in operations and service delivery.

We continuously enhance our online customer service portal Manulife Online to make it easier for customers to manage their policies anytime, anywhere. We simplified the login process, expanded online payment features, and enabled downloading of electronic receipts. Should customers need to file a claim, either as an insured or a beneficiary, Manulife’s eClaims allows easy and accessible online support for customers to submit their insurance claim requirements.

### Manulife’s distribution and sales force

Throughout the pandemic, Manulife has remained focused on providing employment opportunities to Filipinos. As becoming a financial advisor is a career path that welcomes people of various backgrounds, talents and skill sets, we’ve been able to reach out to segments impacted by the pandemic. Through our technology-backed tools and development programs, we will continue to support our financial advisors to be the most professional in the industry, as they are the face of Manulife to customers, and our real-life champions.

2021 was a banner year for Partnership Distribution, providing a growing number of Filipinos access to financial protection through their employers and professional associations. To support our bank partners, we held exclusive webinars on topics such as “Estate Planning and Wealth Succession” and “Investing in the Time of a Global Pandemic.” During these events, we also introduced Affluence Max Elite, a limited-product offer with guaranteed start-up and loyalty bonuses, as well as a suite of new global funds to suit various investment needs. We launched a new standalone critical illness group product, Health Protect, that offers a lump sum payout should employees be diagnosed with any of the up to 60 illnesses covered. Likewise, we introduced an affordable packaged group life product, Group Protect, which caters to companies with under 100 employees.

### Serving our communities

Manulife’s Peso Smart financial program was further expanded in 2021.

The core program, Peso Smart x RecoveReads, run in partnership with the Corazon Sanchez Atayde Memorial Foundation, deepened the financial literacy of 300 students in six public elementary schools in School Year 2021-2011: 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 tripled the number of students in the program versus the prior year, and is the first year Peso Smart reached beyond the National Capital Region.

In addition, over 100 students from Ateneo de Manila University, De La Salle University, University of Santo Tomas, and University of the Philippines-Diliman attended two-day Peso Smart virtual classes. These classes were headlined by Manulife’s actuaries and wealth management experts, teaching them the importance of insurance, investments, and financial planning so students can learn how to grow their money, prepare for the unexpected, and financially secure their future.

Manulife Philippines also continues to cultivate a diverse, equitable, and inclusive workplace where employees are encouraged to bring their whole selves. In celebration of International Women’s Day in 2021, we joined the global movement to #ChooseToChallenge gender stereotypes, biases and all forms of discrimination through a special session on what it takes to be women in charge and how they have overcome challenges as female leaders. Some of our women leaders of Manulife were also featured in leading media publications as they shared their experiences and career lessons on how to build more inclusivity in the workplace. We also held “Becoming Better Allies to Each Other,” a free webinar that discussed the importance of allyship, and how we can all come together to have meaningful conversations about equality and creating safe spaces for all.

Lastly, Manulife donated CAD \$250K to support COVID-19 relief efforts in five countries in Asia heavily impacted by the pandemic: India, Cambodia, Indonesia, Malaysia, and the Philippines. The company’s donation went to Project HOPE, an international health and humanitarian organization, which assisted with on-ground relief in these countries, such as providing much-needed supplies for healthcare facilities including oxygen, ICU beds, PPE kits, and other medical supplies.

### One Team Philippines

I take immense pride that this year, LinkedIn recognized us as one of the Top 15 companies to grow one’s career in the Philippines. These companies are recognized for helping their workforce build a professional foundation that sets them up for success at the company and beyond. The award testified to the kind of environment we have built for our employees and financial advisors, and we are delighted by this recognition.

I’d like to thank our team for their hard work, loyalty, and passion to deliver on our goals in 2021. The wins and lessons we’ve learned as a team would not be possible without the collective embodiment of our core values, so we can serve our customers with excellence, agility, and genuine care. I am confident that we at Manulife will continue to break new grounds and achieve bigger and bolder things, as one winning team, in 2022 and beyond.

# About Manulife

Manulife Financial Corporation is a leading international financial services provider that helps 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. Our principal operations are in Asia and Canada, and the United States, where we have served customers for more than 155 years.

We trade as ‘MFC’ on the Toronto, New York, and the Philippine stock exchanges and under ‘945’ in Hong Kong. In the previous 12 months we made CAD\$31.8 billion in payments to our customers.

Not all offerings are available in all jurisdictions.  
For additional information, please visit [manulife.com](https://www.manulife.com).

## Our Mission

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

## 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.

## 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.

## 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\$ 2.387 Billion

Assets Under Management

US\$ 241 Million

Total Premium for Wealth

US\$ 116 Million

Total Premium for Insurance

9,350

Insurance Commission-Licensed Agents

455,757

Policies in Force



# Ownership Structure



\*Beneficial Owner  
\*\* 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 (54) 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.



**Richard Bates**  
**Executive Director**

Richard Bates (48) is the President and CEO of Manulife Philippines. He currently serves as an executive director of Manulife Philippines, and non-executive 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 2019.

Prior to joining Manulife, Richard served as the Chief Executive Officer of AIA (Cambodia) Insurance PLC. He likewise held other roles with AIA for over nearly 10 years, including Chief Representative, Regional Director, and Group Head, Corporate Transactions. Richard also worked with KPMG Hong Kong before working for AIA.

Richard graduated from the University of Portsmouth in England with a degree in business administration and management.



**Matthew Lawrence**  
**Non-Executive Director**

Matthew Edward Lawrence (45) 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 (41) 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 Head of Operations and IT Performance 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. 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**

Rhoda Regina Rara (55) 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. 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 (62) 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.

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 (63) 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.

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.



# Executive Committee

\*as of May 2022



<b>1 Richard Bates</b> President and Chief Executive Officer	<b>3 Sandeep Deobhakta</b> President and Chief Executive Officer Manulife China Bank Life	<b>5 Melissa Angela Henson</b> Chief Marketing Officer	<b>7 Jose Eduardo Ang</b> Chief Product Officer	<b>9 Ivan Dave Buenaventura</b> Chief Technology Officer	<b>11 Fritzie Tangkia-Fabricante</b> Chief Legal and Compliance Officer
<b>2 Macaria Trinidad Gaspar</b> President and Chief Executive Officer Manulife Investment Management Philippines	<b>4 Rajeev Kumar</b> Chief Financial Officer	<b>6 Stephen Ong</b> Chief Distribution Officer	<b>8 Anna Liza Villamor</b> Chief Human Resources Officer	<b>10 Maya Lee</b> Chief Operations Officer	<b>12 Aris Briones</b> Chief Risk Officer



# Senior Officers



**Joseph Daryl Abesamis**  
Chief Actuary



**Anna Elizza Bustos-De Leon**  
Data Privacy Officer



**Mikael Diaz de Rivera**  
Head, Distribution Operations



**Wynnford Medrano**  
Head, Corporate Services



**Sailesh Nalinakshan**  
Head, Distribution Transformation\*



**Lorna Lee Dela Paz-Almojera**  
Alternate Data Privacy Officer and Alternate Anti-Money Laundering Reporting Officer



**Maxima Linda Galido**  
Agile Product Owner



**Trina Henson**  
Head, Client Centricity



**Mara Kristina Herrera**  
Assistant Corporate Secretary



**Abbiegail Sac**  
Corporate Secretary



**Roselle Sibayan**  
Head, Agency Learning



**Jared Anthony Uichico**  
Head, Partnership Distribution



**Mervin Keng**  
Sector Head, Metro Manila 1 and 2



**Maria Jenell Lagman**  
Head, Data Analytics



**Edwin Magpantay**  
Controller



**Marlon Vicente**  
Head, Agency Sales



**Katherine Wong**  
Head, Branding, Marketing Communications and Digital

\*subject to regulatory approval



# 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

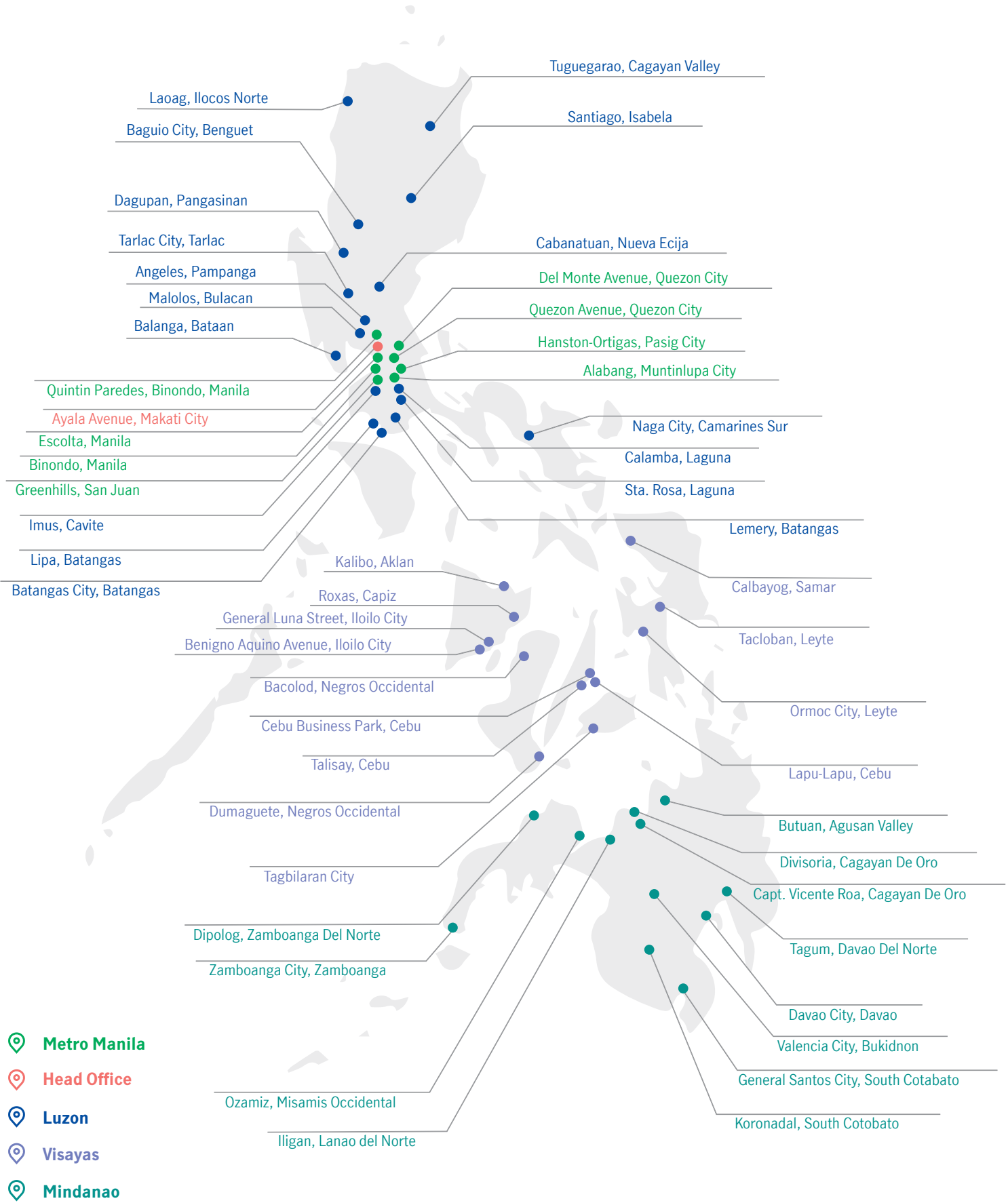
Manulife also operates two offshoring businesses in the country: Manulife Data Services, Inc., more commonly known as Manulife Business Processing Services (MBPS), and Manulife IT Delivery Services (MITDC).

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





# 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

## 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, 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.

# Committees

## 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 2021, the Audit Committee met five times as shown below:

Name of Director	Date of meeting				
	05 March 2021	16 April 2021	11 June 2021	20 August 2021	19 November 2021
Janette Peña (Chairperson/Independent)	✓	✓	✓	✓	✓
Rhoda Regina Rara (Independent)	✓	✓	✓	✓	✓
Conrado Favorito (Independent)	✓	✓	✓	✓	✓
Matthew Lawrence (Non-Executive)	X	✓	✓	✓	✓
Anthony Buchanan (Non-Executive)	✓	✓	✓	✓	✓

In 2021, 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 April 16, 2021, the Audit Committee recommended for board approval the appointment of Sycip, Gorres Velayo & Co. (SGV & Co.) as the Company’s external auditor for 2021.



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 2021, the Corporate Governance Committee met five 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				
	5 March 2021	16 April 2021	11 June 2021	20 August 2021	19 November 2021
Rhoda Regina Rara (Chairperson/Independent)	✓	✓	✓	✓	✓
Janette Peña (Independent)	✓	✓	✓	✓	✓
Conrado Favorito (Independent)	✓	✓	✓	✓	✓
Matthew Lawrence (Non-Executive)	X	✓	✓	✓	✓
Sachin Shah (Non-Executive)	X	X	✓	✓	✓

In 2021, 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 2021, the Related Party Transaction Committee met four times to hear reports on transactions between the Company and its Related Parties.

Name of Director	Date of meeting			
	16 April 2021	11 June 2021	20 August 2021	19 November 2021
Rhoda Regina Rara (Chairperson/Independent)	✓	✓	✓	✓
Janette Peña (Independent)	✓	✓	✓	✓
Conrado Favorito (Independent)	✓	✓	✓	✓
Matthew Lawrence (Non-Executive)	✓	✓	✓	✓

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 2021, 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 2021 was presented to the Board and approved in November 2020.

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 2021, 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 five (5) times in 2021. The Board members’ attendance during meetings is shown below:

Name of Director	Date of meeting					
	05 March 2021	16 April 2021	11 June 2021	20 August 2021	19 November 2021	Percentage
Sachin Shah	✓	✓	✓	✓	✓	100%
Richard Bates	✓	✓	✓	✓	✓	100%
Janette Peña	✓	✓	✓	✓	✓	100%
Rhoda Regina Rara	✓	✓	✓	✓	✓	100%
Conrado Favorito	✓	✓	✓	✓	✓	100%
Anthony Buchanan	✓	✓	✓	✓	✓	100%
Matthew Lawrence	X	✓	✓	✓	✓	80%

Venue of Meetings

In 2021, all Board and Committee meetings were 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) training and certification. They are also required to review and sign the Company’s Code of Business Conduct and Ethics (COBE) and 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;

- **Governance and strategy** – The types and levels of risk the Company seeks given its strategic plan, the internal and external environment, and risk appetite which drives risk limits and policies;
- **Execution** – Risk identification, measurement, assessment and mitigation which enable those accountable for risks to manage and monitor their risk profile; and

- **Evaluation** – Validation, back testing and independent oversight to confirm that the Company generated the risk profile it intended, root cause analysis of any notable variation, and any action required to re-establish desired levels when exposures materially increase to bring exposures back to desired levels and achieve higher levels of operational excellence.

Our risk management practices are influenced and impacted by external and internal factors (such as economic conditions, political environments, technology and risk culture), which can significantly impact the levels and types of risks we might face in pursuit of strategically optimized risk taking 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 Head of Risk Management, 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.



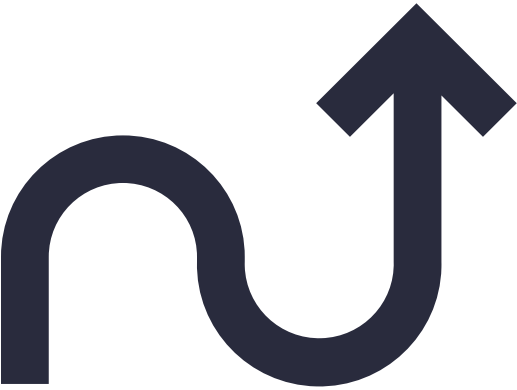
## Risk Culture

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 Head of Risk Management 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 Head of Risk Management, 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 stochastic 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 Head of Risk Management, 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 and experience.

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.

LoveworCX is an internal service-culture building program that provides employees a series of training and engagement activities aimed at strengthening our value of “obsessing about the customer”. 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. The Company leveraged technology to stay relevant to our customers’ needs and to be able to provide service that is faster and more efficient.

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.

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

Since the pandemic, Manulife leverages all of its digital suite to accommodate cashless transactions and other inquiries, especially when customers need it most.

## 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](http://www.manulife.com/Privacy-Policy).

In 2021, an online training on Privacy Awareness for the Company's Privacy Coordinators was conducted. Moreover, employees and agents complete annual privacy refresher 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 refresher training for employees and agents.

In 2021, the Company conducted online training for its new hires on the basic principles of AML. Online Training on AML refresher was 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 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 training material is developed by Manulife Regional Office 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 with the 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 Company enters into. The Company also mandates that all financial transactions are recorded in a timely and accurate manner in accordance with accounting standards and 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.

In 2021, the ABC Policy was cascaded to all employees as 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 2021, 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.

## 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 Note 27 of 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.

## 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 2021, Php 1.8 million in audit fees were paid to SGV & Co. No non-audit fees were paid.

For the past few years and for the Year 2021, 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 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 April 2021

Name	Shares Held	Amount Paid	% of Ownership	Beneficial Owner	Nationality
The Manufacturers Life Insurance Co.* (MLIC)	929,993.0	Php 929,993,000 .00	99.999%		Canadian
Sachin Shah (Chairman/Non-Executive Director)	1.0	Php 1,000 .00	nil	MLIC	American
Richard Bates (Executive Director)	1.0	Php 1,000 .00	nil	MLIC	British
Matthew Lawrence (Non-Executive Director)	1.0	Php 1,000.00	nil	MLIC	British
Anthony Buchanan (Non-Executive Director)	1.0	Php 1,000 .00	nil	MLIC	Australian
Conrado Favorito (Independent Director)	1.0	Php 1,000.00	nil	MLIC	Filipino
Janette L. Peña (Independent Director)	1.0	Php 1,000 .00	nil	MLIC	Filipino
Rhoda Regina Reyes-Rara (Independent Director	1.0	Php 1,000.00	nil	MLIC	Filipino

\*Holds in trust the shares for Manulife Century Holdings (Netherlands) B.V.



## 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 our 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 amidst the COVID-19 pandemic. Since the start of pandemic, all training sessions have been conducted virtually. Making use of the technology available, virtual training sessions and e-Learning modules have become the norm.

Aside from regular training sessions like Customer Centricity and Leadership Development programs, Agile Global initiated three major training sessions in the last quarter of 2021. These are the Agile Leadership Training (ALT), Agile Advance Scrum Master and Agile Advance Product Owner. Agile Global partnered with a global consulting firm specializing on training that enable our regional and local coaches and champions bring these training programs to our Manulife employees.

- **Agile Leadership Training:** Through hands-on learning activities, tailored resources and rich discussions, this course lays the foundations for how Manulife leaders shift culture, processes, and systems to enhance agility
- **Advance Scrum Master:** This course covers several advanced topics around scrum mastering – from soft skills to nurturing powerful delivery teams.
- **Advance Product Owner:** This course covers every aspect of product ownership from working with stakeholders to defining the product vision and release objectives, to creating product backlog items in preparation for sprint planning with the delivery team.

In the second quarter of 2021, to continue building on Manulife’s “always learning culture,” Manulife introduced **Pursuit**, a broad portfolio of programs, courses and tools that offer personalized learning plans for employees to continue growing their skills and capabilities. Towards the end of 2021, Pursuit has been upgraded into a fully automated, AI-powered learning experience for fast and easy access to all employees’ learning needs.

## Employee Health and Wellness

To continue supporting employees’ health and well-being through both learning and rest, Manulife launched Fuel Up Fridays, where employees dedicate the second Friday of each month to build new skills and enhance creativity in the morning, and then recharge in the afternoon, where they can spend more time with family and friends, or enjoy a sport or hobby.

Manulife also offered five additional days of paid leave to promote the importance of taking time away to focus on health and wellness.

Manulife extends these programs further by holding health and wellness special learning sessions, such as “Managing Stress and Anxiety During the Pandemic,” Digital Fatigue,” “Talking about Covid-19 with Family,” “Mindfulness & Self Care,” and “Leading Your Team Towards Holistic Wellness: Bringing Together Mind, Body, and Spirit for Optimal Health.”

Lastly, to continually ensure the health and safety of all its team members, global life insurer Manulife rolled out a COVID-19 vaccination program for its employees and active agents in the Philippines. This includes over 8,500 employees of Manulife Philippines, Manulife China Bank Life, Manulife Investment Management Trust Corporation, Manulife Business Processing Services (MBPS), and Manulife IT Delivery Center Asia (MITDC), as well as Manulife Philippines’ active insurance advisors and agency leaders. Manulife’s vaccination program amplifies the Company’s thrust to cultivate a safe and supportive work environment for all its team members.

Manulife Philippines’ COVID-19 vaccination support program is voluntary for employees and agents, and comes on the heels of the Canada-based company’s donation of CAD250,000 to COVID-19 efforts in India, Indonesia, Cambodia, Malaysia, and the Philippines through Project HOPE, an international nonprofit organization whose work supports efforts around pandemic relief by providing life-saving supplies for healthcare providers to help people who need it the most.





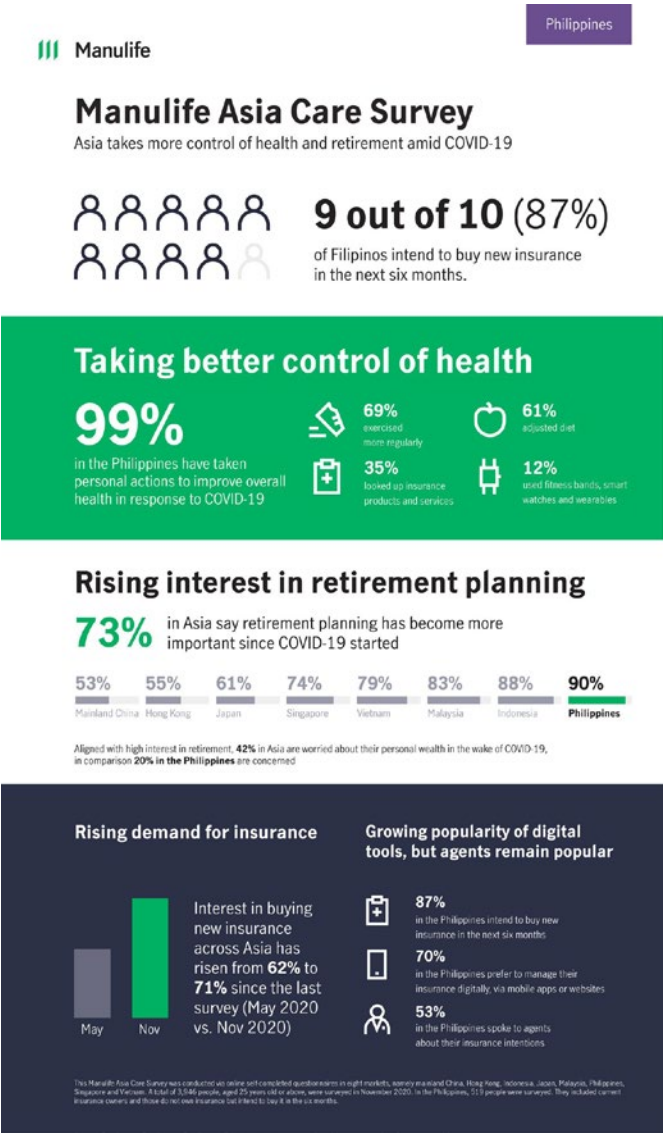
# Special Feature

## Making *every day better* in a time of change



Manulife Philippines strengthens its commitment to its mission, Decisions Made Easier. Lives Made Better, by continually leveraging customer insights to inform its strategies on product innovation, digital transformation, and corporate and community initiatives.

The Company continues to find new and better ways to serve its customers as their needs and priorities evolve. It has meant reinforming and rethinking strategies to quickly adapt to the fast-changing landscape brought by COVID-19, so Manulife can further protect its customers and help them build resilience during difficult times.







Diaz’s journey with Manulife started in 2019, after she posted a call on her social media account for private sector support, as she prepared for the Tokyo 2020 Olympics. Manulife responded and named Diaz as one of their brand ambassadors, as the company aims to inspire more Filipinos to continue to believe in themselves, work hard towards their dreams, and turn challenges into opportunities.

# Excellence in digitalization and storytelling

## Webinars

To continue supporting Filipinos in navigating the new normal, Manulife Philippines launched five webinars in 2021 to provide insights into taking care of their physical, mental and financial health and well-being.



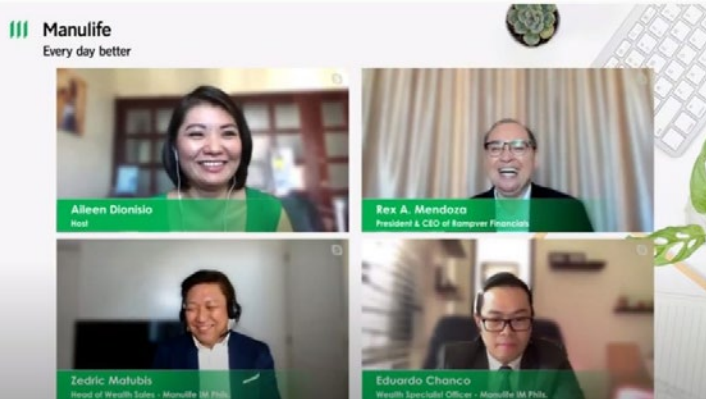
At the start of the year, the Company invited celebrities Anne and Jasmine Curtis-Smith, Luis Manzano, and Kobe and Andre Paras in a financial wellness webinar titled “Ready, Set, #Goals” to share their insights and experiences on building successful careers, starting new ventures, and managing their finances. More than 3,500 attended the webinar, which aimed to inspire Filipinos to embrace a financially proactive mindset, so they can be prepared for unexpected challenges and live every day better.

In March 2021, as the roll-out of COVID-19 vaccines gave Filipinos new hope to restart, rebuild, and recover, managing financial resources has become more important than ever. So Manulife Philippines held “Invest in You,” a free financial wellness webinar hosted by award-winning journalist and TV host James Deakin. The webinar focused on how Filipinos can protect themselves and their families from life’s uncertainties while potentially growing their money through variable life insurance (VUL) solutions.

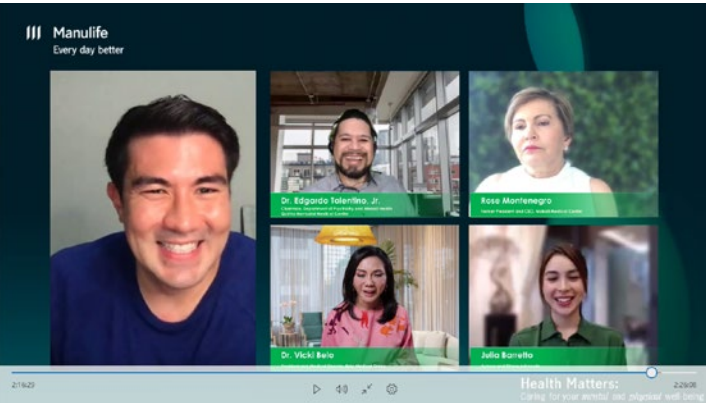


In June 2021, Manulife Philippines and Manulife China Bank Life Assurance Corporation (MCBL) held “Growing Wealth Beyond Borders” with financial experts to help educate more Filipinos on the value of investing with resilience, and to help ensure they have the needed life protection to build long-term financial growth. On the same month, the Company’s webinar, “Health Matters: Caring for your mental and physical well-being,” invited healthcare experts and health advocates to share insights on taking care of one’s health and well-being, while adapting to the changes brought by the pandemic, and reducing stress during challenging times.

Lastly, Manulife’s “Becoming Better Allies to Each Other” webinar highlighted the importance of fostering diversity, equity and inclusion, through the real-life stories and experiences of staunch advocates and members of diverse communities. The webinar featured actress Angel Locsin, a champion for women empowerment and other causes; actor Ian Veneracion, an ally for positive parenting; Brina Kei Maxino, a UNESCO Global Champion for Inclusive Education and Special Olympics Ambassador & International Global Messenger; Dr. RJ Naguit, Board President of the Youth for Mental Health Coalition; and G3 San Diego, journalist and LGBTQIA+ member, who also served as moderator.



Growing Wealth Beyond Borders



Health Matters: Caring for your mental and physical well-being

## YouTube Every Day Better Series



The year also marked the launch of Manulife Philippines’ “Every Day Better” video series on its YouTube channel, so Filipinos can learn new skills and everyday hacks that can help them become more financially prepared.

Its first episode featured celebrity couple and new parents Slater Young and Kryz Uy, who shared practical money-saving hacks for parents and newlyweds that can help them save and build funds for their personal needs. The second episode, “Level Up with Luis Manzano,” actor and host Luis Manzano discussed money matters with Kenneth Gutierrez, a teenage YouTuber and commercial model; Charmaine de Leon, an entrepreneur in her 20s who also owns the popular blog “Ready2Adult PH”, and Thea Sy Bautista, a resource speaker and content creator in her 30s. They each shared tips and techniques on how fellow young Filipinos can manage their finances and start levelling up their future. On the third episode,

Chezka Carandang, a commercial pilot and former beauty queen, and Richard Juan, a young entrepreneur, shared tips and insights that can help young Filipinos better manage their financial and healthcare needs.

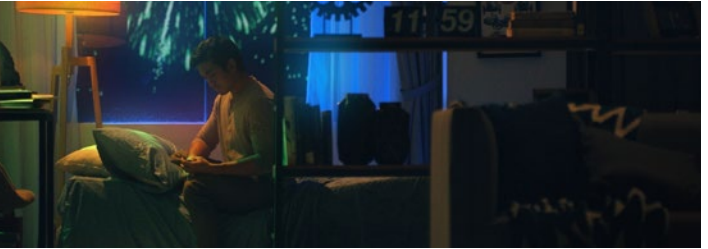
## Digital short films

The Company launched three digital short films in 2021, namely: Goodbye, Hello; Now Boarding; and Define The Relationship.

Launched in January 2021, “Goodbye, Hello” was a New Year-themed film featuring the story of Miguel and his Lola Nora, as they prepare to take on 2021, following the challenges they faced in the previous year. The film touched on the importance of learning new things, and turning difficulties into opportunities.

Meanwhile, Now Boarding, which launched in June 2021, encourages Filipinos to see the value of resetting your goals in life and embracing new beginnings, even in the face of uncertainty. The film emphasized that the path towards the life you want to live takes self-belief and courage, and requires letting go of unnecessary baggage, even when uncertain about what the future holds. Now Boarding was named one of the “Most Attention-Catching Ad Campaigns of 2021” by online lifestyle media Spot.ph.

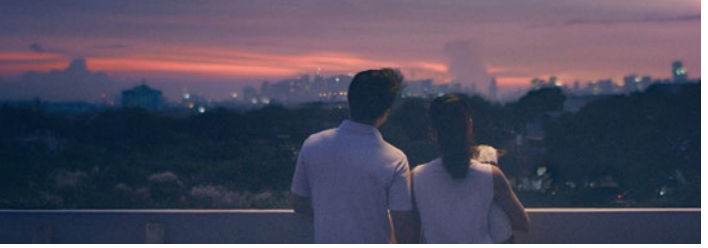
Directed by award-winning filmmaker Antoinette Jadaone, Define the Relationship (DTR) was Manulife’s third film in 2021. Featuring a song by performer and songwriter Moira Dela Torre, “We and Us,” DTR tells the story of two friends who developed deeper feelings for each other, but whose relationship status remains without definition. In the end, the film



Goodbye, Hello



Now Boarding



We and Us

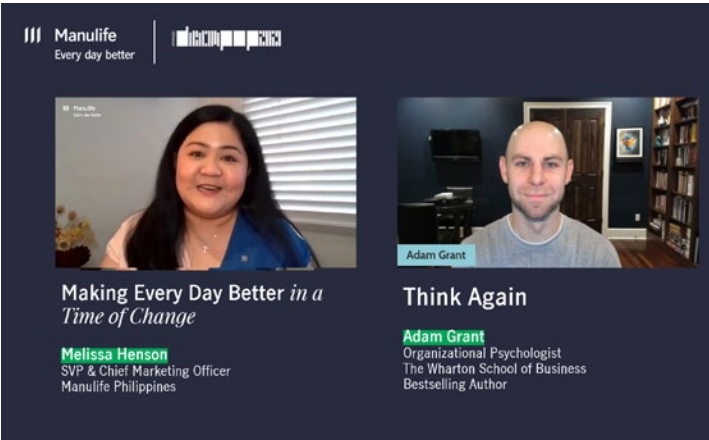


professes that when people take bold and necessary steps to protect each other and build a future together, it may be all the certainty they need.

### Sponsorships

Manulife Philippines partnered with the Internet & Mobile Marketing Association of the Philippines (IMMAP) to feature renowned organizational psychologist, best-selling author and one of Wharton’s top-rated professors Adam Grant on Day 1 of IMMAP DigiCon POP in October 2021. DigiCon is the largest gathering for the digital marketing industry in the Philippines.

Throughout the five-day event, Manulife Philippines also hosted DigiCon’s Community Chat Rooms featuring Dr. RJ Naguit, mental health advocate; Alec Cuenca, podcaster, and digital content creator; and some of Manulife’s top insurance advisors and wealth specialists, to answer questions from attendees so Manulife Philippines can help address their concerns about mental wellness, goal setting, and financial planning, and help them live every day better.

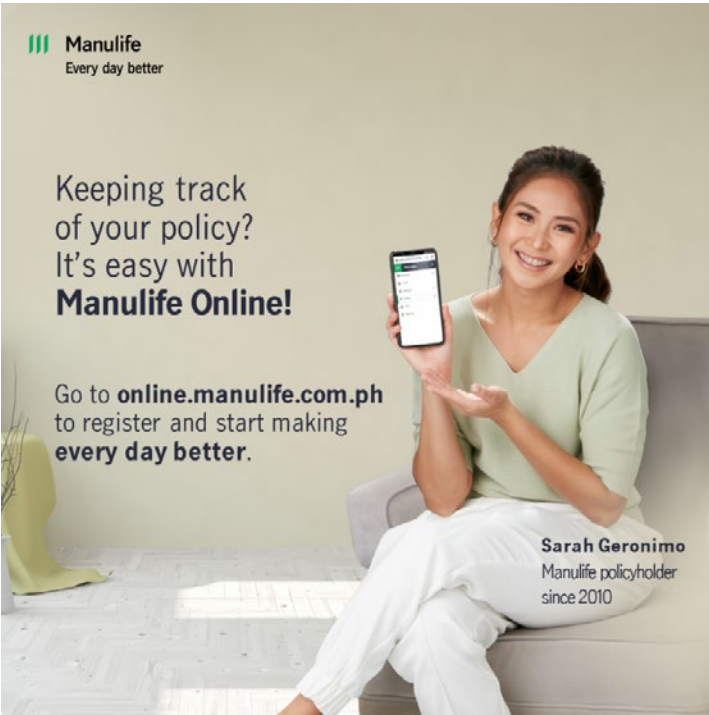


### Digitalization: Manulife Online’s new features

Manulife Philippines continued its digitalization efforts in 2021 by introducing new features on Manulife Online, its mobile-optimized customer self-service portal, to provide more convenient, secure, and seamless access to policies – anytime, anywhere.

Besides real-time updating of personal information and tracking fund value for investment-linked plans, customers can also download premium notices and variable life statements of account.

As more customers embrace digital technology, Manulife Philippines will continue to invest in strengthening its digital capabilities, providing customers with easier access to their policies, while helping them keep safe during challenging times.



### Recognitions received

#### Insurance Asia’s New Insurance Product of the Year

Manulife Philippines’ HealthFlex, a highly customizable life and health insurance plan, was recognized by the 6th Insurance Asia Awards as the New Insurance Product of the Year in the country for 2021. The Insurance Asia Awards recognizes Asia’s most outstanding insurance companies that have shown excellence in their product solutions and services across different markets in the region. A panel of industry experts evaluated and rated each nomination based on overall success, accomplishments, and industry innovations in the past two years.

#### LinkedIn’s Top Companies in the Philippines

Manulife ranked #7 among LinkedIn’s 2021 Top Companies List - their first for the Philippines - and was the only insurance company to have been recognized this year. This recognition is a testament to Manulife’s commitment in nurturing a supportive, collaborative, and inclusive workplace, where all team members can enjoy career success, enhance their skills, and share their humanity. As the top insurance company to work for in the country, Manulife aims to continue building and strengthening its team, to continue making every day better for all its stakeholders.

#### Reader’s Digest Most Trusted Brands 2021

Reader’s Digest Trusted Brands recognized Manulife Philippines as one of the country’s Most Trusted Brands for 2021, with a Gold Award in

the Life Insurance category. Hailed as the premier measure of brand trustworthiness locally and abroad, Reader’s Digest Trusted Brands has, for the past 23 years, recognized companies that have garnered the most consumer trust through their products and services.

The award is Manulife’s fifth Gold Award from Reader’s Digest Trusted Brands, along with a recognition for Quality Service, where the Company was voted 100% by customers.

The Trusted Brands survey, established by Reader’s Digest, commissions market research company Catalyst Research to conduct the study. Catalyst Research follows six attributes in determining brand trustworthiness: trustworthiness and credibility, quality, value, understanding of customer needs, innovation, and social responsibility. The survey is administered in Asia’s key markets: the Philippines, Singapore, Malaysia, and Hong Kong.

#### ASEAN Corporate Governance Golden Arrow Award

For the fourth consecutive year, Manulife Philippines is one of the recipients of the ASEAN Corporate Governance (ACGS) Golden Arrow Awards by The Institute of Corporate Directors (ICD), a non-profit organization dedicated to the professionalization of corporate directorship. The award recognized Manulife’s commitment in ensuring balance and transparency in catering to its stakeholders’ needs and interests, as reflected in their 2019 ACGS Scorecard.

The ACGS Golden Arrow Awards is an initiative of the ASEAN Capital Markets Forum (ACMF) geared towards raising corporate governance standards and best practices among ASEAN publicly listed companies. It ranks companies in six participating countries - Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam.





# Environmental, Social and Governance

## Focus on sustainability

### Manulife’s *sustainability strategy*

Manulife sustainability strategy supports its mission of making decisions easier and lives better. Building on its history as a trusted insurer, long-term investor and good corporate citizen, the Company’s sustainability strategy incorporates input from external and internal stakeholders, lessons from ongoing engagement with external sustainability associations, and experience over the years in this space. Manulife’s Sustainability strategy has four pillars:

#### Our Environment

Reduce the impact of its operations on the physical environment and invest in supporting the transition to a lower-carbon economy.

#### Our People

Invest in the health and wellbeing of its employees and continue building a diverse and inclusive workplace.

#### Our Customers and Shareholders

Manage its ESG risks and opportunities to benefit customers, shareholders, and employees, and operate in an ethical manner.

#### Our Communities

Create measurable social impact by investing in the health and wellbeing of its communities.

### Corporate Social Responsibility

Manulife is committed to advancing a healthier, more resilient people and planet through three key pillars anchored on tangible objectives:



#### Empower sustained health and wellbeing

- Make healthier behavior choices easier and more accessible
- Provide advice and solutions to drive financial security



#### Drive inclusive economic opportunity

- Accelerate the upward mobility of underrepresented groups
- Contribute to making financial solutions accessible to everyone



#### Accelerate a sustainable future

- Support the transition to a net zero economy
- Protect and grow the value of nature-based solutions

#### Community investment

*Building strong,* resilient communities together

Manulife invests in programs that motivate and empower people to make

informed choices that help them live longer, healthier, more financially secure lives.

#### Healthy, active living

Healthy living is essential to a long and happy life. With a focus on prevention, Manulife supports innovative health and wellness initiatives that inspire people to be physically active and eat healthy, well-balanced diets.

#### Financial well-being

Feeling in control of one’s financial future is an important part of overall well-being. Manulife supports these sustainable initiatives that empower people to gain the knowledge, skills, and experiences they need to achieve long-term economic success

### Financial literacy and *empowerment* amid COVID-19

In the Philippines, the COVID-19 pandemic continued to impact greatly on the health and welfare of millions of Filipinos. Through all these, Manulife Philippines remains guided by its core values, “Sharing Our Humanity,” to stand with the community in facing unprecedented changes in 2021.

### Peso Smart X RecoverEADS

In June 2021, Manulife Philippines held a virtual graduation ceremony for more than 100 public elementary school students in Pasig City, as part of its award-winning Peso Smart financial literacy program. Students from Francisco Legaspi Memorial School and Buting Elementary School were the first batch of graduates of Peso Smart x RecoverEADS, a distance learning program.



Manulife Philippines and Corazon Sanchez Atayde Memorial Foundation (CSAMF) celebrate the Peso Smart x RecoverEADS Graduation with Pasig City Honorable Mayor Vico Sotto.





Peso Smart started in 2017 as a weekly face-to-face classroom program, where Manulife Philippines’ employees volunteered to teach public school students the value of good financial habits. The pandemic presented an opportunity for Manulife to evolve its program so they can continue to support young students, even while they studied from home.

Through its partnership with Corazon Sanchez Atayde Memorial Foundation (CSAMF) and the support of Honorable Mayor Vico Sotto of Pasig City, Manulife Philippines launched Peso Smart x RecoveREADS. CSAMF volunteers and teachers used Manulife’s Peso Smart storybooks and modules as tools to help guide young students towards smart financial habits that will give them confidence to take charge of their future.

In December 2021, Manulife Philippines and CSAMF launched Peso Smart x RecoveReads SY2021-2022, supporting 300 students in six public elementary schools: 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.



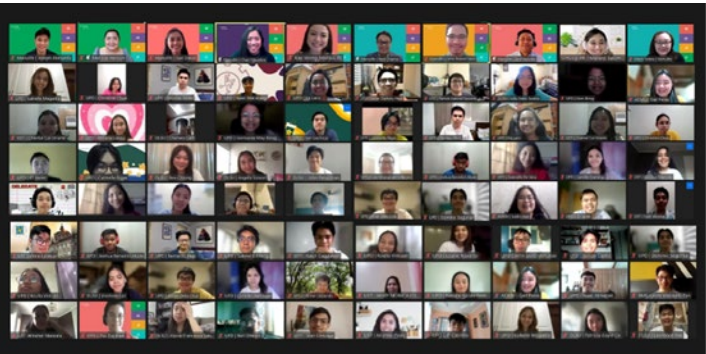
Manulife Philippines and Corazon Sanchez Atayde Memorial Foundation (CSAMF) launch Peso Smart x RecoveREADS SY2021-2022.

### Virtual financial classes for college students

In January 2021, Manulife Philippines concluded the second run of the Peso Smart program for university students, held in partnership with the Business Management Society (BMS) of De La Salle University. The three-week financial literacy program taught over 50 university students valuable lessons on financial planning, growing their money, and business resilience.

In December 2021, more than 100 students from Ateneo de Manila University, De La Salle University, University of Santo Tomas, and University of the Philippines-Diliman attended the two-day Peso Smart virtual classes, where Manulife’s actuaries and wealth management experts discussed the importance of insurance, investments, and financial planning so they can learn how to grow their money, prepare for the unexpected, and financially secure their future.

This program was held in partnership with student organizations, such as the Council of Organizations of the Ateneo – Manila (Ateneo De Manila University), Business Management Society (DLSU), Junior Finance Association (UP Diliman), and AIESEC (UST).



Students from Ateneo De Manila University (ADMU), De La Salle university (DLSU), University of the Philippines-Diliman (UPD), and University of Santo Tomas (UST) attend the Peso Smart University program

### Peso Smart Storybooks

To make learning smart money habits more engaging and fun, Manulife Philippines also launched Peso Smart learning kits, which include an activity journal based on Manulife Philippines’ modules that teach children the basics of saving, budgeting, and investing, and school supplies. Peso Smart learning kits also contain Manulife Philippines’ Peso Smart storybooks, **Manny and Liv** and **Yaman Bayan**, which aim to promote learning through storytelling, and to pave the way for meaningful family interactions as parents teach their kids at home.



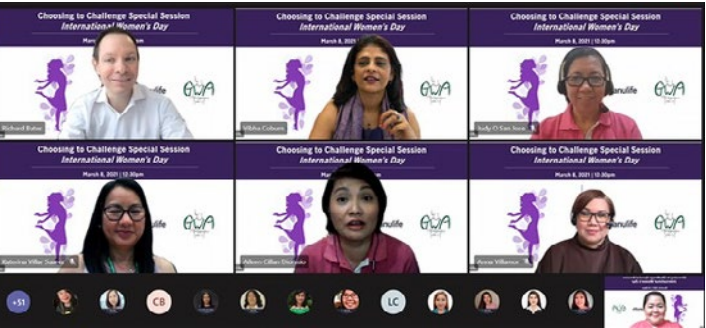
These storybooks, which are free to download from the Manulife Philippines’ website, share the importance of developing smart financial habits at an early age.

### Fostering Diversity, Equity & Inclusion (DEI) because it’s the *right thing to do*

Manulife’s DEI aspiration is to cultivate an inclusive workplace in which all employees feel confident bringing their whole selves to work, enabling them to thrive personally and professionally. It reflects the Company’s values of “Doing the right thing” and “Sharing your humanity.”

### #ChooseToChallenge on International Women’s Day

To celebrate International Women’s Day in 2021, Manulife Philippines, through its Global Women’s Alliance (GWA) team, held a special session with Vibha Coburn, General Manager of Manulife Malaysia, and Anna Villamor, Manulife Philippines’ Chief Human Resources Officer, to share their experiences and insights as female leaders, and how they have overcome the challenges that come with being women in charge. Employees were invited to join the global movement so they can **#ChooseToChallenge** gender stereotypes, biases, and all forms of discrimination.

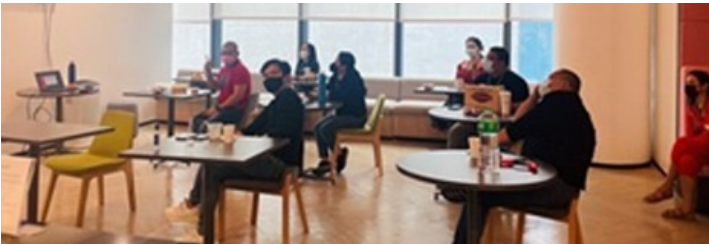
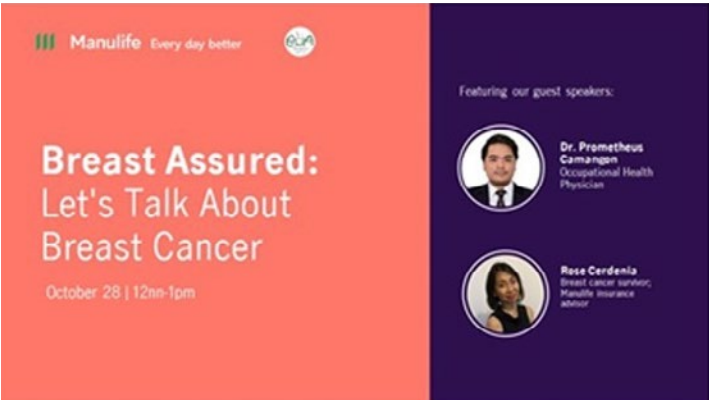


Manulife celebrates International Women's Day.



## Recognizing Breast Cancer Awareness Month

In October 2021, the GWA team held a special session about breast cancer awareness titled, “Breast Assured: Let’s Talk About Breast Cancer,” where employees learned the importance of early detection and prevention to minimize risks. A breast cancer survivor also shared stories of courage and resilience in the face of life’s biggest challenges.



Company employees attend GWA’s special session, Breast Assured

## Work with Pride: How gender inclusion helps Filipino companies drive employee growth

LGBTQIA+ members and allies from Manulife Philippines shared their experiences and aspirations for diversity, equity, and inclusion, and their perspectives and experiences on how the company’s inclusive programs help drive their personal and professional growth, and contribute to their sense of fulfillment. This story has been published in Adobo Magazine.

Across its various markets around the world, Manulife’s Professionals Reaching Out for Unity and Diversity (PROUD) aims to promote an inclusive workplace for LGBT+ employees to encourage their full and unencumbered contributions at work. In addition, PROUD organizes various events to promote inclusion and diversity and to educate the wider community about the importance of equality, acceptance, and allyship.

In 2020, the United Nations (UN) Women 2020 Asia-Pacific Women’s Empowerment Principles (WEPs) Awards also honored Manulife as one of the Philippines’ most gender-inclusive workplaces, and the only insurance brand to have been recognized in the awards.

To foster a culture of belonging, the Company does views diversity, equity, and inclusion as a key differentiator and driver of business growth. As Manulife continuously takes action as a strong DEI champion, the Company will continue create greater inclusion across the company

through diverse talent, and enhanced training to develop inclusive leaders.

## Becoming Better Allies to Each Other

On September 14, 2021, celebrities and community advocates shared diversity, equity and inclusion lessons and experiences at the Manulife webinar titled, “Becoming Better Allies to Each Other.” The webinar featured actress Angel Locsin, a champion for women empowerment and other causes; actor Ian Veneracion, who is an ally for positive parenting; Brina Kei Maxino, a UNESCO Global Champion for Inclusive Education and Special Olympics Ambassador & International Global Messenger; Dr. RJ Naguit, Board President of the Youth for Mental Health Coalition; and G3 San Diego, journalist and LGBT+ member, who also served as moderator.

Through the webinar, Manulife extended its DEI learning journey to the broader community, so people can all come together, have meaningful conversations, and lift each other up.



## Elevate

Through “Elevate,” Manulife’s global initiative to encourage wellness, Manulife celebrated the International Day of People with Disabilities featuring the first and only blind winner of MasterChef US Christine Ha, to promote health and well-being through eating well and preparing healthy cuisine to transform health and well-being.

## Global Afternoon of Reflection and Learning: Year 2

For the second year in a row, Manulife gave its entire global workforce, a “Thank You Day” off on June 18, 2021. In addition, Manulife dedicated an afternoon for everyone on its global team to learn more about diversity, equity and inclusion (DEI) through its Global Afternoon of Reflection and Learning, which featured a range of learning activities, including allyship and how to become better advocates for change.

Moreover, in a special Philippine session titled, “It Takes A Village: Why We Need Allies,” Manulife Philippines President and Chief Executive Officer Richard Bates, Chief Marketing Officer and Philippines DEI lead Melissa Henson, and Deputy Global Compliance Chief Soren Seitz addressed key elements of allyship, and shared their experiences and leadership insights on fighting unconscious bias, supporting one another and celebrating each other, no matter our differences.

## Other Manulife community initiatives

### Manulife donates CAD250,000 to support COVID-19 relief efforts in Asia

In May 2021, Manulife donated CAD250,000 to Project HOPE to help provide much needed supplies for healthcare facilities as COVID-19 resurges with devastating impact in certain parts of Asia, including the Philippines.

### Manulife’s Acts of Kindness

In December 2021, Manulife provided each of its 37,000 employees around the world the spending equivalent of CAD50 in their local currency to ‘pay it forward’ and create acts of kindness in their local communities. First introduced in 2020, this year’s #ManulifeActofKindness program once again enables colleagues around the world to pay it forward. It was in recognition of Manulife’s bigger role to serve communities in need, while showing gratitude for the blessings that they continue to enjoy.





# 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, 2021 and 2020, 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, 2021 and 2020, 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.

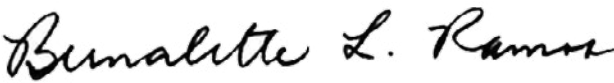
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.





# 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 31 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. 0926-AR-3 (Group A)  
July 25, 2019, valid until July 24, 2022  
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. 8854354, January 3, 2022, Makati City

May 23, 2022

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		
	2021	2020
<b>Assets</b>		
<b>Cash and Cash Equivalents</b> (Notes 4 and 30)	<b>Php 2,177,119,101</b>	Php 3,301,958,123
<b>Insurance Receivables</b> (Note 26)	<b>133,720,939</b>	121,909,450
<b>Financial Assets</b> (Notes 5 and 30)		
Financial assets at fair value through profit or loss (FVPL)	<b>60,091,263,262</b>	54,672,973,251
Available-for-sale financial assets	<b>42,348,896,307</b>	45,451,252,758
Loans and receivables	<b>10,508,989,111</b>	10,201,776,683
<b>Accrued Income</b> (Note 7 and 30)	<b>379,787,097</b>	337,446,757
<b>Reinsurance Assets</b> (Note 13)	<b>125,828,744</b>	246,589,969
<b>Investments in Subsidiaries</b> (Note 8)	<b>1,455,047,004</b>	2,078,683,310
<b>Property and Equipment</b> (Note 9 and 30)	<b>482,243,828</b>	601,598,295
<b>Right-of-use Assets</b> (Note 23)	<b>230,488,091</b>	390,312,016
<b>Software Costs and Other Intangible Assets</b> (Note 10 and 30)	<b>651,850,662</b>	608,832,063
<b>Deferred Tax Assets</b> (Note 25)	<b>2,736,108,662</b>	4,436,397,740
<b>Other Assets</b> (Note 11)	<b>418,151,575</b>	330,011,106
	<b>Php 121,739,494,383</b>	Php 122,779,741,521
<b>Liabilities And Equity</b>		
<b>Liabilities</b>		
<b>Insurance contract liabilities</b> (Notes 12, 13, and 30)	<b>Php 94,792,707,909</b>	Php 95,175,660,126
<b>Policyholders' dividends</b> (Note 26)	<b>3,372,795,841</b>	3,429,707,626
<b>Insurance payables</b> (Note 26)	<b>1,204,498,186</b>	1,104,346,852
<b>Premium deposit fund</b> (Note 26)	<b>27,836,099</b>	26,546,244
<b>Accounts payable and accrued expenses</b> (Note 14 and 30)	<b>3,135,443,957</b>	2,822,564,149
<b>Income tax payable</b>	<b>114,973,405</b>	40,865,602
<b>Due to related parties</b> (Note 27)	<b>1,360,216,108</b>	1,230,867,083
<b>Lease liabilities</b> (Note 23)	<b>285,113,739</b>	391,575,036
<b>Pension liability - net</b> (Note 24)	<b>8,991,628</b>	84,690,374
<b>Total Liabilities</b>	<b>104,302,576,872</b>	104,306,823,092
<b>Equity</b>		
<b>Capital stock</b> (Notes 16 and 28)	<b>930,000,000</b>	930,000,000
<b>Additional paid-in capital</b> (Note 16)	<b>50,635,817</b>	50,635,817
<b>Retained earnings</b>	<b>17,406,155,393</b>	16,156,945,196
<b>Appropriated surplus - Negative reserves</b> (Notes 2)	<b>3,922,213,814</b>	4,004,876,535
<b>Remeasurement loss on policy reserves</b> (Notes 2 and 12)	<b>(6,951,809,265)</b>	(9,582,223,844)
<b>Remeasurement gains (losses) on pension plan</b> (Note 24)	<b>38,729,171</b>	(31,308,660)
<b>Reserve for fluctuation in value of available-for-sale</b>		
Financial assets (Note 5)	<b>2,040,992,581</b>	6,943,993,385
<b>Total Equity</b>	<b>17,436,917,511</b>	18,472,918,429
	<b>Php 121,739,494,383</b>	Php 122,779,741,521



# Parent Company Statements of Income

	Years Ended December 31	
	2021	2020
Revenue		
Gross premiums earned on insurance contracts	Php 18,262,565,356	Php 16,642,519,360
Reinsurers’ share of gross premiums earned on insurance contracts	(751,992,818)	(750,461,886)
Net insurance premiums earned (Note 17)	17,510,572,538	15,892,057,474
Investment income (Note 18)	2,471,272,123	2,536,555,710
Gain on sale of available-for-sale financial assets (Note 5)	16,524,458	681,447,958
Fair value gain (loss) on financial assets at FVPL (Note 5)	(511,592)	(1,126,652)
Other income (Note 19)	3,441,512,058	3,211,769,442
Total revenue	Php 23,439,369,585	Php 22,320,703,932
Benefits, Claims and Operating Expenses		
Gross benefits and claims incurred on insurance contracts (Note 20)	4,760,441,809	3,102,764,778
Reinsurers’ share of benefits and claims incurred on insurance contracts (Note 20)	(67,375,928)	(53,627,653)
Gross change in legal policy reserves (Note 20)	8,489,843,308	8,557,062,178
Reinsurers’ share of gross change in legal policy reserves (Note 20)	(11,154,645)	7,583,532
Dividends to policyholders	416,263,798	456,980,308
Net insurance benefits and claims	13,588,018,342	12,070,763,143
General and administrative expenses (Note 21)	3,329,328,622	3,015,904,487
Commissions and other direct expenses (Note 22)	1,845,784,884	1,973,276,965
Impairment loss on Investment in subsidiary (Note 8)	563,636,306	-
Insurance and other taxes (Note 21)	272,443,132	305,491,173
Foreign currency exchange (losses)	(35,484,334)	57,362,285
Underwriting expenses	6,449,847	5,995,276
Interest on premium deposit fund	65,988	71,672
Total benefits, claims and operating expenses	19,570,242,787	17,428,865,001
Income from operations	3,869,126,798	4,891,838,931
Interest expense on lease liabilities (Note 23)	40,546,670	29,634,147
Income before income tax	3,828,580,128	4,862,204,784
Provision for income tax (Note 25)	1,002,032,652	1,014,537,126
Net income	Php 2,826,547,476	Php 3,847,667,658

See accompanying Notes to Parent Company Financial Statements.

# Parent Company Statements of Comprehensive Income

	Years Ended December 31	
	2021	2020
Net Income	Php 2,826,547,476	Php 3,847,667,658
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)	(4,903,000,804)	4,394,114,590
Remeasurement gains (losses) on legal policy reserves, net of tax (Note 12)	2,630,414,579	(6,546,156,116)
Item that will not be reclassified to profit or loss in subsequent periods:		
Remeasurement gains (losses) on pension plan, net of tax (Note 24)	70,037,831	(26,711,736)
	(2,202,548,394)	(2,178,753,262)
Total Comprehensive Income	Php 623,999,082	Php 1,668,914,396

See accompanying Notes to Parent Company Financial Statements.



# Parent Company Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

	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, 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
As at January 1, 2020	Php 930,000,000	Php 50,635,817	Php 14,427,205,967	Php 4,659,948,106	(Php 3,036,067,728)	(Php 4,596,924)	Php 2,549,878,795	Php 19,577,004,033
Net income	-	-	3,847,667,658	-	-	-	-	3,847,667,658
Other comprehensive income (loss)	-	-	-	-	(6,546,156,116)	(26,711,736)	4,394,114,590	(2,178,753,262)
Total comprehensive income (loss)	-	-	3,847,667,658	-	(6,546,156,116)	(26,711,736)	4,394,114,590	1,668,914,396
Dividends declared (Note 16)	-	-	(2,773,000,000)	-	-	-	-	(2,773,000,000)
Appropriation of negative policy reserves	-	-	655,071,571	(655,071,571)	-	-	-	-
As at December 31, 2020	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

See accompanying Notes to Parent Company Financial Statements.



# Parent Company Statements of Cash Flows

	Years Ended December 31	
	2021	2020
<b>Cash Flows From Operating Activities</b>		
Income before income tax	Php 3,828,580,128	Php 4,862,204,784
Adjustments for:		
Provision for impairment loss on investment in subsidiary (Note 8)	563,636,306	-
Change in IBNR provision (Note 12)	470,782,783	6,780,865
Depreciation and amortization (Note 21)	446,627,141	426,551,354
Retirement costs (Note 24)	68,054,583	48,106,921
Provision for impairment loss on:		
Loans and receivables	24,906,871	643,254
Other assets	42,698,833	-
Interest expense on lease liabilities (Note 23)	40,546,670	29,634,147
Fair value loss (gain) on financial assets at fair value through profit or loss (Note 5)	511,592	1,126,652
Interest on premium deposit fund	65,988	71,672
Interest income (Note 18)	(2,443,236,216)	(2,512,291,123)
Change in legal policy reserves (Note 12)	(1,933,537,094)	34,622,016
Unrealized foreign currency exchange losses (gains) - net	(86,589,589)	86,131,914
Dividend income (Note 18)	(28,035,907)	(24,264,587)
Gains on sale of available-for-sale financial assets (Note 5)	(16,524,458)	(681,447,958)
Gain on lease modification (Note 23)	-	(2,134,757)
Operating income before changes in operating assets and liabilities	978,487,631	2,275,735,154
Decrease (increase) in:		
Reinsurance assets	120,761,225	469,296,075
Financial assets at fair value through profit or loss	(5,407,078,203)	(2,695,412,312)
Loans and receivables	(332,119,299)	(3,819,926,292)
Other assets	(130,839,302)	(170,658,390)
Insurance receivables	(11,811,489)	(15,520,159)
Increase (decrease) in:		
Insurance contract liabilities - unit-linked	5,405,903,826	1,083,185,764
Accounts payable and accrued expenses	312,879,808	339,700,272
Due to related parties	129,349,025	196,071,425
Insurance payables	100,151,334	(117,996,315)
Policy and contract claims payable (Note 12)	93,710,453	235,237,254
Premium deposit fund	1,289,855	(7,305,372)
Policyholders' dividends	(56,911,785)	(46,850,747)
Cash generated from (used in) operations	1,203,773,079	(2,274,443,643)
Income taxes paid (including creditable withholding taxes)	(1,043,361,098)	(1,066,837,884)
Contributions to retirement fund (Note 24)	(47,387,777)	(27,838,401)
Interest paid	(40,612,658)	(29,705,819)
Net cash provided by (used in) operating activities	72,411,546	(3,398,825,747)

Years Ended December 31		
	2021	2020
<b>Cash Flows From Investing Activities</b>		
Proceeds from:		
Sales and/or maturities of available-for-sale financial assets (Note 5)	Php 3,245,461,276	Php 11,151,635,968
Property and equipment	8,464,188	-
Acquisitions of:		
Available-for-sale financial assets (Note 5)	(5,034,325,562)	(7,490,641,968)
Software costs and other intangible assets (Note 10)	(129,504,831)	(240,616,171)
Property and equipment (Note 9)	(97,757,260)	(118,080,704)
Interest received	2,470,718,507	2,694,290,502
Return of capital from subsidiaries (Note 8)	60,000,000	-
Dividends received	27,516,619	36,234,556
Additional investment in insurance investment fund - seed money	(11,723,400)	-
Net cash provided by investing activities	538,849,537	6,032,822,183
<b>Cash Flows From Financing Activities</b>		
Dividends paid (Note 16)	(1,660,000,000)	(2,773,000,000)
Payments of principal portion of lease liabilities (Note 23)	(98,130,742)	(142,871,708)
Net cash used in financing activities	(1,758,130,742)	(2,915,871,708)
Effect Of Foreign Currency Rate Changes In Cash And Cash Equivalents	22,030,637	(30,197,530)
Net Decrease In Cash And Cash Equivalents	(1,124,839,022)	(312,072,802)
Cash And Cash Equivalents At Beginning Of Year	3,301,958,123	3,614,030,925
Cash And Cash Equivalents At End Of Year (Note 4)	Php 2,177,119,101	Php 3,301,958,123

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	Kalibo	Door 9 2/F, Salas Quimpo Plaza, 19 Martyrs Street, Poblacion, Kalibo, Aklan
Bacolod	2/F O Residences, Lacson Street, Mandalagan, Bacolod City	Koronadal	G/F FB Hotel & Convention Center, Alunan Avenue (National Highway), Koronadal City, South Cotabato
Baguio	2nd Floor MJP Building, Abanao St., Baguio	Laoag	G/F CUA Building cor. J.P. Rizal and Farinas Street, Brgy. 8 San Vicente, Laoag City, Ilocos Norte
Bataan	90 dela Fuente Bldg., Capitol Drive, Balanga City, Bataan	Lapu Lapu	G/F Lilang's Building, ML Quezon, National Highway, Pajo, Lapu Lapu City, Cebu 6015
Batangas	2/F OJH Building National Highway, Barangay Alangilan, Batangas City	La Union	2F Shania Building, M L Quezon Avenue, Catbangen, City of San Fernando, La Union
BGC	G/F Unit 4, Ore Central, 9th St, cor. 31st, Fort Bonifacio, City of Taguig	Lemery	2/F Humarang Bldg., Purok 1, Brgy. Palanas, Lemery, Batangas
Binondo	G/F & 2/F Federal Tower, Dasmarinas cor Muelle de Binondo, Binondo Manila	Lipa	2/F Big Ben Complex, JP Laurel Highway, Lipa City, Batangas
Bukidnon (Valencia)	TS Mix Building, Sayre Highway, Poblacion, Valencia City, Bukidnon	Makati	G/F, 5/F, 10/F NEX Tower 6786 Ayala Avenue, Makati City
Butuan	2/F Samping Avenue, JC Aquino Ave., Butuan City	Malolos	G/F MIDECOR Bldg, Km 41, McArthur Highway, Sumapang Matanda, Malolos, Bulacan
Cabanatuan	G/F Rosita Building, Maharlika Highway, Cabanatuan City	Naga	2/F Diaz Bldg., Elias Angeles St., Naga City, Camarines Sur
Cagayan de Oro	Mezzanine, Pelaez Commercial Arcade 1 Extension, Tiano cor. Cruz, Taal, Cagayan de Oro City	Ormoc City	2/F Ormoc Centrum Bldg., Aviles St., District 12, Ormoc City
Calamba	Brgy 1 Purok 4, National Highway, Calamba City	Ortigas (Hanston)	20/F Hanston Square, 17 San Miguel Avenue, Ortigas, Pasig City
Cebu Bonifacio	2/F Bonifacio District, F Cabahug Street, Kasambagan, Cebu City	Ozamis Branch	2/F, Infinity Building, Don Anselmo Bernard Avenue, Ozamiz City
Cebu 2Quad	G/F and 7/F 2QUAD Building Cardinal Rosales Avenue cor. Sumilon Road, Cebu Business Park, Cebu City	Pagadian	Unit 02-02, 2/F, Cecilia Bldg, Rizal Avenue, Pagadian City
Dagupan	G/F, VFV Towers, Perez Boulevard, Dagupan City	Palawan	2/F Goland Plaza Building, National Highway cor. Malvar Street, Brgy. San Miguel, Puerto Princesa City, Palawan
Davao Main	7/F Abreeza Corporate Center, JP Laurel Ave., Barangay 20-B, Poblacion District, Davao City	Quezon Ave	G/F & 5/F CWI Bldg, 1050 Quezon Avenue, Quezon City
Dipolog	2/F Felicidad II Bldg., Quezon Avenue, Dipolog City, Zamboanga del Norte	Roxas City	Arcade Bldg. B, Gaisano Roxas Arcade, Arnaldo Blvd., Roxas City
Dumaguete	G/F and 2/F Yala Lifestyle Mall, Calindagan, Dumaguete City	San Fernando	2/F Kingspire Business Center Km 17, San Fernando, Pampanga
Escolta	G/F Natividad Bldg, Escolta cor. Tomas Pinpin, Binondo, Manila	Sta Rosa	3/F San Jose Bldg, Sta Rosa Tagaytay Road, Brgy Sto Domingo, Sta Rosa, Laguna
General Santos Branch	G/F Space 13-14 RD Building, Santiago Boulevard, General Santos City	Tacloban	G/F Tacloban Fil-Chinese Chamber of Commerce Inc. Bldg., 78 Justice Romualdez Street, Tacloban City
Greenhills	9/F BTTC Center, 288 Ortigas Ave. cor. Roosevelt St, San Juan City	Tagbilaran	QVC Business Plaza, CPG North Avenue, Tagbilaran City, Bohol
Iligan Branch	2/F Garcia Building Party Plaza, Quezon Avenue Extension, Rabago, Iligan City	Tagum	2/F Cuntapay Building, National Highway, Tagum, Davao City
Iloilo Plazuela	Plazuela Dos, San Rafael, Mandurriao, Iloilo City	Tarlac	2/F RICNI Bldg., Zamora Street, McArthur Highway, San Roque, Tarlac City
Imus	Palico 4, Aguinaldo Highway, Imus, Cavite	Tuguegarao	G/F IRD Bldg., Diversion Road, Pengue Ruyu, Tuguegarao City, Cagayan Valley
Isabela	G/F Navarro Building, National Highway, Villasis, Santiago City, Isabela	Zamboanga	2/F Printex Printers Building, Mayor Jaldon St., Canelar, Zamboanga City