

Inspiring *better*
tomorrows through
financial protection

Annual Report

2023

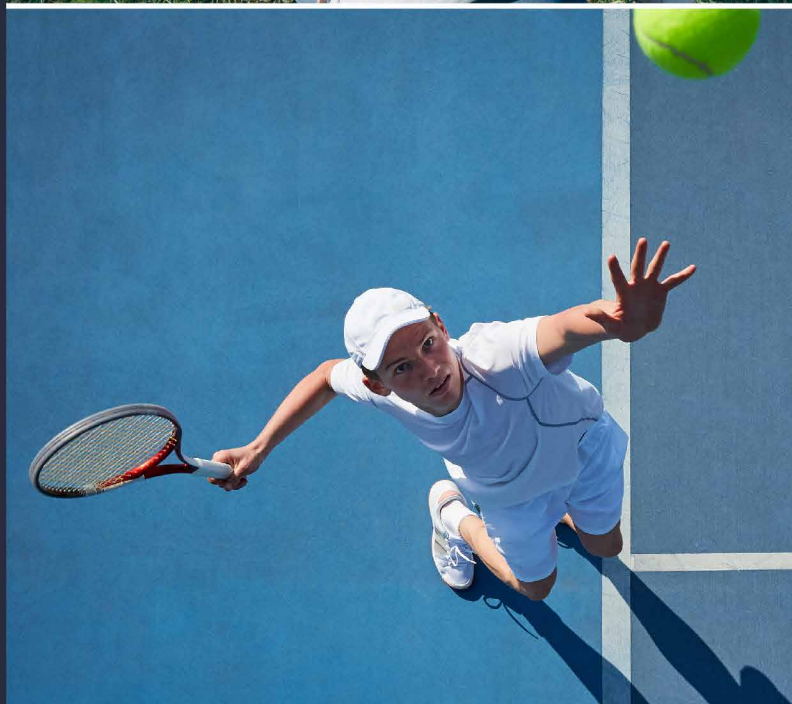


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Message from the Chairperson

Sachin N. Shah

General Manager, Emerging Markets
Manulife

As Manulife China Bank Life (MCBL) ushers in its 17th year of operations, we continue to see business growth as we leverage the potential of the market as well as Filipinos’ increasing financial awareness. This progress would not have been possible without the trust and confidence of our customers, stakeholders, and the communities we serve. Through our strategic alliance with China Bank and China Bank Savings, we are delivering stakeholder value and accelerating sustainable growth as we strive to be the best bancassurance business in the country. We are able to deliver this growth by staying true to our ambitious strategies for digital innovation, providing holistic solutions, and ensuring our team performs to the maximum.

Driving our digital customer leader ambitions

To boost our digital customer leader ambition, MCBL works hard to remain at the forefront of innovations which make life easier for our customers. This is why, for example, we introduced the Manulife mobile app to provide more convenience for MCBL customers, who can now access and manage their insurance policies, anytime and anywhere. It’s innovations like these which continue to increase our customer satisfaction scores.

Providing holistic solutions and integrated wealth

All over the world, we are living longer lives, thanks to better healthcare and living conditions. To ensure our customers maintain their good health as they age, we have strengthened our customer value proposition to emphasize the importance of sufficient financial protection in the event of poor health or critical illnesses.

Our MCBL sales teams are working with our customers to ensure they have the knowledge they need to maintain their lifestyles as they age. This is why we have introduced new, flexible health insurance products as well as a simple and affordable health and life insurance plans that provide coverage against the most common critical illnesses in the country.

Additionally, we have enhanced our value proposition focusing on long-term savings and retirement planning to help customers provide themselves with, for example, a comfortable retirement, fund their children’s education, or achieve other financial goals. We also have other offerings to help Filipinos grow their wealth and preserve their legacy by investing in a wide variety of funds that suit their financial goals and aspirations.



Empowering our high-performing team

We know that high performance is only achievable when your employees are happy at work. This is why we carry out regular employee satisfaction surveys, and I am delighted to say that our most recent survey showed that Team MCBL has a strong sense of connection and camaraderie.

We are committed to providing a workplace that supports diversity, equity, and inclusion, which is why we have our Global Women’s Alliance and PROUD employee resource groups, to ensure that all members of Team MCBL have a strong sense of belonging and make MCBL a great place to work.

MCBL is also a committed supporter of a sustainable Philippines. We continue to invest in our global Impact Agenda programs; working with local NGOs throughout the country to ensure better health and environmental solutions are available where we can drive impact. I am so pleased to see how many MCBL colleagues volunteer for these initiatives which will also create more inclusive economic opportunities for more Filipinos.

My sincerest gratitude

On behalf of MCBL’s Board of Directors, I would like to thank China Banking Corporation and China Bank Savings for their partnership throughout the years. My heartfelt appreciation also goes to all our colleagues, Financial Sales Associates and, most importantly, our customers for enabling us to drive MCBL’s growth story.

Message from the President



Neil Bowyer

President,
Manulife China Bank Life

At Manulife China Bank Life, listening to our customers and addressing their ever-changing protection needs are of paramount importance. With this in mind, our teams are committed to providing superior customer experience and helping make MCBL the industry’s most professional bancassurance company.

Based on the Manulife Asia Care Survey 2023, Filipinos have interwoven concerns around their health, finances, and the economy. These contribute to their increasing interest in insurance – with 87% of Filipinos surveyed stating that they intend to purchase insurance products. Recognizing Filipinos’ heightened awareness on health protection and intent to secure relevant coverage, MCBL launched Health Hero, a start-up affordable critical illness plan that provides coverage for six of the most common critical illnesses in the country, namely: cancer, heart attack, coronary artery bypass surgery, stroke, end-stage lung disease, and kidney failure. Through this plan, we hope to provide Filipinos with much stronger shield against the financial strain brought by healthcare costs.

Empowering customers with a smarter way to save, MCBL introduced a new variant of AssureMax, our life insurance plan combining protection benefits with guaranteed returns that Filipinos can use to fund their future needs and financial goals. With its high protection and guaranteed returns offered, AssureMax is designed for customers who aim to save up to purchase a new home, finance their children’s education or prepare for their retirement, while ensuring insurance coverage. In addition, AssureMax is tailor-fit for Filipinos who simply want to grow their assets or diversify their financial portfolios to help them reach their life goals.

MCBL also launched WealthOne, a comprehensive single-pay variable life insurance plan that enables Filipinos to grow their wealth and preserve their legacy by investing in a diversified range of funds that fit their risk preferences and goals. This plan is designed for long-term investors who wish to grow and diversify their assets and can be used as a solution for estate and business continuity planning.

In 2023, we continued our focus on delivering value by shifting to higher new business value regular-pay propositions. Underscoring our health and protection value propositions as well as reinforcing needs-based solutioning among our sales teams, we have successfully improved both our product mix and new business value margin.

I would like to thank China Bank Corporation, China Bank Savings, and Manulife Philippines for the partnership and strengthened commitment towards our goal of providing holistic financial solutions to customers. My sincerest gratitude as well to the MCBL corporate team, sales leaders and associates for their unwavering passion and commitment to provide superior customer experience to China Bank and China Bank Savings customers. Your hard work and contributions were truly instrumental in MCBL’s success in 2023. I look forward to charting the Company’s next phase of progress as we aim to protect more Filipino lives.

Thank you very much.

Who We Are

About Manulife China Bank Life Assurance Corporation (MCBL)

Manulife China Bank Life Assurance Corporation 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%.

MCBL is setting its sights on its next growth phase and reaffirming its mission to be the biggest, most professional bancassurance company in the industry that delivers extraordinary customer experience.

2007

Founding Year

359

Licensed Financial Sales Associates present in **648** China Bank and CBS branches

US\$ 1.1 Billion

Assets Under Management

98,836

Active policies serviced

US\$ 133 Million

Total Premium for Wealth

67,986

Customers

US\$ 21.8 Million

Total Premium in Insurance

About Manulife Philippines

The Manufacturers Life Insurance Company 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\$ 181 Million

Total Premium for Wealth

US\$ 2.1 Billion

Assets Under Management

6,446

Insurance Commission-Licensed Agents

US\$ 111 Million

Total Premium in Insurance

452,410

Policies in Force

About China Bank

Founded in 1920, China Banking Corporation (Chinabank) is a leading private universal bank in the Philippines with a strong presence in the entrepreneur, middle market, and corporate segments. The Bank offers a full range of financial products and services, also serving the retail banking, investment banking, and insurance needs of diverse customers through its subsidiaries China Bank Savings, Chinabank Capital, Chinabank Securities, Resurgent Capital, CBC Assets One, Chinabank Insurance Brokers, and affiliate MCBL.

For over 100 years, Chinabank has focused on making a difference in the lives of the customers, communities, and other stakeholders it serves. Leveraging its network, expertise, and resources—vast distribution network, robust technological infrastructure, team of highly qualified banking professionals, strong balance sheet—Chinabank builds long-term relationships with today's generation and evolves with the times to remain a responsive, reliable, and responsible banking partner for the next generation.

Chinabank is listed on the Philippine Stock Exchange under the ticker symbol “CHIB” and a member of the SM Group, one of the largest conglomerates in the Philippines.

648

Branches

10,622

Employees

1,070

ATMs

2.6 Million

Customers

Board of Directors

*as of December 2023



Sachin Shah
Chairperson

Sachin N. Shah (56) 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.



Neil Bowyer
Executive Director

Neil Bowyer (52) is the President of Manulife China Bank. He was elected director of the Company in 2022.

As President, Neil is responsible for overseeing MCBL's business strategy and operations, and leveraging the synergies and combined strengths of Manulife and China Bank as it continues its performance as one of the Philippines' high-performing bancassurance companies.

Neil has a wealth of experience in leading bancassurance partnerships, multi-channel distribution, and business transformation. Prior to joining another regional insurer in 2018, where he was Director for Group Partnership Distribution, Neil was Chief Bancassurance Officer for Manulife Singapore. There, he was responsible for the overall development of our bancassurance operations in the country, including Strategy, Distribution Operations, Business Development, Sales, and Learning & Development.



Rahul Hora
Non-Executive Director

Rahul Hora (50) is the President and CEO of Manulife Philippines. He currently serves as an executive director of Manulife Philippines and as Director of Manulife China Bank Life Assurance Corp. and Manulife Investment Management and Trust Corporation. He first served as a director of said companies in 2022.

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

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



Patrick Cheng
Non-Executive Director

Patrick Cheng (61) was elected as a Non-Executive Director of the Company in December 2019. He is currently the Chief Finance Officer of Chinabank, the Chairman of Chinabank Insurance Brokers, and a director at China Bank Savings (CBS), Manila Overseas Commercial, and SR Holdings.

Patrick’s experience in banking started with Citibank N.A. as Vice President for Global Consumer Bank where he held positions of increasing responsibility such as Treasury and Investments Director, Retail Bank Business Director and Insurance Director. He then became HSBC Manila Branch’s Senior Vice President for Premier and Wealth Management, and thereafter the President and CEO of HSBC Savings Bank (Phils) Inc. He was also a two-term President of the Chamber of Thrift Banks. Patrick also served as the Executive Vice President and Head of Trust & Wealth Management for Philippine Bank of Communications and Senior Vice President and Trust Officer for Chinabank.

Patrick graduated Magna Cum Laude from the University of the Philippines Diliman with a degree in Business Administration and Accountancy. He also graduated with distinction from Hult International School of Business in Cambridge, Massachusetts, with a Masters degree in Management. He placed 7th in the National Certified Public Accountants Exam.



James Christian T. Dee
Non-Executive Director

James Christian T. Dee (50) is the President of China Bank Savings Inc. (CBSI).

The Bangko Sentral ng Pilipinas (BSP) approved his appointment on April 15, 2021. Prior to his election as director/president of CBSI, he was the Asset- Liability Management Head of the Treasury Group of China Banking Corporation since 2009, and Treasurer of CBSI since 2012. Mr. Dee is also a member of CBSI Board-level committees - Vice Chairman of the Retirement Committee and Remuneration Committee, and a member of the Executive Committee.

In the past, he also held key positions at the Trust Group of China Bank and Treasury Group of Citibank, N.A. Philippines. Mr. Dee holds a Bachelor of Science degree in Mechanical Engineering from the University of the Philippines, and a Master's degree in Business Management from the Asian Institute of Management. He trained with the Regional Treasury Certifications from Citigroup, N.A.; Treasury Certification Program from Ateneo-BAP, and ICAAP Risk Models Validation from SGV. Furthermore, he graduated with distinction on a one-year course on Trust Operation from the Trust Institute Foundation of the Philippines.



Matthew Lawrence
Non-Executive Director

Matthew Edward Lawrence (47) 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, Nomination and Remuneration Committee, and Related Party Transactions Committee. Matt joined Manulife as Regional Controller, Asia, on 30 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 for insurance, most recently speaking at events in Singapore, Hong Kong and South Korea.



Maria Theresa Quirino
Independent Director

*elected effective December, 2023

Maria Theresa Quirino (63) is an Independent Director of Manulife Philippines, Manulife Financial Plans, Inc., and Manulife China Bank Life Assurance Corp. She was first elected as director of the Company in December 2023.

Tere has over 35 years of work experience in public financial management reforms and banking operations (asset and liability management, treasury and treasury operations, and risk management). She has worked for 10 years with the various projects of multilateral and bilateral agencies (Asian Development Bank, DFAT/Department of Foreign Affairs and Trade by the Australian Government and USAID) as consultant/adviser on various government reforms in the areas of budget and treasury management, public debt management, tax administration, procurement, and domestic resource mobilization.

Prior to this, Tere worked with the Development Bank of the Philippines for over 15 years, last holding the position of Senior Executive Vice President and Treasurer/CFO.

Tere holds a Bachelor of Science degree from the Polytechnic University of the Philippines and is a Certified Public Accountant.



Janette L. Peña

Non-Executive Director

*end of term 2024

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

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

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

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



Conrado Favorito

Non-Executive Director

Conrado Favorito (65) is an Independent Director of Manulife Philippines, Manulife Financial Plans, Inc., and Manulife China Bank Life Assurance Corp. He was first elected as director of the Company in April 2018. In 2021, Conrad was appointed as Lead Independent Director of Manulife Financial Plans.

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

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

Corporate Officers



Neil Bowyer
President



Fritzie Tangkia-Fabricante
Chief Legal and Compliance Officer



Anna Elizza Bustos-De Leon
Data Privacy Officer



Edwin Magpantay
Treasurer



Mary Ann Maglanoc
Head of Business Planning



Jared Anthony Uichico
Head, Bancassurance Strategy



Mary Anne Narciso
Head, Resourcing, Development and Engagement



Abbiegail Divinagracia Sac
Corporate Secretary



Jannette Domingo
Channel Head for Retail Banking Business (RBB)



Jennifer Sanchez
Channel Head for Retail Banking Business (RBB)

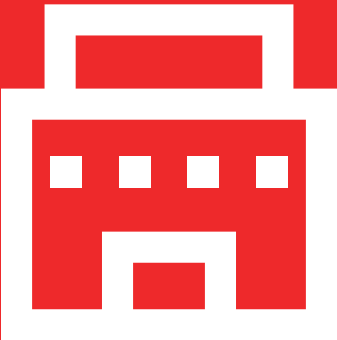


Corporate Governance

Corporate Governance Policy

Manulife China Bank is committed to its full compliance with the Code of Corporate Governance. The Company recognizes its primary responsibility to ensure effective good 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 China Bank, 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 and Risk Committee

On 10 November 2023 the Board approved the renaming of the Audit Committee to Audit and Risk Committee to comply with the recommendation of the Insurance Commission to constitute a Risk Oversight Committee to be responsible for oversight of the Company's Enterprise Risk Management System to ensure functionality and effectiveness. Even prior to the renaming of the Committee, these functions are already being performed by the former Audit Committee.

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

In 2023, the Audit and Risk Committee met four times as shown below:

Name of Director	Date of meeting			
	31 March 2023	23 June 2023	1 September 2023	10 November 2023
Janette Peña (Chairperson/Independent)	✓	✓	✓	✗
Rhoda Regina Rara (Independent)	✓	-	-	-
Maria Theresa Quirino	-	-	-	-
Conrado Favorito (Independent)	✓	✓	✓	✓
Matthew Lawrence (Non-Executive)	✓	✓	✓	✓
Anthony Buchanan (Non-Executive)	✓	✓	✓	✓

In 2023, the Audit and Risk Committee's majority membership was composed of Independent Directors. It is chaired by an Independent Director, as shown below:

Audit Committee	
Janette Peña	Chairperson/Independent Director
Conrado Favorito	Independent Director
Maria Theresa Quirino	Independent Director
Patrick Cheng	Non-Executive Director
Matthew Lawrence	Non-Executive Director

Maria Theresa Quirino replaced Rhoda Regina Rara who resigned as Director of Manulife Philippines effective April 2023. Maria Theresa Quirino was elected Director in December 2023.

In its meeting on 31 March 2023, the Audit and Risk Committee recommended for board approval the appointment of Sycip, Gorres Velayo & Co. (SGV & Co.) as the Company’s external auditor for 2023.

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
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 2023, the Corporate Governance Committee met four (4) times to deliberate and recommend for board approval nominees to the Board and corporate officers. The Committee ascertained that the qualifications and experience of the nominees are in line with the Company’s strategic direction.

Name of Director	Date of meeting			
	31 March 2023	23 June 2023	1 September 2023	10 November 2023
Conrado Favorito (Chairperson/Independent)	✓	✓	✓	✓
Janette Peña (Independent)	✓	✓	✓	✗
Rhoda Regina Rara (Independent)	✓	-	-	-
Maria Theresa Quirino (Independent)	-	-	-	-
Matthew Lawrence (Non-Executive)	✓	✓	✓	✓
Sachin Shah (Non-Executive)	✓	✓	✓	✓

In 2023, 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	
Conrado Favorito	Chairperson/Independent Director
Janette Peña	Independent Director
Maria Theresa Quirino	Independent Director
Matthew Lawrence	Non-Executive Director
Sachin Shah	Non-Executive Director

Maria Theresa Quirino replaced Rhoda Regina Rara, who resigned as Director of Manulife Philippines effective April 2023. Maria Theresa Quirino was elected Director in December 2023.

Related Party Transaction Committee

As part of the mandate of Insurance Commission Circular No. 2017-29, a Related Party Transaction Committee was constituted by the Company. The Committee reviews transactions between Manulife China Bank and its related companies, Manulife Philippines and Manulife Financial Plans, Inc.

In 2023, the Related Party Transaction Committee met two (2) times to hear reports on all related party transactions. 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 2023, the Related Party Transaction Committee did not find any transaction that may be classified as financial assistance to its related parties.

Name of Director	Date of meeting	
	31 March 2023	23 June 2023
Conrado Favorito (Chairperson/Independent)	✓	✓
Janette Peña (Independent)	✓	✓
Rhoda Regina Rara (Independent)	✓	-
Maria Theresa Quirino	-	-
Matthew Lawrence (Non-Executive)	✓	✓

In 2023, 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	
Conrado Favorito	Chairperson/Independent Director
Janette Peña	Independent Director
Maria Theresa Quirino	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 2023 was circulated to the Board in January 2023.

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 2023, to comply with IC Circular No. 2020-72, the Board of Director’s assessment of its performance was supported by an external facilitator, the Institute of Corporate Directors (ICD), using a third-party Board Evaluation Survey. Based on the evaluation of the ICD, the Company’s Board of Directors is a highly functioning and effective Board.

Board Meetings

The Board met four (4) times in 2023. The Board members’ attendance during meetings is shown below:

Name of Director	Date of meeting				
	31 March 2023	23 June 2023	1 September 2023	10 November 2023	Percentage
Sachin Shah	✓	✓	✓	✓	100%
Neil Bowyer	✓	✓	✓	✓	100%
Rahul Hora	✓	✓	✓	✓	100%
William Whang	✓	-	-	-	100%
Romeo Uyan Jr.	-	X	X	-	0%
Patrick Cheng	✓	✓	✓	✓	100%
James Dee	-	-	-	-	-
Janette Peña	✓	✓	✓	X	75%
Rhoda Regina Rara	✓	-	-	-	100%
Conrado Favorito	✓	✓	✓	✓	100%
Maria Theresa Quirino	-	-	-	-	-
Matthew Lawrence	✓	✓	✓	✓	100%

William Whang, resigned as Director, effective close of business day on 31 March 2023, while Romeo Uyan Jr. was elected as his replacement effective on the same date. On 10 November 2023 James Dee was elected as a replacement for Mr. Uyan. Meanwhile, Rhoda Regina Rara resigned as Director effective April 2023, while Maria Theresa Quirino was elected as her replacement in December.

Venue of Meetings

In 2023, all Board and Committee meetings were held at the Company’s head office at 10F NEX Tower, 6786 Ayala Avenue, Makati with the option to attend via videoconference 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.

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

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

Board Remuneration

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.

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

MCBL’s approach to risk management is governed by its Enterprise Risk Management (“ERM”) Framework. This framework provides a structured approach to implementing risk-taking and risk management activities across the enterprise, supporting the Company’s 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. MCBL has a common approach to managing all risks to which we are exposed, and to evaluating potential directly comparable risk-adjusted returns on contemplated business activities. Our risk policies and standards cover:

Risk roles and authorities – Assignment of accountability and delegation of authority for risk oversight and risk management, as well as accountability principles; and risk management. MCBL’s 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 MCBL’s risk management practices. Management is responsible for managing risk within risk appetite and has established risk management strategies and monitoring practices. The Company’s 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.

The Company’s first line of defense includes the President and Function Heads. The President is ultimately accountable for business results, the risks it assumes to achieve those results, and for the day-to-day management of risks and related controls. The Function Heads are accountable for the management of risks and related controls for their function.

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

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



Risk Culture

To enable the achievement of MCBL's mission and strategic priorities, the Company is committed to a set of shared values, which reflect its culture, inform behaviors, and help define how colleagues 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 in its mission.
- **Share Your Humanity** – Build a supportive, diverse and thriving workplace.

Risk Culture Vision

Within this context, the Company strives for a risk-aware culture, where colleagues feel comfortable, proactively taking accountability, openly communicating, and making decisions that align with company goals, all enabled by living our values.

Risk Culture Framework

The Company has 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.

The Company believes that risk culture is strengthened once desired organizational behaviors and attitudes are reinforced through effective application of its corporate values. As such, MCBL communicates key elements of its values through a risk lens to build a strong risk-aware culture, including:

Communication

- **Tone from the top** – MCBL consistently communicates about doing the right thing and living by its values. People leaders reinforce a strong risk culture and demonstrate the highest ethical standards of conduct through everyday actions.
- **Effective challenge** – MCBL employees feel comfortable speaking up and challenging the status quo. The Company welcomes diverse opinions and pursues feedback.
- **Be transparent** – The Company openly collaborates and shares information responsibly, vertically and horizontally across teams.
- **Learn from mistakes** – MCBL is a learning organization. It fosters a safe environment to try, fail, and learn from mistakes. It takes actions to avoid repeating the same mistakes.

Accountability

- **Clear role and responsibilities** – The Company knows that it is directly accountable for and understand how each role impacts the company's objectives.
- **Escalate issues** – The Company identifies and promptly deals with issues that pose risk. MCBL employees can escalate issues without fear.
- **Clear rules and consequences** – The Company has clear policies and standards on operational protocols and appropriate behaviors. Appropriate actions are taken when rules are broken.
- **Well-managed risks appetite** – The Company has a robust risk appetite framework and actively manages risk exposures. Colleagues across the organization have a foundational understanding of risk appetite.

Incentives

- **Develop talent** – MCBL's hiring considers a candidate's capacity to adapt to its culture as well as its capability to be a high performer. MCBL actively encourages and rewards training and ensures access to training is available for everyone to develop a risk-aware mindset.
- **Appropriate compensation and recognition** – MCBL's compensation structure reflects how it balances risk and reward. MCBL recognizes and shares successful outcomes based on well-informed and risk-aware decisions and demonstrating risk-aware and ethical behaviors. The Company recognizes work that is consistently high-quality and supports business objectives.

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

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

The ERC approves and oversees the execution of the Company's enterprise risk management program. It establishes and presents for approval to the Board of Directors the Company's risk appetite and enterprise-wide risk limits, and monitors 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 several 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: risk philosophy, risk appetite statements, and risk limits and tolerances.

Risk Philosophy

The Company is a financial institution offering insurance, wealth and asset management products and other financial services. As it works each day to deliver on its mission of “Decisions made easier. Lives made better,” the Company's bold ambition is to transform into a digital, customer-centric market leader, while delighting its customers, engaging its colleagues, and delivering superior returns for shareholders.

The activities required to achieve the Company's objectives are guided by its values and involve elements of prudent risk-taking. Risk management drives the strategic success of our Company by promoting a culture of risk awareness and appropriate risk-taking behaviors, while providing the frameworks, practices, and centers of expertise to enable our businesses to mitigate exposures to within risk appetite and effectively deploy capital towards appropriate risk/return profiles. As such, when making decisions about risk-taking and risk management, MCBL places the highest priority on the following risk management objectives:

- Safeguarding the commitments and expectations established with customers, shareholders, creditors, regulators, and employees
- Operating within the Company's risk governance structure as defined by its risk frameworks and policies
- Supporting the successful design and delivery of customer solutions through the development and deployment of innovative product

solutions and through providing customer-centric digital experiences while remaining within risk appetite

- Prudently and effectively deploying shareholder capital invested in the Company to achieve appropriate risk/return profiles
- Maintaining the Company's targeted financial strength rating
- Investing all assets, including in wealth & asset management business, consistent with customer's objectives
- Achieving and maintaining a high level of operational and financial resilience
- Safeguarding the well-being of employees, and promoting a diverse, equitable and inclusive business environment
- Considering environmental, social, and governance (ESG) impacts across our business activities
- Safeguarding or enhancing the Company's reputation and brand

As an integrated component of the Company's business model, risk management assists the Company in achieving its objectives and in reaching higher levels of operational excellence, while encouraging transparency, prudence, and organizational learning. While it only pursues risks, the Company can appropriately analyze and monitor, and accept that the Company is exposed to risks both within its control and outside of its direct influence. The Company manages each risk by activating actions to keep exposures within desired levels, and in accordance with the risk objectives articulated above.

Risk Appetite Statements

At least annually, we establish and/or reaffirm that the Company's risk appetite and the Company's strategy are aligned. The risk appetite statements provide ‘guideposts’ on the 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 China Bank Life 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.
- Capital market risks are acceptable when they are managed within specific risk limits and tolerances.
- Manulife China Bank Life 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 China Bank Life accepts that operational risks are an inherent part of the business and are managed by implementing appropriate controls that provide reasonable assurance that we are within its risk thresholds and tolerances. Management will protect its business and customers’ assets through cost-effective operational risk mitigation.

Manulife China Bank Life expects its directors, 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 the Company's risk classification framework that are inherent in its 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. MCBL establishes standalone 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

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

Risk exposures are evaluated using a variety of measures focused on both short-term net income attributed to shareholders and long-term economic value, with certain measures used across all risk categories, while others are applied only to some risks or a single risk type. Measures include

stress tests such as sensitivity tests, scenario impact analyses and deterministic scenario tests scenario modeling. In addition, qualitative risk assessments are performed, including for those risk types that cannot be reliably quantified.

The Company performs a variety of stress tests on earnings, regulatory capital ratios, economic capital, earnings-at-risk and liquidity that consider significant but plausible events. It also performs 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. MCBL's earnings-at-risk metric measures the potential variance from quarterly expected earnings at a particular confidence level. Economic capital and earnings-at-risk are both determined using internal models.

Risk Monitoring and Reporting

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

On at least a quarterly basis, the ERC and the Board reviews risk reports that present an overview of the Company's 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 Treasurer 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. The Company believes its controls, which include policies, procedures, systems and processes, are appropriate and commensurate with the key risks faced at all levels across the Company. Such controls are an integral part of day-to-day activity, business management and decision making.

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

Emerging Risks

The identification and assessment of its 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 its operations and/or business strategies. The Company also considers taking advantage of opportunities identified to improve its competitiveness and ultimately our financial results.

The Company's 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.



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

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

Manulife Online makes it easier and more convenient for customers to access their Manulife accounts anytime, anywhere. In 2023, an app version became available in the App Store and Google Play to ensure a more seamless, secure, and hassle-free mobile experience for customers.

Through the app, 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.

Manulife Online also offers customers a flexible way to pay their premiums. On top of secure cashless payments anytime, anywhere, they can also pay in advance of their due date or pay any amount that they wish. It also provides customers flexible premium payment options via credit or debit card and allows them to easily switch from their current payment schedule to one that’s more convenient to them—whether it’s monthly, quarterly, semi-annual, or annual.

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

In-Force Management is a program that aims to ensure that customers keep their policies active and continue to enjoy the protection and investment benefits of their plans through the following initiatives:

- **Customer Connect Team** - A team of trained Customer Connect Officers who proactively reach out to customers to remind them about their premium dues, inform them about our digital payment channels and autopay options, and assist them with any premium payment or policy concerns.
- **Improved Reinstatement Process** – An enhancement that streamlines our reinstatement process to provide customers with a fast and convenient way to pay for their missed premiums and reinstate their policies.

- With **Auto-Reinstatement**, customers with lapsed policies within 90 days would only have to pay for the reinstatement cost via Manulife Online or through any of our payment channels to reinstate their policy. No forms or additional costs needed.
- With **Simplified Reinstatement**, customers with lapsed policies beyond 90 days but within two (2) years would only have to pay for the reinstatement cost and submit a simplified Reinstatement Form to process their reinstatement. The Non-Medical Form will only be required for policies that have a lapse date of 2 to 3 years.

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

Various programs focused on building a customer-obsessed culture - Regular training and engagement activities are in place to strengthen and reinforce 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 delivered 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.

Privacy Policy

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

In 2022, an online training on Privacy Awareness for the Company’s Privacy Coordinators was conducted. Moreover, employees and Financial Sales Associates (FSA) complete annual Information Security (Privacy) training. Any privacy-related concern can be sent to phdataprotection@manulife.com. Customer Privacy Policy can be found at <https://www.manulife-chinabank.com.ph/Customer-Privacy-Policy>.

Anti-Money Laundering and Anti-Terrorist Financing Policy

At Manulife China Bank, 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. Basic AML/ATF Principles form part of the onboarding training for new hires. Refresher training is also conducted annually on AML for all employees and Agents.

Code of Business Conduct and Ethics

MCBL’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, the directors, employees, senior management and FSAs 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.



You make important decisions everyday. If you see or hear something that seems unethical, unprofessional, illegal, fraudulent, or questionable or observe conduct that does not meet the values of our Company, it is your right and responsibility to report it. The Ethics Hotline – You Make the Call.

The Manulife Financial and John Hancock Ethics Hotline enables employees to ask questions about our Code of Business Conduct and Ethics or report suspected misconduct. In addition to other available avenues of reporting, which include speaking with your manager, legal, compliance, human resources and employee relations, the Ethics Hotline is available 24-hours per day, seven days per week and can be used anonymously if you choose. You may report suspected or potential illegal or unethical behavior without any fear of retaliation.

www.manulifeethics.com

1. From an outside line dial the 800 Direct Dial Access* for your location:

Philippines (N.A.)	1-800-551-1100
Philippines (China, Taiwan, Hong Kong)	1-85-1111
Philippines (Singapore, Thailand)	1-85-112

2. At the prompt dial 180-259-8534

3. The call will be answered in English. To continue your call in another language:

- Please state your language to request a bilingual agent
- It may take 2-3 minutes to arrange for an interpreter
- During this time please do not hang up.

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 China Bank. 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.

ABC training is conducted annually. In 2023, 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 China Bank 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 2023, the Gifts and Entertainment Policy was cascaded to all employees as a reminder during the holiday season.

Insider Trading Policy

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

- (a) benefiting from opportunities that are discovered through the use of Company property, information or position;
- (b) using Company property, information or position for personal gain; and
- (c) competing with the Company. They owe it to the Company to advance its legitimate interests when the opportunity to do so arises.

Dividend Policy

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



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

Related Party Transactions

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

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

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

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

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

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

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

Financial Statements

Manulife China Bank, 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 2023, PHP 846,000 in audit fees were paid to SGV & Co. No non-audit fees were paid.

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

Procurement Policy

Manulife China Bank 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.
8. Suppliers meet their pricing, service level, and contractual commitments.

Supplier Selection Criteria

At Manulife China Bank, 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 China Bank'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 the government's statutory requirements.

Manulife China Bank 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 China Bank 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, through its Occupational Safety and Health (OSH), 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:

- Launched the Mandatory Safety and Health Training via e-Learning modules (previously conducted face-to-face) in Compass on July 17, 2023. All employees are required to complete the e-Learning modules once.
- Achieved a conformance rating in General Labor Standard and Occupational Safety and Health during the Safety Inspection conducted by the Department of Labor and Employment (DOLE) on June 22, 2023.
- Participated in annual fire and evacuation drills conducted by the building administration, including the Quarterly Nationwide Simultaneous Earthquake Drill.
- Performed the annual Hazard Investigation and Risk Assessment and Control
- Continued reporting of unsafe workplace hazards and work practices on a monthly basis

Occupational Safety and Health Program, Random Drug Testing, Mental Health, and Monthly Safety Committee Meetings.

The Company is committed to continuous 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.

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 28 days from the date of the actual meeting. As much as possible, the Corporate Secretary ensures that all shareholders are available to attend the general meeting by scheduling the meeting on a commonly acceptable date to encourage attendance of all shareholders.

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

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

The Company’s Shareholders as of March 2023

Name	Shares Held	Amount Paid	% of Ownership	Beneficial Owner	Nationality
The Manufacturers Life Insurance Co. (Phils.), Inc. (MP)	2,999,993	Php 299,999,300.00	59.99986%		Dutch
China Banking Corporation (CBC)	1,999,998	Php 199,999,800.00	39.99996%		Filipino
Sachin Shah (Chairman / Non-Executive Director)	1.0	Php 1,000.00	nil	MP	American
Neil Bowyer (Executive Director)	1.0	Php 1,000.00	nil	MP	British
Rahul Hora (Non-Executive Director)	1.0	Php 1,000.00	nil	MP	Indian
Patrick Cheng (Non-Executive Director)	1.0	Php 1,000.00	nil	CBC	Filipino
James Christian Dee (Non-Executive Director)	1.0	Php 1,000.00	nil	CBC	Filipino
Matthew Lawrence (Non-Executive Director)	1.0	Php 1,000.00	nil	MP	Filipino
Janette L. Peña (Independent Director)	1.0	Php 1,000.00	nil	MP	Filipino
Conrado Favorito (Independent Director)	1.0	Php 1,000.00	nil	MP	Filipino
Maria Theresa Quirino (Independent Director)	1.0	Php 1,000.00	nil	MP	Filipino

Compensation Philosophy

Manulife China Bank Life has a strategy that requires everyone in the organization to perform their best to achieve success. To achieve this, leaders must ensure employees understand how their performance is linked to compensation and rewards. The Company's compensation philosophy is pay-for-performance, which means that compensation and rewards are based on employee performance and contribution to drive a high-performing culture. The organization's compensation objectives are as follows:

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

Global Recognition Program

Recognition is a crucial aspect of Manulife China Bank Life's culture. Manulife's flagship global recognition program, "Stars of Excellence," aims to acknowledge exceptional performers across the organization worldwide who have gone above and beyond to make a positive impact on its teams and customers. What distinguishes "Stars of Excellence" is its ability to recognize the overall achievements of Manulife's top performers worldwide, those who have made the most significant contributions during a calendar year. As a global program, its objective is to recognize individuals who exemplify the power of Manulife's values in driving our transformation, and moving the needle on its transformation that can be achieved by anyone in the company, regardless of role or designation.

The Company continues to leverage Podium, a global digital platform to appreciate and recognize colleagues who bring the company's core values to life through their actions. If a colleague has gone above and beyond what is expected, really helped an employee in their time of need, put forth exceptional effort, or produced outstanding results, it is very likely they deserve time on Podium and should be recognized for their contributions.

Training and Development

The Women in Capital Markets (WCM) flagship professional development program is the Executive Leaders Award Program. This program will provide women with more than 10 years of experience in the financial sector, and a unique and valuable professional development opportunity. In 2023, 17 award recipients participated in a six-month program, during which they received executive coaching through coaching partner Felix Global:

- 10 professional development sessions
- A Facet5™ professional personality assessment and debrief meeting
- A 360-degree evaluation and report

Since 2008, 93 women have participated in this program, and many have moved on to the highest ranks in their capital markets careers. Women in Capital Markets (WCM) offers Manulife colleagues access to top-tier programs, services, and learning opportunities in the finance industry. Manulife's customized Workshop Programs cater to finance professionals of all levels, as follows:

WCMAspire: This program is designed for entry to mid-level finance professionals (up to five years of experience). Participants will have the chance to enhance their professional knowledge and expertise, acquire valuable skills for career growth, access career development resources, such as coaching and insights from industry experts, and more.

WCMElevate: This program is tailored to mid-level finance professionals (5-10 years of experience). Participants will be able to establish empowering professional relationships, hone skills for career advancement, access resources for career growth, and build awareness of gender diversity and inclusion.

WCMSoar: This program targets finance professionals with 10+ years of experience. Participants can expand their professional network, improve their team and executive management skills, access helpful resources and experts, and learn how to integrate diversity, equity, and inclusion principles into their leadership approach.

Manulife's Professional Mentoring Program is designed to help protégées establish career goals and strategies to overcome challenges, benefit from mentors' knowledge and experience, and expand their professional network. For mentors, the program provides an opportunity to share their knowledge and expertise and coach, motivate, empower, and support female professionals in advancing their careers. In 2023, Manulife Philippines, including Manulife China Bank, also

exceeded its goal of 25 hours of learning per colleague, an impressive feat. With the bar set high, the Company also introduced a new learning goal of 32 learning hours in 2024. This is to help employees take advantage of opportunities, grow in their roles, and build their career with MCBL.

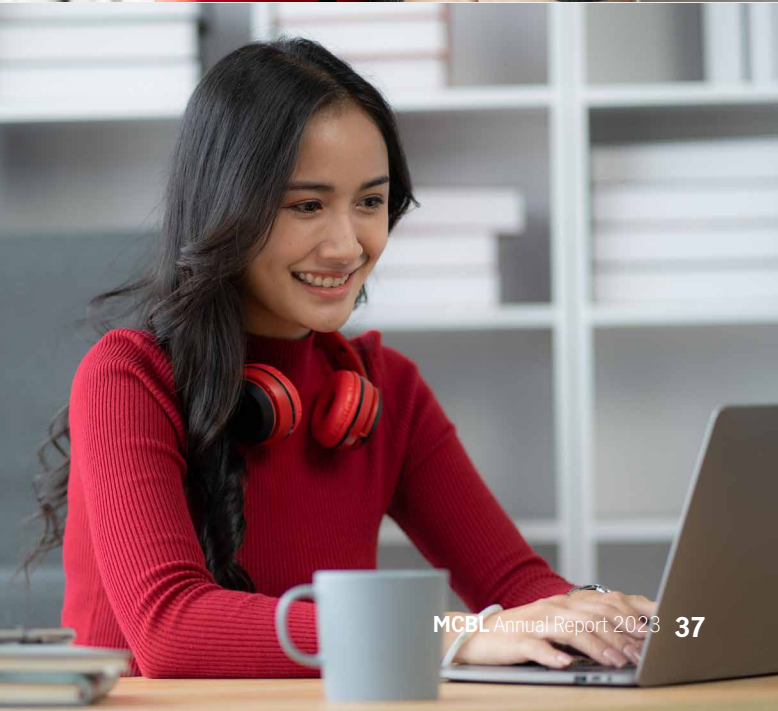
The Company's New Ways of Working, Professional, and Leadership Programs drive leadership excellence and establish high-performing and collaborative teams across the organization.

Because of Manulife's "always learning culture," more positive developments were achieved:

- Employees who completed 23 hours of learning in Pursuit earned '23 in 2023' badges.
- Continued focus on the development of People Leaders through targeted Leadership Programs under the flagship program Pursuit Leader Series: 1) Accelerate for managers and below; and 2) Leading with Impact for directors and AVP; and introduce an Aspiring Leaders program.
- Continued advancement of New Ways of Working curriculum to upskill colleagues on Agile, Human Centered Design (HCD), and Artificial Intelligence (AI)
- Introduced additional Professional Skills programs such as Handling Difficult Conversations, Presentation/Storytelling, and Coaching while continuously delivering Change Enablement, Collaborating Across Cultures, EI, and Building Positive Influence

Employees can access Manulife's Pursuit Learning Pathway for specially curated learning activities that include:

- Getting to Know Risk Management
- Your Role in Managing Risk
- Risk Appetite
- Cybersecurity



In 2023, MCBL also continued its focus on people development. For new Financial Sales Advisors (FSAs), the Company continued its BEST onboarding program, along with its Follow Up, Follow Through training to give its people the best chance for success. For the Company's tenured FSAs, MCBL conducts continuous learning through its monthly modules to ensure that their knowledge of company processes and operational guidelines, new products, fund performance, and new platforms are up to date. For select FSAs, MCBL enrolled them in the Registered Financial Planners Program for higher learning. To further support its field management force, MCBL conducted an Area Managers' (AM) Capability Assessment to standardized sales process, Joint Field Work (JFW) and coaching post-JFW. Post-assessment, a development journey to strengthen AM leadership and coaching capabilities is a key focus area. Digital learning platforms were also introduced to support MCBL's effort to build a learning culture. People development remains to be a top priority for MCBL as it is considered a pathway to success.

Fuel-Up Fridays

Manulife's Fuel-Up Friday is a dedicated day of learning for Manulife and Manulife China Bank Life colleagues to underscore its commitment to advance and help in employees' learning and development. Topic areas explored in 2023 include advanced analytics; customer centricity; among others. The Company also focused on Feedback, Recognition, and Engagement, as these are intrinsically linked to foster an environment where everyone feels valued and supported. All three play a key role in the Company's winning team and culture, but are sometimes overlooked amid day-to-day responsibilities, or relegated to only certain times of the year.

With Fuel-Up Fridays in 2023, access to the Company's Pursuit learning journey helped employees learn more about:

- Giving effective feedback
- Impactful recognition practices
- How to embrace engagement

This session also connected emotional intelligence (EI) with feedback and recognition. The discussion touched on practical strategies for giving and receiving feedback to support constructive and impactful conversations, personally and professionally.

Employee Health and Wellness

The Company is committed to promoting its customers' and employees' health and well-being. To help support their health journeys, Manulife introduced MOVE for Staff, a new well-being initiative that extends the company's MOVE program to its employees in seven Asian markets, including the Philippines.

With MOVE for Staff, MCBL employees can participate in monthly step challenges for a chance to win rewards, or opportunities to give back to various communities. They can also access various wellness features and content to help them stay healthy.

The Company takes a holistic approach to employee well-being, supporting all aspects of their health—physical, mental, emotional, financial, and social. This is a critical component in sustaining a great workplace, and the Company is committed to providing its employees with the resources they need to be well at every stage of life.

In addition, Manulife's Asia Programs page was designed to help MCBL employees achieve their best physical, mental, emotional, financial, and social well-being. It provides tools, resources, activities, and incentives to help increase health awareness and develop healthy habits at work and in personal life.

Manulife China Bank Life also offers a Work Life Coaching Program with Human Dynamic, a leading consultancy company. This program provides personal work-life coaches to support employees and their families balance their work and personal priorities. The program is confidential, ensuring privacy for employees.

The Company also leverages My WorkLife Online, an e-learning and e-service portal that provides access to work-life resources, including professionally written articles, videos, and learning modules for self-help, personal development, and life enhancement.

Diversity, Equity and Inclusion

Manulife China Bank Life sees diversity, equity, and inclusion as key to fueling business growth and transformation. The aspiration is to cultivate

Our Strategic Pillars



Our Workforce

Diversity at all levels in the organization that is reflective of the communities we serve



Our Business

Stronger business opportunities when we incorporate DEI in the development and delivery of products and services



Our Workplace

Employees thrive because they belong and can bring their authentic selves to work



Our Community

Strong partnerships and DEI support in the external communities in which we live, work, and serve

A diverse and inclusive workplace, in which all colleagues are inspired to bring their authentic and whole selves to work, enabling them to thrive personally and professionally to best serve our customers, business partners and communities.

Employee Resource Groups (ERGs) are structured and designed to support employees with shared identities and who are part of marginalized groups that face barriers related to race, ethnicity, gender, age, sexual orientation, or cultural backgrounds. They provide a space for employees to build networks, share experiences, and contribute to our global DEI efforts.

ERGs are aligned with the Workplace pillar of Manulife's DEI strategy, which particularly homes in on the organizational goal of creating an inclusive culture that brings greater awareness, educational resources and creates psychological safety for our colleagues.

- **Global Women's Alliance (GWA) Philippines** supports and encourages the recruitment, development and advancement of women throughout our organization by providing a network and opportunities in which women can be mentored, share experiences, and have fulfilling careers with Manulife.
- **Professionals Reaching out for Unity and Diversity (PROUD)** promotes an inclusive workplace for lesbian, gay, bisexual, transgender, and queer (LGBTQ+) employees to promote their contributions to Manulife and its success. It advocates for allyship across the organization to better promote inclusion, and offer greater support system to Manulife colleagues in the LGBTQ+ community.

In 2023, GWA Philippines and PROUD held various activities to continuously take action and maintain the company's momentum in fostering an environment where everyone is valued, empowered, and respected. GWA Philippines celebrated International Women's Day through a special session about, "Winning with a Purpose" with guest speakers Mindanao Peace Games and Ateneo De Davao University Athletics Director Noli Ayo and former Ateneo Lady Aguilas Team Captain Gianne Dela Cruz.

PROUD also held a flag-raising event at the company's head office in NEX Tower, Makati to mark the start of the Pride Month. MCBL employees joined the Metro Manila Pride March and Festival at the Quezon City Memorial Circle to celebrate LGBTQ+ acceptance, achievements, and rights. This participation was in line with Manulife's Impact Agenda to drive inclusive economic opportunities for all and empower sustained health and well-being through the launch of its Manulife MOVE for Staff mobile app.

GWA Philippines and PROUD also joined forces to mount "Walk As One" a four-week Wellness Walk held after office hours, encouraging colleagues to set aside time for some physical activity so they can get fit and healthy together.



Special Feature



Enriching the lives of China Bank and China Bank Savings customers through holistic *protection* and *wealth* management solutions



Achieve your wealth-building goals with **WealthOne**

- Get access to various global and local funds to help you maximize your money's growth potential
- Enjoy life insurance protection of as high as 500% of your payment and additional accident benefit
- Receive a guaranteed Start-up Bonus of up to 1.5% of your payment, plus a Loyalty Bonus for staying invested

Make **WealthOne**, the one.

Subject to terms and conditions.



In 2023, Manulife China Bank Life strengthened its product suite by introducing new health, life and wealth management solutions that match Filipinos’ financial protection needs, helping them achieve their life goals. In February, MCBL introduced WealthOne, a comprehensive single-pay variable life insurance plan that enables Filipinos to grow their wealth and preserve their legacy by investing in a wide variety of funds that fit their preferences and goals. The plan provides customers with flexible life insurance coverage that can go as high as 500% of their single premium, and a guaranteed start-up bonus equal to 1.5%.

In addition, customers can boost their coverage by adding protection benefits and they can also choose from a wide range of local and global investment funds to diversify and maximize their earning potential. WealthOne also offers a hassle-free policy application experience, with no medical requirements needed as long as certain conditions and limits are applied.

To boost its suite of health protection products, MCBL launched **Health Hero** in May 2022. This simple and affordable health and life insurance provides 100% coverage for the same six critical illnesses. China Bank and China Bank Savings customers who can stay healthy can also enjoy 30% money back of their premiums paid every five years.

Customers can also avail Health Hero for as low as PHP13,632 per year or PHP37 a day through MCBL Financial Sales Advisors by answering a simple health declaration form with no medical check-ups required.

In December 2023, MCBL re-introduced AssureMax in 5- and 10-year payment terms. MCBL AssureMax is a life insurance plan which combines protection benefits with guaranteed returns that Filipinos can use to fund their children’s education, support their businesses or their passions, provide themselves a comfortable retirement, and other future needs and financial goals.

MCBL AssureMax offers guaranteed life protection equal to 200% of the face amount; a guaranteed cash payout that is 10% of the face amount every two years starting at the end of their seventh year for the 5-year variant, and starting at the end of the 11th year for the 10-year variant; and a guaranteed maturity benefit that is equal to 100% of the face amount paid out at the end of the policy term. It comes with pre-selected or optional riders, such as accidental death benefits, payor’s benefits, hospital income benefits, and other non-guaranteed benefits.



Treating cancer is costly.

With **Health Hero**, you can get **Php 500K** in coverage for only **Php 37/day** that can help pay for the treatments.

Prepare for uncertainties by investing in a life and health insurance plan with *super powered benefits* today.





Assure Max

From go-getter → To jet-setter



Discover a Smarter way to Save with Assure Max.

Enjoy guaranteed cash payout every 2 years to fund your travel getaways *plus* guaranteed lump-sum cash benefit to fund your dream vacation, all while staying protected.

Visit a China Bank or China Bank Savings branch and talk to a Financial Sales Associate to know more.

Environmental, Social and Governance

Strengthening Manulife’s Impact Agenda in the Philippines

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

Through Manulife’s Impact Agenda, Manulife China Bank Life stays true to its mission by helping create a better tomorrow for its business, communities, and the planet. Through three interconnected pillars that underscore social and environmental areas that the company can most affect change, Manulife’s Impact Agenda serves as a lens to guide its business decisions and community impact.



Empower Sustained Health and Wellbeing

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



Drive Inclusive Economic Opportunity

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



Accelerate a Sustainable Future

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



Manulife progresses its *Impact Agenda* in the Philippines with a reforestation program, learning hubs, community food farms & financial literacy classes

Supporting the Sustainability Development Goals (SDGs)

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

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

2023 was a significant year for Manulife Philippines’ community investment partners by continuing to drive key projects on the ground.



Financial inclusion: Driving inclusive economic opportunities as a partner for progress

For school year 2022-2023, a total of 350 public school elementary students from Manulife’s seven partner schools – Buting Elementary School, Ilugin Elementary School, and San Miguel Elementary School in Pasig; Pembo Elementary School in Makati; Dao Elementary School in Bohol, Guisad Valley National High School in Baguio; and Gubat Elementary School in Albay – graduated from the Peso Smart x RecoveREADs program. The program, in partnership with Corazon Sanchez Atayde Memorial Foundation, taught students basic concepts of saving, budgeting and investing so they are empowered to take charge of their future through financial literacy.

Almost 300 learners comprising teachers and students also attended the Company’s two webinars in 2023. Subject-matter experts were employees who discussed certain topics, such as how to be a financially healthy person; make deliberate decisions to get closer to your financial goals, and the power of saving to invest early.

Manulife commits USD1 Million to Kiva



Manulife and Kiva, a crowdfunding pioneer connecting individual lenders with entrepreneurs and communities worldwide, partnered to provide a funding boost to microentrepreneurs and underserved communities globally with a concentrated focus in Cambodia, Indonesia, the Philippines, and Vietnam through a USD1 million investment over three years.

Through this commitment (www.kiva.org/manulifematchfund), Kiva will be able to increase the volume of entrepreneurs they provide with micro-financing loans across emerging markets in Asia and around the world. Over two million people have invested \$2 billion in real dreams and real opportunities in Kiva, spanning more than 90 countries and 4.7 million borrowers. Through Kiva, Manulife funded several loans to entrepreneurs and borrowers in Asia, including supporting a single mom and her fish vending business in the Philippines, and providing resources for a farmer in Dalaguete to make farming sustainable.

The partnership, aligned with Manulife’s Impact Agenda, will be in three phases over the coming three years, with local activation campaigns targeting different markets, sectors, and causes that resonate with Manulife’s customers, employees, agents, and Kiva’s network of lenders. Through the partnership with Kiva, Manulife will help accelerate the upward mobility of underrepresented groups and make financial solutions more accessible.



Accelerating a sustainable future through reforestation

In 2023, Manulife Philippines and Manulife China Bank planted 5,000 seedlings across four hectares of land in Tanay, Rizal and Real, Quezon. There were 150 volunteers for the program, including Manulife employees.

Manulife also acquired a new site, a nine-hectare land in Masinloc, Zambales, earmarked for the Manulife Impact Forest in the Philippines. A seedling preparation activity was conducted on November 24, 2023, with some employees and members of Manulife’s distribution teams volunteering their time for the activity.

In April 2023, the Company celebrated Earth Day through a webinar titled, “Water for Everyone: Restoring Our Forests,” which served as an opportunity to talk about environmental issues and take action in protecting the planet by understanding the significance of water, how people can better conserve water, and save the forests.



Empowering sustained health and well-being through sustainable farming

With Gawad Kalinga and its Community Food Farm, a total of 92 farms were established by the Company across 18 provinces nationwide. A total of 31,240 sqm of land was developed. From the first 34 farms established, a total of 4,154.60 kilos of vegetables were harvested resulting in earnings for the community members totaling PHP 384,100, which was on top of what the communities consume.

Moreover, Peso Smart Hubs across the country continue to operate in Taguig, Mandaluyong, Butuan, Capiz and Siargao, providing the youth in these Gawad Kalinga villages a place to study and interact with fellow students. Peso Smart Hubs, which serve as avenues for the Company to champion for community building and financial literacy, featured mural paintings designed and painted by renowned Filipino landscape architect, photographer, and muralist AG Saño, Gawad Kalinga officers, and Manulife employees.





Sharing their humanity through employee volunteerism

Colleagues from Manulife Philippines and Manulife China Bank Life participated in a region-wide activity that provided an opportunity to actively take part in our Impact Agenda initiatives. During this week, 100 kids from 4 different Gawad Kalinga villages in Metro Manila visited the Manulife office in Makati and spent a couple of hours getting introduced to basic concepts about financial literacy from employee volunteers.



The Company also participated in the Move for your Community in Asia, where step goals were accomplished in five days and these recorded steps were converted to community investments, such as learning equipment and materials for the five Peso Smart Hubs, plus 900 Peso Smart learning kits that were given to elementary school students going Corazon Sanchez Atayde Memorial Foundation and Gawad Kalinga Community Development Foundation.



Upholding Diversity, Equity and Inclusion

Through Employee Resource Groups (ERGs), Global Women’s Alliance (GWA) Philippines and Professionals Reaching Out Through Unity and Diversity (PROUD), the Company continues to ensure that diversity, equity and inclusion is consistently practiced in the workplace, so everyone feels that they are valued, respected and supported.

In March 2023, GWA Philippines held a lunch and learn session in celebration of International Women’s Day. Titled “Winning with a Purpose,” the special session centered on thriving despite discrimination and adversity, and how mentorship and a winning mindset helps build confidence among colleagues. The event invited Mindanao Peace Games and Ateneo De Davao University Athletics Director Noli Ayo and former Ateneo Lady Aguilas Team Captain Gianne Dela Cruz as the main speakers.



As a way to push for healthier habits, and aligned with the Company’s push for health, GWA Philippines and PROUD joined forces to mount “Walk As One” a four-week Wellness Walk held after office hours, encouraging colleagues to set aside time for some physical activity so they can get fit and healthy together. Distance and pace targets were set and progress was monitored so that those who hit their goals were rewarded. To ensure inclusivity, the activity also allowed for participation of non-Metro Manila colleagues by doing simultaneous walks wherever they were in the country. Offsite participants were asked to send photos of their progress virtually so these can be tracked as well and they could qualify for rewards.



Shortly after this, the company held a flag-raising event to mark the start of Pride Month and participated in the Pride Walk held at the Quezon City Memorial Circle last June 8, 2023. These events upheld the company’s commitment to the continued support and acceptance of the LGBTQ+ community.

In August 2023, GWA Philippines held another lunch-and-learn session that tackled ways to cope and manage change, as well as how to transform change into opportunities to be better. With the theme, “Embracing Change,” the event featured Peak Performance Co-Founder Yasmin Gonzales as guest speaker.



To celebrate Breast Cancer Awareness Month in October 2023, in partnership with the ICANServe Foundation, GWA Philippines mounted a learning session around early detection, prevention and timely treatments of breast cancer. This was conducted for both employees and distributors to educate and inform them how to effectively do self-exams as a means of early detection, and to learn from breast cancer survivors as they shared their personal journeys toward healing and recovery.



In 2023, PROUD officially joined the Philippine Financial & Inter-Industry Pride (PFIP), a collaborative, voluntary, and non-profit community of practice composed of dedicated representatives from LGBTQ+ employee resource groups and human resource or diversity teams of private firms in the Philippines. PFIP's mission is to serve as an advisory body for its Pride network, drive and align diversity and inclusion targets and strategies, share best practices and provide avenues for cooperation and collaboration. It also aims to provide professional development and career advancement opportunities for self-identifying LGBTQ+ leaders to build diverse and inclusive talent pipelines.



Management Discussion and Analysis (MDA)

This section provides an overview of the Company's performance in the year 2023, understanding its financial fundamentals covering profitability, business performance and strategic highlights. The MDA also includes a discussion on the Company's business goals, forward-looking plans, and strategy for growth acceleration.

1. Profitability

	2023	2022 (Php Billions)
Net Income	916.9	804.3
General Expenses	1,080.3	1,101.3
Return on Equity	29.9%	33.9%

Net Income

- Net Income grew 14% as the Company's pivot to more regular pay and health products contributed to higher overall profit margins despite a decline in sales Y/Y. Investment and other income also grew due to the increase in assets under management.
- The Company's general expenses decreased due mainly to lower sales-related expenses, which were in line with lower sales.
- Return on equity % dropped due mainly to market value recovery of fixed income assets from decline in interest rates year on year.
- We paid a dividend for the first time in 2023.

	2023	2022
Equity beg	2,701.9	2,043.3
Equity end	3,438.6	2,701.9
Equity ave.	3,070.3	2,372.6

2. Business Performance

	2023	2022 (Php Billions)
Assets Under Management	62.1	58.5
Gross Premiums	8.6	12.8

- Financial assets at Fair Value Through Profit or Loss (FVPL) increased due to new fund inflows from unit linked sales while the company Available for Sale (AFS) assets increased with additional investments in fixed income government securities.

Assets Under Management	2023	2022
FA at FVPL	62.1	58.5
AFS Assets	8.6	12.8
Loans and Receivables	252.7	229.8

- Gross premiums dropped 32% due to lower single premiums sales (46% decline year on year). Despite the decrease, the company remained profitable by focusing on regular premium propositions, including health, long-term savings and corporate solutions.

	2023	2022
FY	887	790
Renewal	2,737	2,743
Single Pay	4,997	9,236
Gross Premiums	8,621	12,769

3. Strategic Highlights

Capability development was a strong focus in 2023 as the company shifted towards regular premium propositions. This focus, along with execution excellence, will continue in 2024 as we strive to reach our ambition to double the number of lives MCBL protects by the end of 2025.

- MCBL directly benefits from Manulife Philippines accelerating its Digital Customer Leader strategy, which resulted in an all-time high Net Promoter System (NPS) score of 80 pts, transactional net promoter score (tNPS) of 70 pts, and +90% of the applications on Cloud.
- Addressing health protection gap in the Philippines, our health mix improved to 6%. In 2023, we paid PHP 132 million in group claims, PHP 9 million in Individual (traditional) claims and PHP 166 million in Individual (variable unit-linked or VUL) maturities.
- Product mix shift towards regular pay products has been driven by referrals from non-branch managers, changes in incentive schemes, customer engagement campaigns, and capability-building training on needs-based selling of FSAs.

Six strategic focus areas for Manulife China Bank Life in 2024:	
Distribution Growth, Scale & Digitalization	<ul style="list-style-type: none">Activate China Bank's high potential branches to enhance FSA productivityUpskill leadership through a new development program, coaching, and new structured work weeksDigitize FSA learning through mobile-friendly, bite-size content.Introduce a new leads management platform
Holistic Solutions & Integrated Wealth	<ul style="list-style-type: none">Health protectionLong-term and goal-based savings propositionCorporate solutions
In-force, Capital and Free Surplus	<ul style="list-style-type: none">Improve premium and policy persistency
Strategic Cost Management	<ul style="list-style-type: none">Project book of work deliveryMaximize internal efficiencies
Digital Customer Leadership	<ul style="list-style-type: none">Customer servicing focus by improving Straight Through Process (STP) rates and enhancing customer website to increase the volume of self-service transactions
High Performing Talent	<ul style="list-style-type: none">Maximize employee engagementRetain and develop our talentCulture of risk and compliance ownership

BAM Pillars to accelerate growth and deliver value



Manulife Philippines (combined with its bancassurance arm, MCBL) is currently ranked 4th in terms of total premiums adjusted with 10% of single pay premiums, as per data shared by the Insurance Commission as of 31 December 2023.

Independent Auditor's Report

The Board of Directors and Stockholders

Manulife China Bank Life Assurance Corporation



Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Manulife China Bank Life Assurance Corporation (the Company), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, 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 Financial Statements** section of our report. We are independent of the 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 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 Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 26 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 Manulife China Bank Life Assurance Corporation. 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.

Bernalette L. Ramos

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
BIR Accreditation No. 08-001998-081-2024, January 26, 2024, valid until January 25, 2027
PTR No. 10079998, January 6, 2026, Makati City

April 5, 2024

Manulife China Bank Life Assurance Corporation Statements of Financial Position

December 31		
2023		2022
Assets		
Cash and Cash Equivalents (Note 4)	PHP 893,512,231	PHP 1,304,285,186
Insurance Receivables (Note 22)	26,603,581	17,199,982
Financial Assets (Note 5)		
Financial assets at fair value through profit or loss (FVPL)	57,014,164,673	54,825,757,248
Available-for-sale financial assets	4,874,664,413	3,488,877,213
Loans and receivables	252,212,050	229,817,536
Accrued Income (Note 7)	48,687,680	42,227,703
Reinsurance Assets (Notes 11 and 14)	5,098,490,828	4,800,672,527
Property and Equipment (Note 9)	31,678,299	30,192,806
Right-of-use Assets (Note 21)	484,286	3,390,003
Other Assets (Note 9)	28,336,144	41,585,698
	PHP 68,268,834,185	PHP 64,784,005,902
Liabilities And Equity		
Liabilities		
Insurance contract liabilities (Notes 10 and 11)	PHP 62,038,038,668	PHP 59,371,805,045
Insurance payables (Notes 11 and 14)	1,138,165,960	1,120,370,666
Policyholders’ dividends (Note 22)	371,265,566	344,143,523
Accounts payable and accrued expenses (Note 12)	539,092,369	625,070,657
Due to related parties (Note 14)	662,399,745	471,464,156
Pension liability - net (Note 19)	1,244,400	-
Income tax payable	41,637,401	73,236,469
Deferred tax liabilities - net (Note 20)	37,683,686	71,359,719
Lease liability (Note 21)	692,814	4,665,433
Total Liabilities	64,830,220,609	62,082,115,668
Equity		
Capital stock (Notes 13 and 23)	500,000,000	500,000,000
Additional paid-in capital (Note 13)	525,000,000	525,000,000
Remeasurement gain on legal policy reserves (Note 10)	198,951,223	293,212,519
Remeasurement gain (loss) on pension plan (Note 19)	(1,132,894)	8,800,743
Reserve for fluctuation in value of available-for-sale financial assets (Note 5)	(166,234,749)	(490,284,613)
Appropriated surplus - negative reserves (Note 2)	566,082,409	372,719,943
Retained earnings	1,815,947,587	1,492,441,642
Total Equity	3,438,613,576	2,701,890,234
	PHP 68,268,834,185	PHP 64,784,005,902

See accompanying Notes to Financial Statements.

Manulife China Bank Life Assurance Corporation

Statements of Income

	Years Ended December 31	
	2023	2022
Revenue		
Gross premiums earned on insurance contracts	PHP 8,620,800,813	PHP 12,769,736,264
Reinsurers’ share of gross premiums earned on insurance contracts	(289,780,087)	(324,258,218)
Net insurance premiums earned (Note 15)	8,331,020,726	12,445,478,046
Investment income (Note 16)	226,552,070	164,879,059
Foreign currency exchange gains (losses) - net	(1,706,402)	65,653,712
Other income (Note 16)	1,904,425,954	1,869,644,111
Total revenues	PHP 10,460,292,348	PHP 14,545,654,928
Benefits and Operating Expenses		
Gross benefits and claims incurred on insurance contracts (Note 17)	560,557,376	363,133,740
Reinsurers’ share of benefits and claims incurred on insurance contracts (Note 17)	(64,097,334)	(228,846,811)
Gross change in legal policy reserves (Note 17)	7,303,543,065	11,820,792,105
Reinsurers’ share of gross change in legal policy reserves (Note 17)	(56,569,255)	(96,409,936)
Dividends to policyholders	60,266,164	57,438,659
Net insurance benefits and claims	7,803,700,016	11,916,107,757
General and administrative expenses (Note 18)	1,080,281,920	1,101,308,387
Commissions expenses (Note 14)	340,328,635	437,195,566
Insurance and other taxes (Note 21)	44,153,431	36,544,277
Total benefits and operating expenses	9,268,464,002	13,491,155,987
Income from operations	1,191,828,346	1,054,498,941
Interest expense on lease liabilities (Note 21)	162,239	402,202
Income before income tax	1,191,666,107	1,054,096,739
Provision for income tax (Note 20)	274,797,693	249,785,465
Net income	PHP 916,868,414	PHP 804,311,274

See accompanying Notes to Financial Statements.

Manulife China Bank Life Assurance Corporation

Statements of Comprehensive Income

	Years Ended December 31	
	2023	2022
Net Income	PHP 916,868,414	PHP 804,311,274
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)	324,049,864	(454,749,434)
Remeasurement gain (losses) on legal policy reserves, net of tax (Note 10)	(94,261,296)	305,449,985
Item that will not be reclassified to profit or loss in subsequent periods:		
Remeasurement gains (losses) on pension plan, net of tax (Note 19)	(9,933,637)	3,570,813
Total Comprehensive Income	PHP 1,136,723,345	PHP 658,582,638

See accompanying Notes to Financial Statements.

Manulife China Bank Life Assurance Corporation

Statements of Changes in Equity

	Capital Stock (Notes 13 and 22)	Additional Paid-in Capital (Note 13)	Remeasurement Gain (Loss) on Legal Policy Reserves (Note 10)	Remeasurement Gain (Loss) on Pension Plan (Note 19)	Reserve for Fluctuation in Value of Available-for sale Financial Assets (Note 5)	Appropriated Surplus-Negative Reserves (Note 2)	Retained Earnings (Note 13)	Total
As at January 1, 2023	PHP 500,000,000	PHP 525,000,000	PHP 293,212,519	PHP 8,800,743	(PHP 490,284,613)	PHP 372,719,943	PHP 1,492,441,642	PHP 2,701,890,234
Net income	-	-	-	-	-	-	916,868,414	916,868,414
Other comprehensive income (loss)	-	-	(94,261,296)	(9,933,637)	324,049,864	-	-	219,854,931
Total comprehensive income (loss)	-	-	(94,261,296)	(9,933,637)	324,049,864	-	916,868,414	1,136,723,345
Appropriation of negative policy reserves	-	-	-	-	-	193,362,466	(193,362,466)	-
Dividends paid (Note 13)	-	-	-	-	-	-	(400,000,000)	(400,000,000)
Balances at December 31, 2023	PHP 500,000,000	PHP 525,000,000	PHP 198,951,223	(PHP 1,132,894)	(PHP 166,234,749)	PHP 566,082,409	PHP 1,815,947,587	PHP 3,438,613,576
Balances at January 1, 2022	PHP 500,000,000	PHP 525,000,000	(PHP 12,237,466)	PHP 5,229,930	(PHP 35,535,179)	PHP 156,828,253	PHP 904,022,058	PHP 2,043,307,596
Net income	-	-	-	-	-	-	804,311,274	804,311,274
Other comprehensive income (loss)	-	-	305,449,985	3,570,813	(454,749,434)	-	-	(145,728,636)
Total comprehensive income (loss)	-	-	305,449,985	PHP 3,570,813	(454,749,434)	-	804,311,274	658,582,638
Appropriation of negative policy reserves	-	-	-	-	-	215,891,690	(215,891,690)	-
Balances at December 31, 2022	PHP 500,000,000	PHP 293,212,519	PHP 17,406,155,393	PHP 8,800,743	(PHP 490,284,613)	PHP 372,719,943	PHP 1,492,441,642	PHP 2,701,890,234

See accompanying Notes to Financial Statements.

Manulife China Bank Life Assurance Corporation

Statements of Cash Flows

Years Ended December 31			Years Ended December 31		
2023			2023		
2022			2022		
Cash Flows From Operating Activities			Cash Flows From Investing Activities		
Income before income tax	PHP 1,191,666,107	PHP 1,054,096,739	Interest received	247,865,059	182,087,556
Adjustments for:			Proceeds from sale/maturities of:		
Change in legal policy reserves (Note 10)	119,328,198	76,121,023	Available-for-sale financial assets (Note 5)	169,592,370	120,014,697
Change in IBNR provision (Note 10)	27,593,410	(25,402,091)	Acquisitions of:		
Depreciation and amortization (Notes 8, 18 and 21)	15,713,263	14,270,935	Available-for-sale financial assets (Note 5)	(1,267,871,059)	(1,532,007,591)
Retirement cost (Notes 18 and 19)	9,708,738	9,620,315	Property and equipment (Note 8)	(14,293,035)	(14,008,617)
Fair value loss (gain) on financial assets at fair value through profit or loss (Note 5)	(2,613,979)	6,733,776	Net cash provided by investing activities	(864,706,665)	(1,243,913,955)
Interest expense on lease liabilities (Note 21)	162,239	402,202			
Provision for impairment loss on other assets (Notes 9 and 18)	1,836,792	276,981			
Interest income (Note 16)	(221,487,429)	(171,615,445)			
Unrealized foreign currency exchange losses - net	10,271,666	(44,696,957)			
Gains on sale of available-for-sale financial assets (Note 5)	(2,450,662)	2,610			
Operating income before changes in operating assets and liabilities	1,149,728,343	919,810,088			
Changes in operating assets and liabilities:					
Decrease (increase) in:					
Reinsurance assets	(297,818,301)	535,646,001			
Other assets	(1,562,159)	(7,429,063)			
Financial assets at fair value through profit or loss (Note 5)	(2,185,793,446)	(3,575,043,309)			
Loans and receivables	(22,394,514)	(1,936,342)			
Insurance receivables	(9,403,599)	(1,656,373)			
Increase (decrease) in:					
Insurance contract liabilities (Note 10)	2,301,032,721	2,935,786,136			
Due to related parties	190,935,589	62,151,609			
Policy and contract claims payable (Note 10)	92,597,566	(114,107,688)			
Insurance payables	17,795,294	(155,576,750)			
Policyholders' dividends	27,122,043	37,003,867			
Accounts payable and accrued expenses	(85,978,288)	(31,189,056)			
Net cash generated from operations	1,176,261,249	603,459,120			
Income taxes paid (including creditable withholding taxes)	(305,341,149)	(186,149,963)			
Contributions to retirement fund (Note 19)	(8,734,273)	(8,971,135)			
Net cash provided by operating activities	862,185,827	408,338,022			

See accompanying Notes to Financial Statements.

(Forward)



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