



2015 Annual Report

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Our Vision

To be the leading bancassurance organization in the Philippines, differentiated through the delivery of an extraordinary customer experience.

Our Mission

We strive to be the best bancassurance business in the Philippines, delivering value to Manulife China Bank and its customers, which is differentiated through extraordinary customer experience, ease of doing business, and systematic engagement of all channels and segments with relevant solutions.

Our Customer Value Proposition

We provide our customers personalized financial solutions that enable them to confidently secure their own and their family's futures.

Our Values

Professionalism

We will be recognized as having the highest professional standards. Our employees and agents will possess superior knowledge and skill, for the benefit of our customers.

Real Value to Customers

We are here to satisfy our customers. By providing the highest quality products, services, advice, and sustainable value, we will ensure that our customers receive excellent solutions to meet their individual needs.

Integrity

All of our dealings are characterized by the highest levels of honesty and fairness.

Demonstrated Financial Strength

Our customers depend on us to be here in the future to meet our financial promises. We earn this faith by maintaining uncompromised claims paying ability, a healthy earnings stream, and superior investment performance results; consistent with a prudent investment management philosophy.

Employer of Choice

Our employees will determine our future success. In order to attract and retain the best and brightest employees, we will invest in the development of our human resources and reward superior performance.



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.

China Bank

China Banking Corporation was established in 1920 and was listed on the Philippine Stock Exchange in 1965. It became the first bank in Southeast Asia to process deposit accounts on-line in 1969 and the first Philippine bank to offer phone banking in 1988. It acquired its universal banking license in 1991. China Bank provides a wide range of banking services through its more than specialized business centers, 250 branches, over 400 ATMs nationwide, and complemented by its internet and mobile banking alternative channels. With nine decades of ensuring partnerships marked by quality service to its clients, China Bank remains to be one of the most stable and profitable banks in the country.



About Manulife China Bank Life Assurance Corporation

Manulife China Bank Life Assurance Corporation (MCBL) is a strategic alliance between Manulife Philippines and China Banking Corporation (China Bank), providing a wide range of innovative insurance products and services to China Bank customers. The aim is to ensure that every client receives the best possible solution to meet his or her individual financial and insurance needs.

Since October 2007, MCBL has grown into a business of significance for both Manulife and China Bank. Buoyed by our strengthened alliance, we embark on our next phase of growth and work toward our common purpose: to make MCBL the biggest, most professional bancassurance company in the industry.

Following eight years of partnership, MCBL further strengthened its alliance with China Bank after the Bangko Sentral ng Pilipinas' grant of the license to cross-sell bancassurance products to China Bank Savings (CBS), the thrift bank arm of China Bank. The grant allows CBS to offer products that covers insurance, savings, and investment plans.

2015 also saw the introduction of three new products for the China Bank customer base: MCBL Health Choice, Credit Save, and MCBL Invest. This provides us with a stronger set of solutions that can address China Bank customers' evolving financial needs.



Board of Directors (as of April 2016)



Mark O'Dell
Chairman



Robert Wyld
Executive Director, President & CEO



Ryan Charland
Non-Executive Director



Kenneth Dai
Non-Executive Director



Ricardo Chua
Non-Executive Director



Alberto Emilio Ramos
Non-Executive Director



David Balangue
Independent Director



Janette Peña
Independent Director



Rhoda Regina Rara
Independent Director



Mark O'Dell, Chairman

Mark O'Dell (58) was elected as Non-Executive Director and Chairman of the Board of Manulife Philippines on February 14, 2013. He is also the Senior Vice President & Regional Executive for Malaysia, Philippines and Singapore, ASEAN Operations of Manulife Asia. Mark concurrently sits as Chairman of the Board & Non-Executive Director of Manulife China Bank Life Assurance Corporation and Manulife Financials Plans, Inc.

As Chairman of the Board, he is responsible for managing the affairs and development and effective functioning of the Board; provides leadership in Board Governance; acts in an advisory capacity on behalf of the Board to the President and CEO; manages the relationships between management and the Board; and assists in managing shareholder agreement.

Prior to his current role, Mark served as Senior Executive Vice President & General Manager, Manulife Asia (2008-2012); Executive Vice President & General Manager, American International Assurance (AIA) Singapore and Brunei (2004-2008); Senior Vice President & General Manager, AIA Malaysia (2000 – 2004); Vice President & General Manager, AIA Indonesia (1998– 2000); and Vice President & Director of Agencies, AIA Indonesia (1998 – 2000).

Robert Wyld, Executive Director; President & CEO

Robert Wyld (56) is the President & Chief Executive Officer of the Company since 2012. He joined Manulife Financial in 2005 where he held various roles within the company's Asia operations, having worked in Hong Kong, Vietnam, Indonesia, and the Philippines.

With more than 30 years of experience in the life insurance industry, Robert has held a number of senior distribution leadership roles both within Manulife Financial Asia operations and in other blue chip life companies in Asia and United Kingdom (U.K.); across agency, broker, bancassurance, and telemarketing channels. Prior to joining Manulife Chinabank Life Assurance Corporation, Robert served as the Head of Partnership Distribution in Manulife Indonesia. Between 2007 until late 2010, Robert was the Head of Alternative Distribution in Manulife Vietnam.

Prior to moving to Asia, Robert started as an agent in 1983 and progressed through the ranks, enjoying top ten agent and top branch manager status before reaching a Regional Sales Director level with an Australian life insurance company.

Robert earned his Bachelor of Science degree in Business Studies from the Gloucester University in U.K. He is also an Associate of the Chartered Insurance Institute of U.K. by examination and a Chartered Insurer by designation.

Ryan Charland, Non-Executive Director

Ryan Charland (36) is the President and Chief Executive Officer of Manulife Philippines since January 2014. He was first elected as the Company's Director in August 2013. Ryan has worked for Manulife Financial in various leadership functions in product development, finance and corporate risk management for more than 10 years and brings a breadth of expertise to this role.

Ryan joined Manulife in August 2003, working in the U.S. Division and Corporate Audit before joining the U.S. Life Product Management in 2006. There he was rapidly given roles of greater responsibility, culminating in his appointment as the Pricing Officer in January 2010. Ryan relocated to Asia in November 2011 as Regional Chief Risk Officer based in Hong Kong. In Asia, Ryan established the risk management function and strengthened the local risk governance of all Manulife's operating entities.

Ryan holds a Bachelor of Science degree in Computer Science and Actuarial Science from the University of Toronto.

Kenneth Dai, Non-Executive Director

Kenneth Dai (39) joined Manulife Financial in June 1999 as an Actuarial Specialist and became an Assistant Vice President in November 2011. He now serves as Vice President and Chief Actuary of Manulife Asia. With more than 15 years of experience in Manulife Asia, Kenneth has a wide range of experience and knowledge in various functions including pricing, product development, finance, and valuation.

Kenneth was first elected as a Non-Executive Director of Manulife Philippines and its affiliates, Manulife China Bank Life Assurance Corp., and Manulife Financial Plans, Inc., in the April 5, 2016 Annual Stockholders Meeting.

Kenneth holds a Bachelor of Science degree in Actuarial Science from Hong Kong University and is a Fellow of the Society of Actuaries.

Ricardo Chua, Non-Executive Director

Ricardo Chua (65) has been a Non-Executive Director of the Company since 2007. He is presently the President & Chief Executive Officer of China Banking Corporation (China Bank). He joined China Bank in 1975 as a Management Trainee, became its Chief Operations Officer in 1995, and succeeded as the President & CEO in September 2014. He is also a member of the China Bank Executive Committee and Board since 2008. He is also the Chairman of the Management Committee, Vice Chairman of the Credit Committee, and a member of the Board of Trustees of China Bank Employees' Retirement Plan. He likewise serves as Chairman of China Bank Savings, Inc. and China Bank Capital Corporation.

Ricardo's track record includes directorships outside of China Bank. He serves as a Director of the Bankers Association of the Philippines (BAP), Cavacon Corporation, Sun & Earth Corporation, and BancNet, Inc., among others. He was Founding Director of BancNet, serving for several terms as Chairman and Vice Chairman, and was recently elected as the new BancNet President. He was likewise a Director of China Bank Venture Capital Corporation and the Philippine Clearing House Corporation.

Ricardo earned his Bachelor of Science degree in Accounting from the University of the East. He is a Certified Public Accountant and holds a Master of Business Management degree from the Asian Institute of Management.

Alberto Emilio Ramos, Non-Executive Director

Alberto Ramos (56) was elected as a Non-Executive Director of the Company in March 2015. He is the President of China Bank Savings, Inc. (CBSI). He is also Board member of CBSI and China Bank Capital Corporation (CBCC), and is a Trustee/Treasurer of the Chamber of Thrift Banks (CTB).

Before he became the President of CBSI in 2011, Alberto served as the President of Philam Asset Management, Inc., and held key positions in local and foreign banks - including Bank of the Philippine Islands, Citytrust Banking Corporation, Western State Bank in California, U.S., Tokai Bank of California, Urban Development Bank, and Filinvest Credit Corporation. He is a recipient of the Treasury Professional Certificate from the Banker's Association of the Philippines. He also attended training programs on credit and financial analysis, performance appraisal and asset-liability management, treasury products, strategic marketing planning, and SME Banking.

Alberto obtained his Bachelor of Arts degree in Political Science and Bachelor of Science degree in Marketing Management from the De La Salle University. He also holds a Master of Business Management degree from the Asian Institute of Management.

David Balangue, Independent Director

David Balangue (64) was first elected as the Company's Independent Director in February 2011. He also serves in the same capacity as Independent Director of Manulife Financial Plans, Inc., and recently, Manulife China Bank Life Assurance Corp.

David is presently the President and Chairman of the Makati Commercial Estate Association, Inc., Director of Trans-Asia Oil and Energy Development Corp., and Trustee of the Makati Business Club. David was previously the Chairman of Sycip Gorres Velayo & Co., (2004 to 2010). In addition, he has been a Philippine Deposit Insurance Corp. (PDIC) consultant of the Philippine Bank of Communications (PBCOM) since 2010.

David is a graduate of Bachelor of Science in Commerce, major in Accounting from Manuel L. Quezon University and Master in Management major in Finance from the Graduate School of Management, Northwestern University, Evanston, Illinois, USA. David is a Certified Public Accountant.

Jannete Peña, Independent Director

Janette Peña (56) is an Independent Director of the Company and of its affiliates, Manulife Financial Plans, Inc., and Manulife China Bank Life Assurance Corp. She was first elected as Independent Director of the Company in 2007. She is also the Chair of the Audit Committee of the Company.

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) and Bousted Technologies (2004-2013); and Corporate Secretary of Salcon Holdings (2003-2009), Del Monte Philippines, and Philippine Plaza Holdings (1995-2003).

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

Rhoda Regina Rara, Independent Director

Rhoda Rara (49) serves as an Independent Director and Chairs the Nomination and Remuneration Committees of the Company. She was first elected as Independent Director on September 3, 2007.

Presently, Regina is the Managing Partner of MarksPro Philippines, the law firm of Reyes Rara and Associates. She is also the Corporate Secretary of the Intellectual Property Professors and Research Organization of the Philippines and IP Business Holdings, Inc.

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

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



Corporate Officers (as of April 2016)



Peter McKeown
*SVP - Chief Financial Officer
(Manulife Philippines)*



Maxima Galido
*VP & Training
and Special Projects Head*



Robert Wyld
President & Chief Executive Officer



Mark Reynan Antiga
VP & Chief Bancassurance Officer

CORPORATE GOVERNANCE POLICY

Manulife China Bank Life Assurance Corporation (MCBL) commits to maintain its good Corporate Governance and continues to improve because it believes in the importance of ensuring that the needs and interests of all its stakeholders are taken into account in a balanced and transparent manner as shown in its ASEAN Corporate Governance Scorecard.

MCBL submits annually its Corporate Governance Scorecard in compliance with the relevant IC Circular Letters.

Pursuant to the latest Circular Letter on Corporate Governance, IC Circular Letter No. 2015-23 on the ASEAN Corporate Governance Scorecard, the following information for the year 2015 are provided in this annual report:

Role and Responsibilities of the Board

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

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 assessment whether the 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 the business. The Board also reviews and approves significant public disclosure policy and documents, including the financial statements and related disclosures prior to its release.

The Board likewise oversees the succession planning process of the Company, including the selection, appointment and development of the Chairman of the Board, the Board members, the Chief Executive Officer and other senior executive officers, including the heads of the Company's oversight functions, and the termination of the Chief Executive Officer, if required.

Risk Management and Internal Controls

The Board considers all principal risks facing the Company, as well as measures to manage these risks. The Audit Committee ensures that comprehensive policies, risk management policies, and internal control systems are in place to mitigate exposures.

The Company's risk policies, risk management processes, internal controls, and management information systems are updated on a regular basis to ensure they match the risk profile and comply with regulatory requirements.

As required by the U.S. Sarbanes-Oxley Act, the CEO and the Chief Financial Officer certify the annual financial statements and evaluate and report on the effectiveness of the Company's disclosure controls and procedures.



The Audit Committee has direct communication, including in camera meetings, with the Internal Auditor, Independent Auditor and appointed Actuary, as well as with our principal regulator, the Insurance Commission (IC).

Executive Committee and Management Committee meetings are held quarterly to facilitate communication and dissemination of information in a cost-efficient and timely manner.

COMMITTEES

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

In 2015, the Audit Committee met four times, as shown:

Date of Meeting and Attendees			
February 17, 2015	March 31, 2015	August 18, 2015	December 2, 2015
Janette Peña (Chair)	Janette Peña (Chair)	Janette Peña (Chair)	Janette Peña (Chair)
Rhoda Rara	Rhoda Rara	Rhoda Rara	Alberto Ramos
Ryan Charland	Ryan Charland	Alberto Ramos	Margarita Lopez
Mark O'Dell	Michael Fang	Margarita Lopez	
Michael Fang	Margarita Lopez		

In 2016, the Audit Committee's membership is composed majority of Independent Directors. It is also chaired by an Independent Director, as shown:

Audit Committee

Janette Peña	Chair/ Independent Director
Rhoda Rara	Independent Director
David Balangue	Independent Director
Kenneth Dai	Non-Executive Director
Alberto Ramos	Non-Executive Director

The Company's Audit Committee has primary responsibility for recommending the appointment and removal of external auditor to the Board of Directors. In its recent meeting on April 5, 2016, the Audit Committee recommended for board approval the appointment of SGV & Co., as the Company's External Auditor for 2016.

Nomination and Remuneration Committee

Pursuant to law and Manulife's commitment to international best practices in the area of corporate governance and culture, the Nomination and Remuneration Committee was constituted. The main function of the Nomination Committee is 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. The Remuneration Committee is tasked to monitor the structure and level of remunerations of senior management and corporate officers.

In 2015, Nomination and Remuneration Committee met once to deliberate and recommend for Board approval nominees to the Board and corporate officers. The Committee ensured that the qualifications and experience of nominees for Board approval are in line with the Company's strategic direction.

In its meeting on March 31, 2015, all members (100% attendance rate) of the Nomination and Remuneration Committee composed of Rhoda Rara (Chair), Janette Peña, Michael Fang, and Mark O'Dell have attended the meeting.

In its recent organizational meeting held on April 5, 2016, the present Nomination and Remuneration Committee is composed of majority of the Independent Directors. It is also headed by one of the Company's Independent Directors, Rhoda Regina Rara, as shown:

Rhoda Regina Rara	Chair/ Independent Director
Janette Peña	Independent Director
David Balangue	Independent Director
Kenneth Dai	Non-Executive Director
Mark O'Dell	Non-Executive Director

Board Process

The Board meetings are held on a quarterly basis unless a special meeting is necessary to consider urgent matters.

The Directors receive the notice of the meeting and the meeting pack 21 calendar days in advance. The meeting pack includes information on the Company's operation, minutes of the last Board Committee meeting, 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.

Board Meetings in 2015

The Board met five (5) times in 2015. Board members attendance is shown:

February 17, 2015 Regular Meeting	March 31, 2015 Outgoing and Organizational Meeting	June 24, 2015 Special Meeting	December 2, 2015 Regular Meeting
Mark O'Dell (Chair)	Mark O'Dell (Chair)	Mark O'Dell (Chair)	Mark O'Dell (Chair)
Ryan Charland	Ryan Charland	Ryan Charland	Ryan Charland
Michael Fang	Robert Wyld	Alberto Ramos	Margarita Lopez
Rhoda Rara	Michael Fang	Robert Wyld	Robert Wyld
Janette Peña	Rhoda Rara	Ricardo Chua	Janette Peña
Robert Wyld	Ricardo Chua	Rhoda Rara	Alberto Ramos
Ricardo Chua	Margarita Lopez	Janette Peña	
		Margarita Lopez	

The President and Chief Executive Officer and all Independent Directors have 100% attendance rate and the Chairman along with other Directors have 80% attendance rate.

Venue of meetings

All the Board and Committee meetings were held in the Company's head office at LKG Tower, Ayala Avenue, Makati City.



Directors' Orientation Program and Continuing Education

The Corporate Secretary provides the orientation for new directors to explain the organizational profile, charters, by laws, policies and procedures in the company. A corporate governance seminar is arranged for each director to ensure adherence to best practices on corporate governance.

All directors are required by the Company to undergo Anti-Money Laundering and Anti-Terrorism and Financing (AMLTF) training and certification. They are also required to sign the Company's Code of Business Conduct and Ethics and a Conflict of Interest Disclosure Statement annually. The Board members engage in informal meetings on a quarterly basis to further discuss issues and strategies.

Performance Evaluation

The Company has established its own performance evaluation, the criteria of which are based on the Insurance Commission circular on corporate governance. Annually, the Board conducts a self-assessment of its performance as well as the Committees and the President and Chief Executive Officer.

To assess itself, the Board conducted a Board Effectiveness Survey wherein each director shall answer a questionnaire that determines his/her satisfaction of their own, of the board and of the committees' responsibility, operations, and effectiveness.

Succession Plan

The Board oversees the succession planning of the Chief Executive Officers and senior executive officers, including the heads of the Company's oversight functions, and the termination of the Chief Executive Officers. All nominations to such positions will be through the Nomination and Remuneration Committee who will evaluate the nominees' competency and will make appropriate recommendation to the Board.

Board Diversity Policy

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



You make the call.

Protect our Company's reputation.

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 AT&T Direct Dial Access* for your location:
China (Southern – Mandarin Operator) 108-10
China (Southern) 10-811
China (Northern – Mandarin Operator) 108-710
China (Northern) 108-888
Special USADirect Dedicated Telephones
2. At the prompt dial 366-294-9534
3. The call will be answered in English.
To continue your call in another language:
 - Please state your language to request an interpreter.
 - It may take 1-3 minutes to arrange for an interpreter.
 - During this time please do not hang up.



COMPANY POLICIES

Customer Welfare Policy

The Company commits to offer 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 individual needs.

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

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 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 encouraged to report by providing a hotline where they are duty-bound to report suspected unethical behaviors or where they can air their grievances anonymously.

Anti-Bribery and Anti-Corruption Policy

Maintaining high standards of integrity is paramount to success at MCBL. 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 importance of complying with all relevant laws and regulations that apply when offering to provide entertainment, meals, gifts, gratuities, and other items of value to any employee or representative 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 (Anti-Graft and Corrupt Practices Act), Revised Penal Code of the Philippines, National Internal Revenue Code, Presidential Decree No. 46 and IC Circular 12-2012 dated June 1, 2012 issued by the Insurance Commission, the Company promulgated its Anti-Bribery and Anti-Corruption Policy.

The Company's Anti-Bribery and Anti-Corruption 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.

As part of the policy, the Company implements a "no gift policy" directly or indirectly to any public official. Also, to ensure compliance to 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 recommend the imposition of appropriate disciplinary action on the responsible parties.

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 conflict of interest or potential conflict.

Directors and executives are also required to abstain from participating in any discussion on a particular subject that they are conflicted.

The Company has not entered into any transactions which may be classified as financial assistance to other entities other than wholly-owned companies. Any related party transactions, mostly limited to contracts within the Manulife conglomerates, are conducted in such a way that they are fair and at arm's length and subject to appropriate review and approval process. Consent of the board is necessary before any such material transactions may be entered into. Details of the related party transactions are provided in Note 26 of the Audited Financial Statements as submitted by the Company to regulators.

Arm's Length

Directors and executives must not be associated in any way with agreements between the Company and suppliers in which they or a member of their immediate family have an interest or which might result in their or their family member's personal gain.

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 to the Company to advance its legitimate interests when the opportunity to do so arises.

Local Procurement Policy

MCBL 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 and expense management objectives. The purpose of the Procurement Policy is to provide guidance to employees and work area managers for their purchasing requirements in order to obtain maximum value for the Company and ensure that:

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

Supplier Selection Criteria

The Company recognizes that 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 skill and capacity to meet current and future needs; and,
7. Willingness to agree to MCBL's contract terms and conditions.

SHAREHOLDER INFORMATION

Rights of Shareholders

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

Among others, Company shareholders have the right to:

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

As provided in the Company by-laws, the shareholders are aware of the rules and voting procedures that govern the general shareholder meetings.

Annual General Meeting

As mandated in the by-laws, the shareholders meet regularly or at least once a year. The Company's Secretary ensures that notice of meeting, including the notice for annual shareholders meeting is sent to the stockholders at least 21 days from the date of actual meeting. 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, the Company's President and Chief Executive Officer, Robert Wyld and the Board Chairman, Mark O'Dell attended the meeting. All directors of the Company also attended said meeting with 100% attendance rate.

The Company's Shareholders

Name	Shares Held	Amount Paid	% of Ownership	Nationality
The Manufacturers Life Insurance Co. (Phils.), Inc.	4,749,992 *	Php 474,999,200.00	94.999%	Canadian
China Banking Corporation	249,999	Php 24,999,900.00	4.999% *	Filipino
Mark Steven O'Dell Chairman (Non-Executive Director)	1.0	PhP 1,000.00	nil	American
Ricardo Chua (Non-Executive Director)	1.0	PhP 1,000.00	nil	Filipino
Kenneth Dai (Non-Executive Director)	1.0	PhP 1,000.00	nil	Chinese
Ryan Charland (Non-Executive Director)	1.0	PhP 1,000.00	nil	Canadian
Alberto Emilio Ramos (Non-Executive Director)	1.0	PhP 1,000.00	nil	Filipino
Robert Wyld (Executive Director)	1.0	Php 1,000.00	nil	British
Janette Peña (Independent Director)	1.0	PhP 1,000.00	nil	Filipino
Rhoda Regina Rara (Independent Director)	1.0	PhP 1,000.00	nil	Filipino
David Lucas Balangue (Independent Director)	1.0	PhP 1,000.00	nil	Filipino

*1,750,000 shares or 35% held in trust for China Banking Corporation

EMPLOYEE CORNER

Compensation Philosophy

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

The MCBL compensation philosophy is to pay for performance. The Company continues to differentiate compensation and rewards based on performance and contribution of the employees to drive a high performance culture.

Training and Development

The Company's Human Resources has facilitated training and development programs conducted throughout the year with the following objectives:

- Sustained momentum in facilitating Leadership as a Profession modules;
- Improved performance management culture and manager effectiveness practices to drive a high performance culture
- Address learning needs on communication, influencing skills, and other identified local training needs
- Promoted positive working culture through employee engagement

In order to create an environment conducive to learning environment, a number of trainings were delivered through Socialized Compass and Learning on Demand through MFConnect Philippines Community blogs apart from the usual classroom-type training. Beginning June until October of 2015, the Company's Human Resources delivered 52 quality trainings with topics ranging from Assertive Communication, Business Writing, Creative Problem Solving, Conversations that Matter, Leadership, Goal Setting and many others all aimed at developing a highly efficient and competitive workforce.

Caring for the Environment

To make its value chain environment friendly, the Company has endeavored to develop a paperless billing facility called "iNotice" that allows policyholders to receive billing statements and view their transaction history through their registered email address.

Audited Financial Statements

December 31, 2015



The Stockholders and the Board of Directors
Manulife China Bank Life Assurance Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of Manulife China Bank Life Assurance Corporation, which comprise the statements of financial position as at December 31, 2015 and 2014, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Manulife China Bank Life Assurance Corporation as at December 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

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

The supplementary information required under Revenue Regulations 15-2010 for purposes of filing with the Bureau of Internal Revenue is presented by the management of Manulife China Bank Life Assurance Corporation in a separate schedule. Revenue Regulations 15-2010 require the information to be presented in the notes to financial statements. Such information is not a required part of the basic financial statements. The information is also not required by Securities Regulation Code Rule 68, As Amended (2011). Our opinion on the basic financial statements is not affected by the presentation of the information in a separate schedule.

SYCIP GORRES VELAYO & CO.



Lucy L. Chan

Partner

CPA Certificate No. 88118

SEC Accreditation No. 0114-AR-4 (Group A),
January 7, 2016, valid until January 6, 2019

Tax Identification No. 152-884-511

BIR Accreditation No. 08-001998-46-2015,
February 27, 2015, valid until February 26, 2018

PTR No. 5321621, January 4, 2016, Makati City

April 5, 2016

Company Statements of Financial Position

	December 31	
	2015	2014
ASSETS		
Cash and Cash Equivalents (Notes 4, 6 and 21)	₱1,159,372,967	₱1,078,277,645
Insurance Receivables (Notes 3 and 21)	29,003,750	32,038,144
Reinsurance Assets (Notes 3, 10 and 11)	2,779,410,733	2,265,277,539
Financial Assets (Notes 5 and 21)		
Financial assets at fair value through profit or loss (Note 6)	18,058,059,585	16,360,372,446
Available-for-sale financial assets	1,698,262,447	1,701,434,109
Loans and receivables (Note 23)	132,706,120	217,571,366
Accrued Income (Notes 3, 7 and 21)	127,652,598	93,083,900
Property and Equipment (Notes 3, 8 and 23)	20,204,266	15,594,559
Other Assets (Notes 9 and 23)	15,002,549	10,304,012
	₱24,019,675,015	₱21,773,953,720
LIABILITIES AND EQUITY		
Liabilities		
Insurance contract liabilities (Notes 3, 10 and 21)	₱21,907,792,209	₱19,604,552,253
Insurance payable (Notes 11, 14 and 21)	716,447,117	498,169,127
Policyholders' dividends (Note 21)	87,499,562	57,469,050
Reserve for policyholders' dividends	2,108,714	359,928
Accounts payable and accrued expenses (Notes 12 and 21)	230,020,362	200,401,477
Due to related parties (Notes 14 and 21)	149,804,400	68,886,106
Income tax payable	233,833	—
	23,093,906,197	20,429,837,941
Equity		
Capital stock (Note 13)	500,000,000	500,000,000
Contributed surplus (Note 13)	525,000,000	525,000,000
Reserve for fluctuation in value of available-for-sale financial assets (Note 5)	(53,896,954)	254,596,055
Retained earnings (Deficit)	(45,334,228)	64,519,724
	925,768,818	1,344,115,779
	₱24,019,675,015	₱21,773,953,720

See accompanying Notes to Financial Statements.

	Years Ended December 31	
	2015	2014
REVENUES		
Gross premiums earned on insurance contracts	₱5,542,686,849	₱5,606,144,189
Reinsurers' share of gross premiums earned on insurance contracts	(611,625,328)	(606,333,162)
Insurance premiums earned (Note 15)	4,931,061,521	4,999,811,027
Investment and other income - net (Note 16)	231,524,486	135,406,937
Gain on sale of available-for-sale financial assets (Note 5)	197,276,294	127,481,537
Foreign currency exchange gains - net	14,967,255	1,253,407
Total revenues	5,374,829,556	5,263,952,908
BENEFITS AND OPERATING EXPENSES		
Change in insurance contract liabilities	4,508,538,710	4,608,654,246
Gross benefits and claims incurred on insurance contracts	79,002,881	51,638,324
Reinsurers' share of benefits and claims incurred on insurance contracts	(24,388,233)	(13,866,659)
Benefits and claims (Note 17)	4,563,153,358	4,646,425,911
Commission expense	343,854,260	280,578,512
General and administrative expenses (Note 18)	486,896,481	347,018,279
Insurance taxes	28,572,668	35,731,402
Dividends and interest on policyholders' dividends	40,873,185	29,215,370
Total benefits and operating expenses	5,463,349,952	5,338,969,474
LOSS BEFORE INCOME TAX	(88,520,396)	(75,016,566)
PROVISION FOR INCOME TAX (Note 20)	21,333,556	19,985,574
NET LOSS	(₱109,853,952)	(₱95,002,140)

See accompanying Notes to Financial Statements.

Company Statements of Comprehensive Income

	Years Ended December 31	
	2015	2014
NET LOSS	(₱109,853,952)	(₱95,002,140)
OTHER COMPREHENSIVE 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)	(308,493,009)	(85,557,383)
	(308,493,009)	(85,557,383)
TOTAL COMPREHENSIVE LOSS	(₱418,346,961)	(₱180,559,523)

See accompanying Notes to Financial Statements.

Company Statements of Changes in Equity

	Capital Stock (Notes 13 and 23)	Contributed Surplus (Note 13)	Financial Assets (Note 5)	Retained Earnings (Deficit)	Total
Balances at January 1, 2015	₱500,000,000	₱525,000,000	₱254,596,055	₱64,519,724	₱1,344,115,779
Net loss	-	-	-	(109,853,952)	(109,853,952)
Other comprehensive loss	-	-	(308,493,009)	-	(308,493,009)
Total comprehensive loss	-	-	(308,493,009)	(109,853,952)	(418,346,961)
Balances at December 31, 2015	₱500,000,000	₱525,000,000	(₱53,896,954)	(₱45,334,228)	₱925,768,818
Balances at January 1, 2014	₱500,000,000	₱525,000,000	₱340,153,438	₱159,521,864	₱1,524,675,302
Net loss	-	-	-	(95,002,140)	(95,002,140)
Other comprehensive loss	-	-	(85,557,383)	-	(85,557,383)
Total comprehensive loss	-	-	(85,557,383)	(95,002,140)	(180,559,523)
Balances at December 31, 2014	₱500,000,000	₱525,000,000	₱254,596,055	₱64,519,724	₱1,344,115,779

See accompanying Notes to Financial Statements.

Company Statements of Cash Flows

	Years Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(P88,520,396)	(P75,016,566)
Adjustments for:		
Change in insurance contract liabilities – non-unit-linked (Note 17)	555,265,228	599,274,016
Depreciation and amortization (Notes 8 and 18)	8,926,710	7,032,469
Fair value loss (gains) on financial assets at fair value through profit or loss (Note 16)	4,364,700	(4,185,655)
Increase in reserve for policyholders' dividends	1,748,786	92,381
Net gain on disposal of property and equipment	–	(444,958)
Foreign currency exchange gains-net	(14,967,255)	(1,253,407)
Interest income (Note 16)	(91,552,136)	(95,284,304)
Gains on sale of available-for-sale financial assets (Note 5)	(197,276,294)	(127,481,537)
Operating income before changes in working capital	177,989,343	302,732,439
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Financial assets at fair value through profit or loss (Note 5)	(1,705,866,238)	(4,615,698,842)
Insurance receivables	3,034,394	6,920,260
Reinsurance assets	(514,133,194)	(594,475,759)
Loans and receivables	89,793,353	204,954,503
Other assets	(4,698,537)	(6,184,656)
Increase (decrease) in:		
Insurance contract liabilities – unit-linked (Note 10)	1,717,937,841	4,418,422,187
Policy and contract claims	30,036,887	(6,827,206)
Insurance payables	218,277,990	152,387,787
Policyholders' dividends	30,030,512	21,473,819
Accounts payable and accrued expenses	29,618,885	(77,375,266)
Due to related parties	80,918,294	47,639,164
Income tax payable	233,833	(569,358)
Net cash generated by (used in) operations	153,173,363	(146,600,928)
Income taxes paid	(21,333,556)	(19,985,574)
Net cash generated by (used in) operating activities	131,839,807	(166,586,502)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	58,583,810	79,436,199
Proceeds from sale/maturities of:		
Available-for-sale financial assets (Note 5)	294,525,102	533,885,317
Property and equipment (Note 8)	–	671,625
Acquisitions of:		
Available-for-sale financial assets (Notes 5)	(409,098,634)	(644,032,597)
Property and equipment (Note 8)	(13,536,417)	(7,559,766)
Withdrawal (addition) of seed money	18,781,654	(4,000,000)
Net cash used in investing activities	(50,744,485)	(41,599,222)

(Forward)

	Years Ended December 31	
	2015	2014
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	₱81,095,322	(₱208,185,724)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,078,277,645	1,286,463,369
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱1,159,372,967	₱1,078,277,645

See accompanying Notes to Financial Statements.





DISC OF THE
FULL AUDITED FINANCIAL STATEMENTS



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