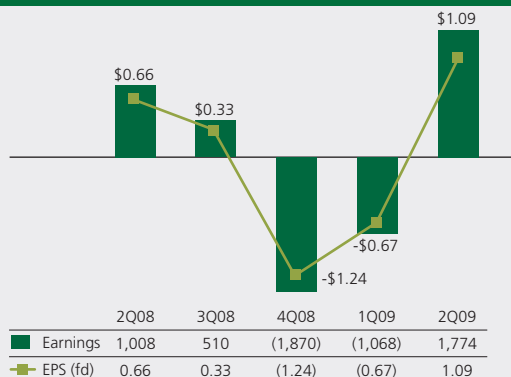




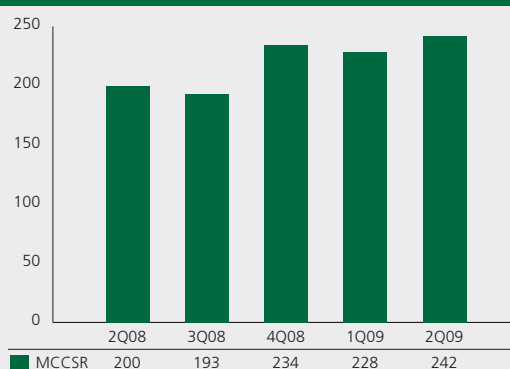
Financial Highlights

Shareholder's Earnings



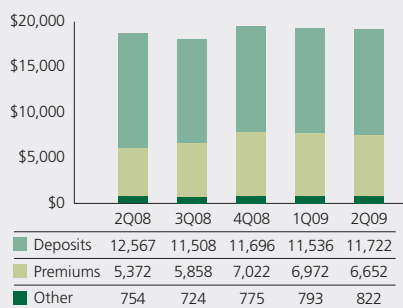
- Significant increase in global equity markets resulted in non-cash gains of \$2,622 million, of which \$2,379 million related to segregated fund guarantees
- Declines in interest rate and other fixed income related items resulted in charges of \$1,116 million
- Provisions for credit impairments and credit downgrades were \$215 million and OTTI charges on equity investments were \$53 million

MLI MCCR



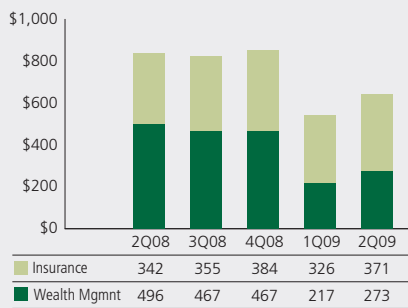
- Q-o-Q increase in MLI's MCCR driven by strong reported earnings, due to the impact of increasing global equity markets, partially offset by lower corporate bond rates
- Ratio remains strong and is consistent with management's current internal target above 200%, the upper end of our historic MCCR target range for as long as equity markets remain volatile and turbulent

Premiums & Deposits



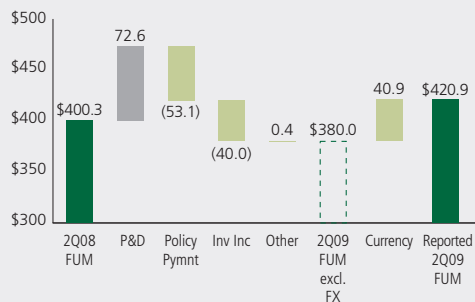
- Premiums and deposits increased by 3% Y-o-Y
- Increased premiums from higher sales of fixed wealth products and in-force insurance business growth, offset by a decline in variable annuity deposits

New Business Embedded Value



- New business embedded value increased by 19% Q-o-Q but decreased by 23% Y-o-Y
- Insurance NBEV increased by 8% Y-o-Y, driven by growth in Japan and U.S. Long Term Care (LTC)
- Wealth Management NBEV decreased by 45% Y-o-Y due to lower variable wealth sales and new business hedging costs

Total Funds Under Management (C\$B)



- Total FUM increased by 5% Y-o-Y
- Increases from net policyholder cash flows of \$20 billion and currency movements of \$41 billion more than offset the market value declines over the last twelve months

Quarter Highlights

Y-o-Y

Segregated Fund Statistics

| | | | | |
|---|-------------|--------|-------------------------------------|-----------|
| Shareholder's Earnings | \$1,774 | +76% | Guaranteed Value | \$100,915 |
| Fully Diluted Earnings Per Share | \$1.09 | +65% | Fund Value | \$81,460 |
| ROE (% annualized) | 26.9% | 990bps | Amount at Risk | \$21,416 |
| Insurance Sales | \$597 | +2% | Expected Profit | \$980 |
| Wealth Sales | \$9,785 | - 11% | Balance Sheet Reserves | \$3,470 |
| MCCR Impact of 10% Movement in Equity Markets | +/- 20pts | | Reserves + 200% of Required Capital | \$9,314 |
| Earnings Impact of 10% Movement in Equity Markets | +/- \$1,500 | | CTE Level | 70 |

All figures in C\$M unless otherwise noted.

Operational Highlights

Insurance

- Insurance sales increased by 2% Y-o-Y, but decreased by 8% on a constant currency basis, as strong sales in Japan were offset by declines in the U.S. and Canada
- U.S. overall sales increased significantly Q-o-Q, but were down Y-o-Y. Life sales decreased by 29% Y-o-Y, reflecting consumer trend towards smaller policies and lower premium products, while LTC sales declined by 10%.
- John Hancock was named as the sole carrier for the Federal Long Term Care Insurance Program, the largest employer-sponsored LTC program in the U.S.
- Canada sales in line with prior year, with Group Benefits sales increasing by 8% Y-o-Y, reflecting growth in mid and large case accounts and distribution expansion. Individual Life sales declined by 13% due to strong Whole Life sales in the prior year
- Asia sales increased by 24% Y-o-Y, due mainly to strong Japan sales that were driven by the continued success of new insurance offerings

Notable Items Impacting Earnings

| | |
|--|----------------|
| Reported Earnings | \$1,774 |
| Segregated fund guarantees and other equity items | \$2,569 |
| Decline in interest rates and other income related items | (1,130) |
| Valuation Basis Change | (87) |
| Credit impairments and reserves for downgrades | (215) |
| Tax related provisions for leveraged lease investments | (139) |
| Net Impact | \$998 |
| Earnings excluding items above | \$776 |

- Recorded a \$181 million after-tax charge for updated policyholder behavior, specifically for lower partial withdrawals on VA portfolio in Japan
- Will complete our annual review of all actuarial assumptions in 3Q09, and expect it will result in material charge to income

Notable Disclosures

Normalized Earnings

- Estimated range of \$750-850 million after-tax per quarter, for the remainder of 2009 and 2010
- Based on current AUM and currency levels, 2% per quarter equity market appreciation
- Includes expected earnings from operations including new business strain and expected experience on surplus investments, excluding credit and OTTI charges
- Implies current normalized ROE of approximately 12%, with long-term objective of a higher ROE over time

Managing Equity Risk Exposure

- Opportunistically hedged in-force block
 - Hedged US\$640mln of U.S. and C\$2.3bln of Canadian in-force business
 - Hedged total C\$14.5bln of Guaranteed Value and C\$1.5bln of Net Amount at Risk
- New Product Offering: AnnuityOne Note
 - Simplified design with less features
 - Indexed investment fund for efficient hedging

All figures in C\$M unless otherwise noted.

Investor Relations

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Wealth Management

- Wealth Management sales decreased by 11% Y-o-Y, or 19% on a constant currency basis, as continued strong growth in fixed products in the U.S. and Canada was offset by declines in variable products across all geographies
- Variable annuity sales decreased by 30% Y-o-Y due to risk management initiatives and weaker economic conditions. Excluding VA sales, Wealth Management sales increased by 5% Y-o-Y, or decreased by 5% on a constant currency basis
- U.S. wealth sales excluding VA products increased by 16% Q-o-Q, but decreased by 21% Y-o-Y. U.S. Fixed Products sales nearly doubled Y-o-Y, as equity market volatility and credit concerns prompted investors to seek fixed return products from top-rated firms. The increase was more than offset by decreased volumes in Wealth Asset Management segment, driven by weak economic conditions.
- Canada wealth sales excluding variable annuity products increased by 16% Y-o-Y, as an increase in fixed products and Group Savings sales was partially offset by declines in mutual funds sales
- Asia wealth sales excluding variable annuity products increased as a result of the acquisition of an asset management company in Taiwan in 2008

Capital Initiatives

Pursuing Fortress Capital Levels

- Provides greater flexibility to respond to risks and opportunities from a continued position of strength
- Achieved by delivering strong operating earnings, managing company risks to reduce contingent capital requirements and prudently managing our capital ratios

Preferred Share Offerings

- Issued \$350 million principal amount of Non-Cumulative Class 1, Series 1, 5 yr rate reset preferreds with fixed yield of 5.6% for initial 5 yr period
- 5 yr resets are equal to 5 yr GOC + 3.23%, or convertible to Class 1 Series 2 floating preferred shares, entitled to non-cumulative quarterly floating dividends based on 3-mo CTB + 3.23%

Medium Term Note Offerings

- Issued \$1.0 billion principal amount of MTNs due 2014, with fixed rate of 4.896% until maturity
- Issued \$600 million principal amount of MTNs due 2019, with fixed rate of 7.786% until maturity
- Both notes constitute senior indebtedness, pursuant to MTN program

New Innovative Tier I Notes

- Subsequent to the end of the quarter, issued \$1.0 billion principal amount of IT1 notes with an initial fixed rate of 7.405% until Dec 31, 2019
- The 5 yr resets thereafter will equal 5 yr GOC bonds + 5%
- The notes may be redeemed in whole or in part on or after Dec 31, 2014, with regulatory (OSFI) approval

Dividend Reduction

- Reduced quarterly common dividend by 50% to \$0.13 per share, retaining an additional \$800 million in earnings per year
- Our capital planning must anticipate more conservative economic scenarios and provide greater flexibility to respond to risks and opportunities
- Retaining more of our earnings is the most effective means of building capital while providing an attractive yield for our shareholders

Media Relations

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