



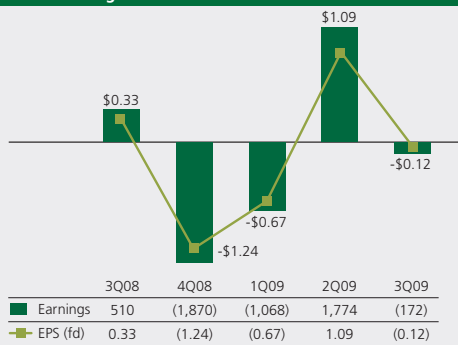
## Financial Highlights

### Quarter Highlights

- Charges due to lower corporate bond yields and changes in actuarial assumptions offset strong operational results and gains due to equity market increases, resulting in a modest net loss for the quarter
- Margins improved through increased pricing, adjustments to sales compensation and more favourable reinsurance terms
- Strong sales growth across most products excluding variable annuities generated a more balanced business mix
- Equity risk profile improved through hedging, pricing, product and asset mix changes

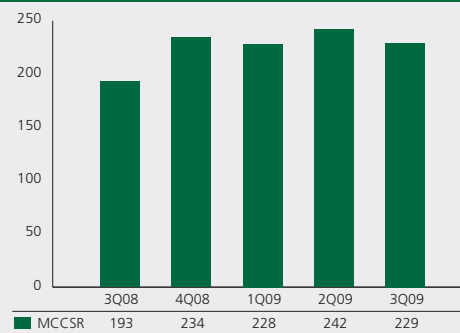
- Excellent credit experience in challenging markets – asset quality remains a competitive strength
- Two attractive acquisitions – AIC mutual funds and Pottruff & Smith travel insurance
- Equity markets, interest rates and credit will continue to impact the Company's balance sheet and earnings
- Focused on building to fortress capital levels over time – expect benefits from merging U.S. operating subsidiaries at the end of 2009

### Shareholder's Earnings



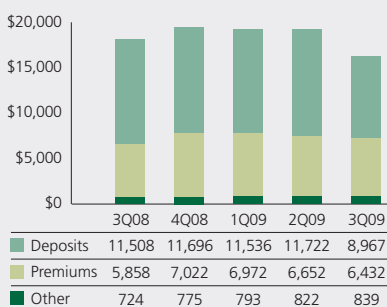
- Increase in North American equity markets resulted in non-cash gains of \$1.2 billion, of which \$1.0 billion related to segregated fund guarantees (SFG)
- Declines in interest rates and corporate spreads resulted in non-cash charges of \$1.2 billion
- Annual review of all actuarial assumptions resulted in a charge of \$783 million, of which \$469 million related to changes in assumptions for policyholder behavior for SFG
- Strong investment portfolio performance in challenging markets – impairments limited to \$111 million

### MLI MCCR



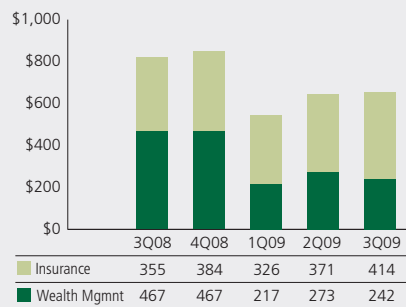
- MLI MCCR strong at 229% and above comparable 2008 level
- Q-o-Q decrease driven by reported loss: lower corporate bond rates; impact of annual review in actuarial assumptions; partially offset by increase in North American equity markets
- Significant buffer relative to Regulatory Target of 150%
- Innovative Tier 1 Notes proceeds of \$1.0 billion retained in Holdco as contingent capital

### Premiums & Deposits



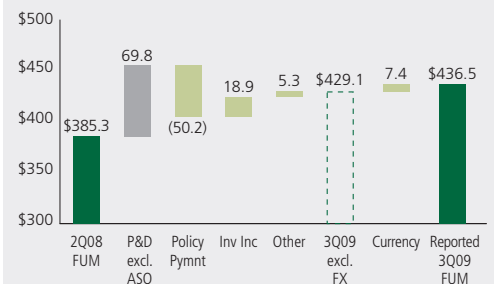
- Premiums and deposits excluding variable annuities (VA) decreased by 2% Y-o-Y
- Growth of in-force insurance business and higher sales of fixed return wealth products offset by lower new mandates in the Institutional Advisory Account business
- VA and SFG deposits declined significantly due primarily to ongoing risk-management initiatives

### New Business Embedded Value



- New business embedded value (NBEV), excluding VA increased by 4% Y-o-Y
- Insurance NBEV increased by 17% Y-o-Y, driven by growth across all geographies
- Wealth Management NBEV decreased by 48% Y-o-Y due to lower variable annuity sales, hedging costs and other product mix changes

### Total Funds Under Management (C\$B)



- Total FUM increased by 13% Y-o-Y, driven by increases from net policyholder cash flows of \$20 billion and favorable currency movements
- Investment income provided an increase of \$18.9 billion
- Growth in FUM also includes \$3.8 billion from the acquisition of AIC Limited's retail investment fund business

### Quarter Highlights

	Y-o-Y
Shareholder's Earnings	(\$172)
Fully Diluted Earnings Per Share	(\$0.12)
ROE (% annualized)	(3.0%)
Insurance Sales	\$619 +2%
Wealth Sales	\$8,452 -20%
Non-Variable Annuities	\$6,562 +4%
Variable Annuities	\$1,890 -56%

### Y-o-Y

### Segregated Fund Statistics

Guaranteed Value (net of reinsurance)	\$97,459
Fund Value (net of reinsurance)	\$85,895
Amount at Risk (net of reinsurance)	\$14,962
Expected Gain/ (Loss) from Guarantees	\$1,574
Balance Sheet Reserves	\$2,786
Reserves + 200% of Required Capital	\$8,623

### Earnings & Capital Sensitivity

<b>Estimated Impact from Equity Markets</b>	<b>-10%</b>
Earnings	-\$1,300
MCCR	-15 pts
<b>Estimated Impact from Interest Rates</b>	<b>+100bps -100bps</b>
Earnings	+\$1,600 -\$2,000

All figures in C\$M unless otherwise noted.

# Operational Highlights

## Insurance

- Insurance sales increased by 2% Y-o-Y on a constant currency basis, with strong advances in Asia and Canada being partially offset by declines in the U.S.
- U.S. overall sales increased by 18% Q-o-Q, but were down 6% Y-o-Y. Despite general economic trends, Life sales topped US\$200 million this quarter, while Long-Term Care (LTC) sales remained robust compared to strong prior year levels
- Canada overall sales increased by 6% Y-o-Y with Group Benefits sales up 12%, largely due to growth in large case accounts, partially offset by a 2% decline in Individual Insurance sales
- Asia achieved record sales in the quarter with overall sales up 16% Y-o-Y, led by Hong Kong and Japan with strong sales momentum bolstered by new product offerings and distribution initiatives. China sales also continued to grow up 18% in the quarter, reflecting contributions from new offices opened in the prior year and recent marketing initiatives

## Notable Items Impacting Earnings

Reported Loss	\$(172)
Segregated fund guarantees and other equity items	\$1,201
Decline in interest rates and corporate bond spreads	(1,222)
Impact of annual valuation basis change	(783)
Credit impairments and reserves for downgrades	(36)
Equity related impairments	(75)
Currency and Other Items	(60)
<b>Net Impact</b>	<b>\$(975)</b>
<b>Adjusted earnings from operations</b>	<b>\$803</b>

## Capital Initiatives

### Pursuing Fortress Capital Level

- Provides financial flexibility to weather many (but not all) potential adverse scenarios without being forced to raise common equity under stressed conditions
- Provides greater flexibility to respond to risks and opportunities from a continued position of strength
- Companies with strong financial strength ratings and capital ratios will benefit from a flight to quality

### New Innovative Tier I Notes

- Issued \$1.0 billion principal amount of IT1 notes with an initial fixed rate of 7.405% until Dec 30, 2019; 5yr resets thereafter will equal 5yr GOC bonds + 5%
- The notes may be redeemed in whole or in part on or after Dec 31, 2014, with regulatory (OSFI) approval

### U.S. Subsidiary Re-organization

- JHLICO and JHVLICO planned to be merged into JHUSA on 12/31/09 pending regulatory approval, resulting in three primary U.S. companies
- Benefits include: more efficient capital structure, more stable capital ratios and improved operating efficiencies
- Although MLI's MCCR ratio is expected to be lower upon merger, overall sensitivity to equity markets will also be lower, such that the comparable equity market correction buffer to Regulatory Target of 150% will be maintained

## Capitalizing on Opportunities

- Manulife Mutual Funds announced the acquisition of AIC Limited's Canadian retail investment fund business, adding C\$3.8 billion AUM, increasing scale and bolstering the Canadian Division's presence in the Canadian retail investment fund market
- Affinity Markets announced the acquisition of Pottruff & Smith Travel Insurance Brokers Inc., one of Canada's largest broker and third party administrator of travel insurance, solidifying MFC as one of Canada's largest providers of travel insurance services

All figures in C\$M unless otherwise noted.

## Investor Relations

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## Wealth Management

- Wealth Management sales excluding VA increased by 4% Y-o-Y on a constant currency basis, as fixed return wealth products sales in both the U.S. and Canada continued to outpace prior year levels, due to consumers seeking stable returns
- U.S. wealth sales excluding VA increased by 21% Q-o-Q and were flat Y-o-Y. All non-VA product segments experienced double digit growth Q-o-Q, with fixed product sales up 16%, pension sales up 30% and mutual fund sales up 18%
- Canada wealth sales excluding VA increased by 5% Y-o-Y, as strong increases in fixed products and group retirement sales more than offset declines in Manulife Bank loan volumes. Fixed product sales were up 57% and group retirement sales more than quadrupled prior year levels, driven by record sales of group annuities.
- Asia sales excluding VA increased by 59% Y-o-Y, led by strong growth in Indonesia fund sales which more than tripled, benefiting from the equity market recovery

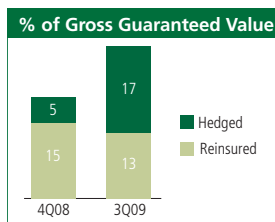
## Impact of Annual Valuation Basis Change

	Inc/(Dec) in Policy Liabilities	Post Tax Earnings Impact
Mortality/Morbidity	\$392	\$(260)
Policyholder behavior	1,245	(829)
Expenses	(120)	87
Investment Returns	(314)	126
Model Refinements & Other	(140)	93
<b>Total</b>	<b>\$1,064</b>	<b>\$(783)</b>

## Managing Equity Risk Exposures

### Significant Progress Made YTD

- Risk exposure on equity guarantees has decreased significantly due to increased hedging and global equity market recovery



- Net Amount at Risk of \$13.3 billion in 3Q09, down from \$22.9 billion\* in 4Q08
- Hedging \$19.5 billion of Guaranteed Value at 3Q09, up from \$5 billion\* in 4Q08
- Hedging or reinsuring 30% of gross Guaranteed Value at 3Q09, up from 20% in 4Q08

Guaranteed Value (C\$B)	2008 YE	2008 YE*	3Q09
Gross Exposure	\$118.2	\$106.6	\$112.1
Reinsured	18.0	15.8	14.6
Hedged	5.7	5.0	19.5
Net Unhedged / Non Reinsured	94.5	85.8	78.0
<b>Amount at Risk</b>			
Net Un-hedged / Non Reinsured	\$25.3	\$22.9	\$13.3

\* Based on 3Q09 FIX Rates

### In-Force Hedging & Product Changes

- Opportunistically hedged in-force block
  - Hedged C\$3.8 billion of Canadian in-force business in addition to new business written in North America in the quarter
- Canada introduced a new segregated fund platform and closed legacy products
  - Reduced product features
  - Lowered equity content and closed certain funds
  - Improved hedge effectiveness by adopting more index funds
  - Increased fees

## Media Relations

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