



Third Quarter 2011 Results Fact Sheet

Manulife reports third quarter loss of \$1,277 million; Hedging performed as expected and business growth was strong, but reserve strengthening for equity markets, interest rates and actuarial basis changes more than offset operating results

* See press release announcing our 2011 third quarter results for additional information.

Third Quarter Highlights

- Dynamic and macro hedging performed as expected, offsetting approximately 70% of variable annuity risk and non variable annuity equity-related losses in the third quarter.
- We exceeded our 2014 interest rate risk reduction goal and are at 88% of our 2014 goal for equity risk reduction.
- MLI's MCCR ratio was 219% as of September 30, 2011. This ratio does not reflect the benefits of our de-risking activities over the last few years, including our equity and interest rate hedging progress, which reduced the downside risk to our capital position but receives no explicit credit in the capital formula.
- General fund asset performance continues to be a strength reflecting our strategy of avoiding risk concentration in our portfolio and our continuing excellent credit experience.
- Sales¹ of targeted insurance products increased 21%, excluding certain products with less preferred risk profiles. Including these products, sales increased by 5%.
- Targeted wealth products sales grew by 12%, which was led by 20% growth in Asia and continued strong growth in mutual fund sales in Canada and the U.S.
- Interest rate declines led to lower margins and new business embedded value (NBEV)¹. We have taken a number of re-pricing actions to protect margins.
- In Asia, we continued to grow our agency force and add new Bancassurance relationships resulting in increased sales (excluding Japan NWL).
- In Canada, we reported sales growth despite the continued implementation of price increases and product changes, led by mutual fund and GRS sales growth.
- Momentum in the U.S. continued with growth in mutual funds sales and retirement sales.
- Net income in accordance with U.S. GAAP¹ for 3Q11 was \$3.4 billion higher than our results under IFRS. Total equity in accordance with U.S. GAAP¹ was nearly \$16 billion higher than under IFRS.

¹ Non-GAAP measure.

Notable Items (C\$M after-tax)

- (889)** Direct impact of equity markets and interest rate movements¹
- (900)** Impact of other market factors on VA guarantee liabilities that are dynamically hedged²
- (651)** Changes in actuarial methods and assumptions (excluding URR changes)
- (107)** Expected cost of macro equity hedges

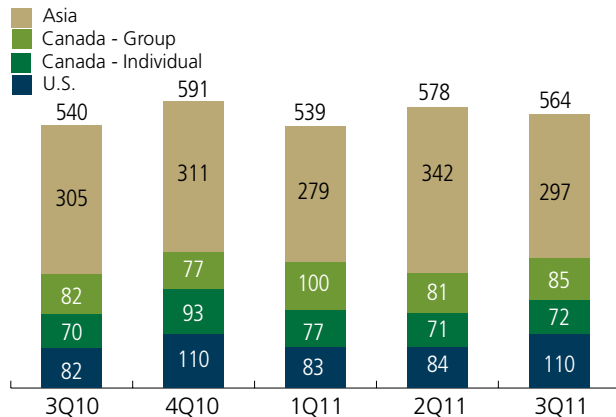
307 De-risking activities and other investment-related gains

303 Gain on sale of Life Retrocession business

¹ The direct impact of interest rates and equity markets is based upon movements in markets relative to our base long-term assumptions.
² In the third quarter, the \$2.4 billion profit on the hedge instruments did not completely offset the underlying \$3.3 billion charge related to the guarantee liabilities hedged for a number of reasons including, provisions for adverse deviations which are not hedged, fund performance, the portion of interest rate risk that is not hedged, realized equity market and interest rate volatilities and charges to policyholder behaviour.

Insurance Sales (targeted growth products)

C\$M



- 3Q11 sales¹ of targeted insurance products were \$564 million, up 5%² versus 3Q10:
 - Asia insurance sales down 3%, as a result of price increases in Japan
 - Canada insurance sales up 3%, led by 11% growth in products with preferred risk profiles
 - U.S. Life sales up 42%; targeted growth products now represent 89% of total life sales

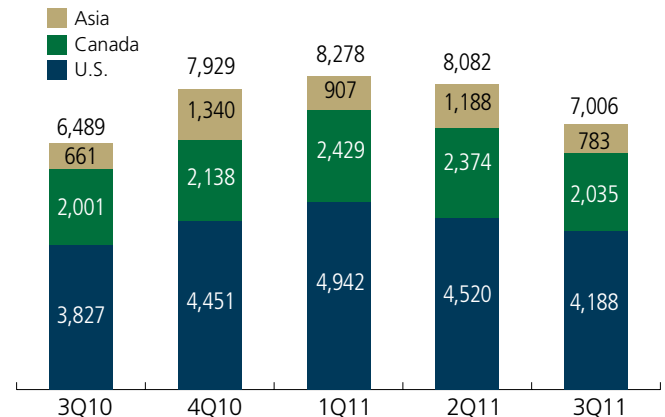
¹ Non-GAAP measure.

² All sales growth figures stated on a constant currency basis.

* Targeted growth products* in Insurance exclude Universal Life with No-Lapse Guarantees, Guaranteed Non-Par Whole Life and Long-Term Care insurance in the United States. *Targeted growth products* in Wealth Management exclude Variable Annuities across all geographies, with the exception of InvestmentPlus in Canada, and Book Value Deferred Annuities in the United States.

Wealth Sales (targeted growth products)

C\$M



- 3Q11 sales of targeted wealth products were \$7.0 billion, up 12% versus 3Q10:
 - Asia wealth sales up 20%, led by successful IPO of a Renminbi bond fund in Taiwan
 - Canada wealth sales up 2% with strong growth in mutual funds and Group Retirement Services more than offsetting lower fixed product sales
 - U.S. Wealth sales up 16% on double digit growth of mutual funds and retirement plans

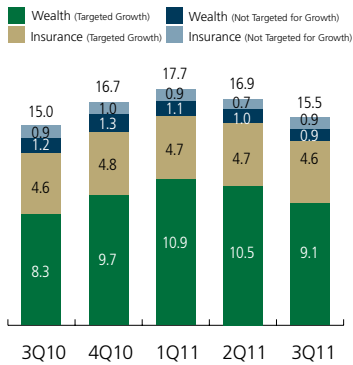
Key Financial Statistics	3Q11	Quarter Highlights	3Q11	3Q10	Source of Earnings (C\$M)	3Q11	2Q11
Market Capitalization (C\$M)	\$21,420	Shareholders' Earnings	(\$1,277)	(\$2,249)	Expected Profit on In-Force	\$800	\$842
Common Shares Outstanding (M)	1,794	Basic earnings (loss) per Common Share	(\$0.73)	(\$1.28)	Impact of New Business	(144)	(95)
Closing Price on TSX (9/30/2011)	\$11.94	ROE ¹ (% annualized)	(22.4)%	(39.7)%	Experience Gains (Losses)	(2,266)	204
Book Value per common share	\$12.87	Targeted Insurance Sales ¹ (C\$M)	\$564	\$540	Mgmt Actions & Changes in Assumptions	(316)	(576)
Market Value to Book Value Ratio	0.93	Targeted Wealth Sales (C\$M)	\$7,006	\$6,489	Earnings on Surplus Funds	96	158
Book Value excl. goodwill per common share	\$10.58	Not Targeted Insurance Sales (C\$M)	\$82	\$97	Other	(62)	(6)
Market Value to Book Value excl. goodwill Ratio	1.13	Not Targeted Wealth Sales (C\$M)	\$917	\$1,164	Income Before Taxes	(1,892)	527
					Income Taxes	615	(37)
					Shareholders' Net Income (Loss)	\$(1,277)	490

¹ Non-GAAP measure.

Operational Highlights

Premiums and Deposits (P&D)

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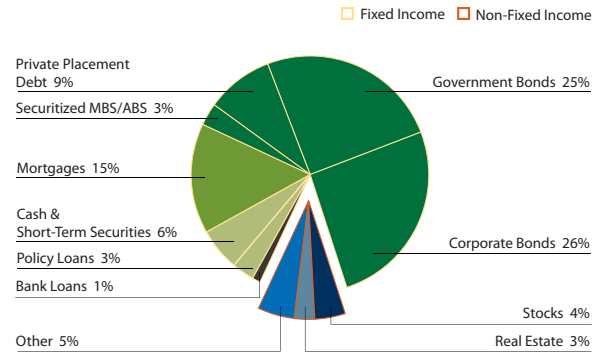


- Targeted growth products now represent 88% of total company in-force P&D¹
- Total Company P&D of \$15.5 billion, was up 7%² vs. 3Q10
 - Targeted wealth products P&D up 15%, driven by strong mutual fund deposit growth in North America and Renminbi bond fund launch in Taiwan
 - Targeted insurance products P&D up 3%, due to growth in in-force business in Asia, partially offset by sale of life retrocession business

¹ Non-GAAP measure.
² All P&D growth (decline) figures stated on a constant currency basis.

Total Invested Assets

CS\$225.9B



- Limited Net Exposure¹ to:
 - Greece, Italy, Ireland, Portugal and Spain:
 - No sovereign or financial sector exposure to Greece, Portugal, or Spain
 - Banks and financials (C\$34 million)
 - Sovereign debt (C\$14 million)

Carrying Value as at September 30, 2011.
¹ Net Exposure excludes par and pass-through and reflects the impact of downgrades on reserves.

Actuarial Methods & Assumptions Changes¹

CSM(After Tax)

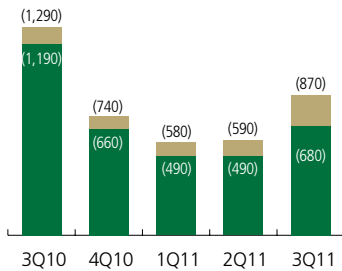
U.S. Life Mortality Update	(475)
Other Mortality Updates and Future Mortality & Morbidity Improvements	742
VA Lapses & Other Policyholder Behaviour	(309)
Investment Updates (excluding URR changes)	(327)
Other	(282)
Changes in Actuarial methods and assumptions changes (excluding URR)	\$(651)
Refinements to fixed income ultimate reinvestment rate ("URR")	(67)
Total changes in actuarial methods and assumptions	\$(718)

¹ See Accounting Matters and Controls in the MD&A section of the press release announcing our third quarter results for a more detailed description of assumption and methodology changes.

Equity Market Sensitivity¹

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- Assuming 80% hedge asset offset
- Assuming 100% hedge asset offset

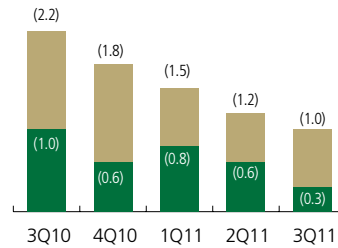


- Estimated impact of 10% equity market decline is between \$(680) to \$(870) million to earnings and (9) pts to MCCSR
- Equity market declines resulted in an increase to our sensitivity
- Added to macro hedges by shorting approximately \$150 million of TOPIX futures contracts
- 57% - 66% of underlying earnings sensitivity to equity market changes now hedged
 - Ahead of goal to hedge 60% by year end 2012
 - At 88% of our year end 2014 goal of hedging 75%

Interest Rate Sensitivity¹

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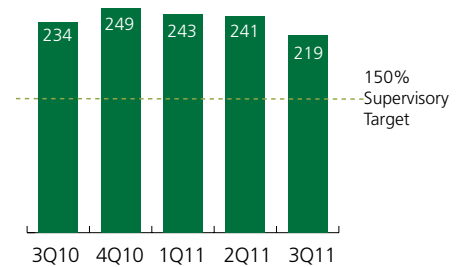
- Sensitivity excl. AFS Bond Offset
- Sensitivity incl. AFS Bond Offset



- Estimated impact of 1% parallel decline in interest rates, excluding AFS bond offset is \$(1.0) billion to earnings and (17) points to MCCSR
- Estimated impact of 1% parallel decline in interest rates including AFS bond offset is \$(300) million to earnings
- Exceeded our original 2014 goal for reducing interest rate sensitivity to \$1.1 billion

Current Regulatory Capital Position (MLI)

Minimum Continuing Capital and Surplus Requirements Ratio (%)



- 3Q11 MCCR ratio of 219%
- We have a substantial buffer to meet future policyholder claims:
 - In addition to best estimate liabilities, our reserves include provisions for adverse deviations ("PfADs")
 - Unlike some other jurisdictions, Canadian capital standards offer no explicit credit for hedging

¹ Earnings sensitivity to equity markets is defined as the impact of a 10% decline in the market value of equity funds on the net income attributed to shareholders. Earnings sensitivity to interest rates is defined as the impact of a 1% parallel decline in interest rates on the net income attributed to shareholders.

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