



## Statistical Information Package

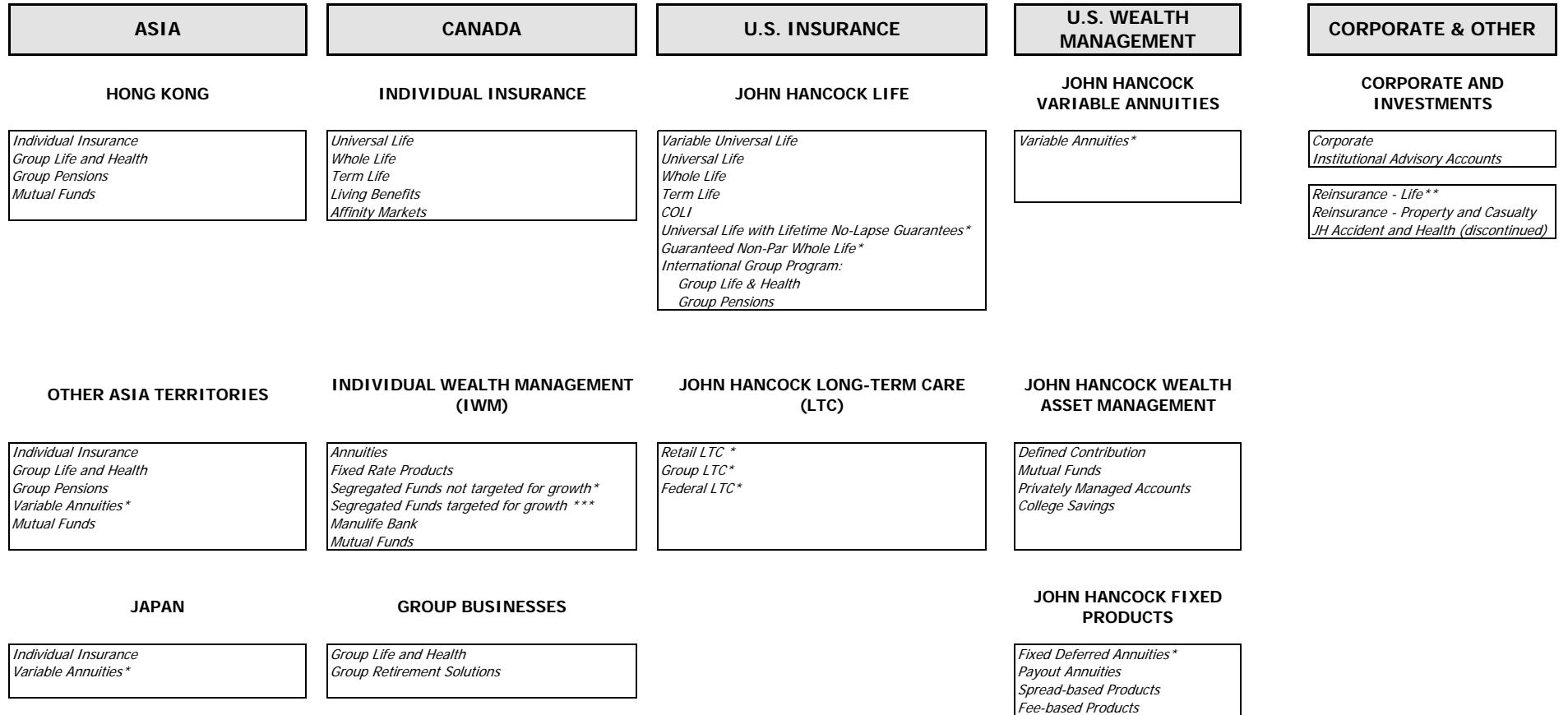
# Q4 2011

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MFC



\* Products not targeted for growth

\*\* MFC sold the Life Retrocession portion of this business in the third quarter of 2011.

\*\*\* Low guarantee variable annuity products such as InvestmentPlus.

**Use of this document:**

Information in the document is supplementary to the Company's fourth quarter Press Release and the MD&A and audited financial statements in the Company's most recent Annual Report and should be read in conjunction with those documents. In addition, readers should also refer to the Company's Fiscal 2010 Statistical Information Package updated for the adoption of International Financial Reporting Standards ("IFRS") and explanatory press release, dated April 14, 2011, summarizing the impacts of the Company's transition to IFRS, both available on the Company's website at: [www.manulife.com/investorrelations](http://www.manulife.com/investorrelations)

**Performance and Non-GAAP Measures**

We use a number of non-GAAP financial measures to measure overall performance and to assess each of our businesses. Non-GAAP measures include return on common shareholders' equity, diluted earnings per share excluding convertible instruments, premiums and deposits, funds under management, constant currency basis, new business embedded value, capital and sales. Non-GAAP financial measures are not defined terms under GAAP and, therefore, are unlikely to be comparable to similar terms used by other issuers. Therefore, they should not be considered in isolation or as a substitute for any other financial information prepared in accordance with GAAP.

**Return on common shareholders' equity** is a profitability measure that presents the net income available to common shareholders as a percentage of the capital deployed to earn the income. The Company calculates return on equity using average common shareholders' equity excluding Accumulated Other Comprehensive Income (Loss) on AFS securities and on cash flow hedges.

**Premiums and deposits** is a measure of top line growth. The Company calculates premiums and deposits as the aggregate of (i) general fund premiums net of reinsurance, reported as premiums on the Statement of Income, (ii) premium equivalents for administration only group benefit contracts, (iii) premiums in the Canadian Group Benefit's reinsurance ceded agreement, (iv) segregated fund deposits, excluding seed money, (v) mutual fund deposits, (vi) deposits into institutional advisory accounts, and (vii) other deposits in other managed funds.

**Funds under management** is a measure of the size of the Company. It represents the total of the invested asset base that the Company and its customers invest in.

The definition we use for **capital** serves as a foundation of our capital management activities at the MFC level. For regulatory reporting purposes, the numbers are further adjusted for various additions or deductions to capital as mandated by the guidelines used by OSFI. Capital is calculated as the sum of (i) total equity excluding Accumulated Other Comprehensive Income (Loss) on cash flow hedges and (ii) liabilities for preferred shares and capital instruments.

**Sales** are measured according to product type.

(i) For total individual insurance, sales include 100 per cent of new annualized premiums and 10 per cent of both excess and single premiums. For individual insurance, new annualized premiums reflect the annualized premium expected in the first year of a policy that requires premium payments for more than one year. Sales are reported gross before the impact of reinsurance. Single premium is the lump sum premium from the sale of a single premium product, e.g. travel insurance.

(ii) For group insurance, sales include new annualized premiums and administrative services only premium equivalents on new cases, as well as the addition of new coverages and amendments to contracts, excluding rate increases.

(iii) For individual wealth management contracts, all new deposits are reported as sales. This includes individual annuities, both fixed and variable; variable annuity products; mutual funds; college savings 529 plans; and authorized bank loans and mortgages.

(iv) For group pensions/retirement savings, sales of new regular premiums and deposits reflect an estimate of expected deposits in the first year of the plan with the Company. Single premium sales reflect the assets transferred from the previous plan provider. Sales include the impact of the addition of a new division or of a new product to an existing client. Total sales include both new regular and single premiums and deposits.

**New business embedded value** ("NBEV") is the change in shareholders' economic value as a result of sales in the period. NBEV is calculated as the present value of expected future earnings after the cost of capital, on actual new business sold in the period using future mortality, morbidity, policyholder behavior, expense and investment assumptions that are consistent with the assumptions used in the valuation of our policy liabilities.

Effective the first quarter of 2011 we changed the calculation methodology for new business embedded value. Prior periods were not restated. We changed the NBEV calculation for interest sensitive life insurance products to now use current interest rates consistent with the valuation of policy liabilities. In 2010 and prior, we used an interest rate for insurance products equal to the rate used in our annual business plan. For both 2011 and 2010 we used current rates to calculate NBEV for wealth products. In addition, we now update policyholder experience assumptions for changes made during the year, whereas in 2010 and prior, we used assumptions that were in place at the beginning of each year.

**Constant currency basis**

Quarterly amounts stated on a constant currency basis are calculated using Q4 2010 income statement and statement of financial position exchange rates as appropriate.

**Diluted earnings per share, excluding convertible instruments** shows diluted earnings per share excluding the dilutive effect of convertible instruments.

**FINANCIAL HIGHLIGHTS**

(Canadian \$ in millions unless otherwise stated and per share information, unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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**Shareholders' Net Income (Loss) by Division**

Asia	285	(712)	28	351	411	-31%	(48)	712	-
Canada	241	(96)	260	505	495	-51%	910	1,085	-16%
U.S. Insurance	434	(59)	303	407	409	6%	1,085	(281)	-
U.S. Wealth Management	76	(965)	130	312	684	-89%	(447)	882	-
Corporate and other	(1,105)	555	(231)	(590)	(203)	-	(1,371)	(4,061)	-
<b>Net income (loss) attributed to shareholders</b>	(69)	(1,277)	490	985	1,796	-	129	(1,663)	-
Preferred share dividends	(21)	(22)	(22)	(20)	(20)	5%	(85)	(79)	8%
<b>Net income (loss) available to common shareholders</b>	(90)	(1,299)	468	965	1,776	-	44	(1,742)	-
<b>Net income (loss) available to common shareholders on a constant currency basis</b>	(119)	(1,316)	480	978	1,776	-	(1)	(1,742)	-

**Selected Performance Measures**

Basic earnings (loss) per common share	(\$0.05)	(\$0.73)	\$0.26	\$0.54	\$1.00	-	\$ 0.02	(\$0.99)	-
Basic earnings (loss) per common share on a constant currency basis	(\$0.07)	(\$0.74)	\$0.27	\$0.55	\$1.00	-			-
Diluted earnings (loss) per common share, excluding convertible instruments	(\$0.05)	(\$0.73)	\$0.26	\$0.54	\$1.00	-	\$ 0.02	(\$0.99)	-
Diluted earnings (loss) per common share	(\$0.05)	(\$0.73)	\$0.26	\$0.53	\$0.96	-	\$ 0.02	(\$0.99)	-
Return on common shareholders' equity (annualized) <sup>1</sup>	(1.6)%	(22.4)%	8.2%	17.4%	32.3%	-	0.2%	(7.3)%	-

<sup>1</sup> Return on common shareholders' equity is net income (loss) available to common shareholders divided by average common shareholders' equity excluding accumulated other comprehensive income (loss) on available-for-sale securities and on cash flow hedges. See page 2 for discussion on non-GAAP measures.

**Insurance Sales<sup>2</sup> - targeted growth products**

Asia	312	297	342	279	311	0%	1,230	1,066	15%
Canada	172	157	152	177	170	1%	658	657	0%
U.S. Insurance	124	110	84	83	110	13%	401	325	23%
<b>Insurance sales - targeted growth products</b>	608	564	578	539	591	3%	2,289	2,048	12%
<b>Insurance sales - targeted growth products on a constant currency basis</b>	597	562	594	547	591	1%	2,276	2,048	11%

<sup>2</sup> Insurance sales consist of recurring premiums and 10% of both excess and single premiums.

**Insurance Sales<sup>2</sup> - products not targeted for growth**

Universal life with lifetime no-lapse guarantees and guaranteed non-par whole life	18	13	14	34	68	-73%	79	268	-71%
Long-Term Care	14	69	31	25	43	-67%	139	214	-35%
<b>Insurance sales - products not targeted for growth</b>	32	82	45	59	111	-71%	218	482	-55%
<b>Insurance sales - products not targeted for growth on a constant currency basis</b>	32	85	47	61	111	-71%	230	482	-52%

**Wealth Management Sales - targeted growth products**

Asia	838	783	1,188	907	1,340	-37%	3,716	3,177	17%
Canada	2,039	2,035	2,374	2,429	2,138	-5%	8,877	8,258	7%
U.S. Wealth Management	4,274	4,188	4,520	4,942	4,451	-4%	17,924	16,593	8%
<b>Wealth management sales - targeted growth products</b>	7,151	7,006	8,082	8,279	7,929	-10%	30,517	28,028	9%
<b>Wealth management sales - targeted growth products on a constant currency basis</b>	6,963	7,144	8,314	8,433	7,929	-12%	31,167	28,028	11%

**Wealth Management Sales - products not targeted for growth**

Asia - variable annuities	101	117	110	87	75	35%	415	1,353	-69%
Canada - variable annuities not targeted for growth	585	384	409	529	612	-4%	1,907	1,887	1%
U.S. Wealth Management - variable annuities	337	403	508	520	586	-42%	1,768	2,707	-35%
<b>Total wealth management sales - variable annuities not targeted for growth</b>	1,023	904	1,027	1,136	1,273	-20%	4,090	5,947	-31%
Book value fixed deferred annuities	8	13	12	9	12	-35%	42	136	-69%
<b>Wealth management sales - products not targeted for growth</b>	1,031	917	1,039	1,145	1,285	-20%	4,132	6,083	-32%
<b>Wealth management sales - products not targeted for growth on a constant currency basis</b>	1,021	929	1,067	1,159	1,285	-21%	4,144	6,083	-32%

**FINANCIAL HIGHLIGHTS (CONT'D)**

(Canadian \$ in millions unless otherwise stated and per share information, unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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**New Business Embedded Value <sup>1</sup>**

Insurance - targeted growth products	121	113	160	191	247	-51%	585	879	-33%
Insurance - products not targeted for growth	(25)	(3)	20	16	69	-	8	240	-97%
Wealth management - targeted growth products	95	101	132	143	152	-38%	471	563	-16%
Wealth management - products not targeted for growth	(12)	(6)	15	25	38	-	22	166	-87%
<b>Total new business embedded value</b>	<b>179</b>	<b>205</b>	<b>327</b>	<b>375</b>	<b>506</b>	<b>-65%</b>	<b>1,086</b>	<b>1,848</b>	<b>-41%</b>

<sup>1</sup> Effective the first quarter of 2011 we changed the calculation methodology for new business embedded value. Prior periods were not restated. We changed the NBEV calculation for interest sensitive life products to now use current interest rates consistent with the valuation of policy liabilities.

In 2010 and prior, we used an interest rate for life insurance products equal to the rate used in our annual business plan. For both 2011 and 2010 we used current rates to calculate the NBEV for wealth products.

In addition, we now update for policyholder experience assumptions for changes made during the year, whereas in 2010 and prior, we used assumptions that were in place at the beginning of each year.

As a result of the lower interest rate environment in the first half of 2011 compared to mid-2009, when we set our 2010 annual business plan assumptions, new business embedded values for interest sensitive life insurance product lines were lower in the first half of 2011 compared to the first

half of 2010. The decline in NBEV also included the impact of changes to policyholder experience assumptions made in the last half of 2010.

Prior year NBEV was restated to reflect 2011 discount rates and surplus yield assumptions and reflects exchange rates applicable to each quarter. Q1 2011 wealth NBEV has been restated for updated OSFI capital rules and updated information on our China Manulife TEDA business.

**Premiums and Deposits - Insurance - targeted growth products <sup>2</sup>**

Life and health insurance premiums	2,900	2,734	2,793	2,815	2,779	4%	11,242	10,299	9%
Segregated fund deposits	385	316	295	284	383	1%	1,280	1,235	4%
ASO premium equivalents	666	666	663	684	662	1%	2,679	2,647	1%
Group Benefits ceded	941	931	933	949	933	1%	3,754	3,675	2%
<b>Total premiums and deposits - Insurance - targeted growth products</b>	<b>4,892</b>	<b>4,647</b>	<b>4,684</b>	<b>4,732</b>	<b>4,757</b>	<b>3%</b>	<b>18,955</b>	<b>17,856</b>	<b>6%</b>
<b>Premiums and deposits - Insurance - targeted growth products on a constant currency basis</b>	<b>4,825</b>	<b>4,674</b>	<b>4,776</b>	<b>4,796</b>	<b>4,757</b>	<b>1%</b>	<b>19,073</b>	<b>17,856</b>	<b>7%</b>

<sup>2</sup> See Page 1 for targeted growth products

**Premiums and Deposits - Insurance - products not targeted for growth <sup>3</sup>**

Universal life with lifetime no-lapse guarantees and guaranteed non-par whole life	281	318	235	362	413	-32%	1,196	1,734	-31%
Long-Term Care	576	539	509	503	559	3%	2,127	2,146	-1%
<b>Total premiums and deposits - Insurance - products not targeted for growth</b>	<b>857</b>	<b>857</b>	<b>744</b>	<b>865</b>	<b>972</b>	<b>-12%</b>	<b>3,323</b>	<b>3,880</b>	<b>-14%</b>
<b>Premiums and deposits - Insurance - products not targeted for growth on a constant currency basis</b>	<b>849</b>	<b>885</b>	<b>779</b>	<b>888</b>	<b>972</b>	<b>-13%</b>	<b>3,459</b>	<b>3,880</b>	<b>-11%</b>

<sup>3</sup> See Page 1 for products not targeted for growth

**Premiums and Deposits - Wealth Management - targeted growth products**

Annuity and pension premiums	829	690	636	838	949	-13%	2,993	3,779	-21%
Investment contract deposits	126	27	41	95	135	-7%	289	298	-3%
Segregated fund deposits including variable annuities targeted for growth	4,114	3,857	3,763	4,496	4,372	-6%	16,230	17,407	-7%
Mutual fund deposits	3,309	3,790	4,883	4,658	3,662	-10%	16,640	12,612	32%
Institutional advisory account deposits	627	602	909	669	443	42%	2,807	2,700	4%
Other fund deposits <sup>4</sup>	133	158	240	168	145	-8%	699	532	31%
<b>Total Premiums and deposits - Wealth Management - targeted growth products</b>	<b>9,138</b>	<b>9,124</b>	<b>10,472</b>	<b>10,924</b>	<b>9,706</b>	<b>-6%</b>	<b>39,658</b>	<b>37,328</b>	<b>6%</b>
<b>Premiums and deposits - Wealth Management - targeted growth products on a constant currency basis</b>	<b>9,049</b>	<b>9,360</b>	<b>10,842</b>	<b>11,153</b>	<b>9,706</b>	<b>-7%</b>	<b>40,899</b>	<b>37,328</b>	<b>10%</b>

<sup>4</sup> Other funds include College Savings (529 plan) and Privately Managed Accounts.

**Premiums and Deposits - Wealth Management - products not targeted for growth**

Variable annuities not targeted for growth premiums and deposits	1,022	904	1,025	1,132	1,271	-20%	4,083	5,906	-31%
Book value fixed deferred annuities premiums	8	13	12	9	13	-38%	42	136	-69%
<b>Total premiums and deposits - Wealth Management - products not targeted for growth</b>	<b>1,030</b>	<b>917</b>	<b>1,037</b>	<b>1,141</b>	<b>1,284</b>	<b>-20%</b>	<b>4,125</b>	<b>6,042</b>	<b>-32%</b>
<b>Premiums and deposits - Wealth Management - products not targeted for growth on a constant currency basis</b>	<b>1,019</b>	<b>927</b>	<b>1,066</b>	<b>1,158</b>	<b>1,284</b>	<b>-21%</b>	<b>4,188</b>	<b>6,042</b>	<b>-31%</b>

**FINANCIAL HIGHLIGHTS (CONT'D)**

(Canadian \$ in millions unless otherwise stated and per share information, unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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**Common Share Statistics**

Share Price - Toronto (in Canadian \$)									
high	14.05	17.23	17.93	19.29	17.46	-20%	19.29	21.12	-9%
low	10.18	10.95	15.52	15.61	12.30	-17%	10.18	11.27	-10%
close	10.85	11.94	17.08	17.18	17.15	-37%	10.85	17.15	-37%
Share Price - New York (in U.S \$)									
high	14.14	18.07	18.68	19.50	17.29	-18%	19.50	20.79	-6%
low	9.82	10.63	15.86	15.82	12.10	-19%	9.82	10.60	-7%
close	10.62	11.33	17.66	17.69	17.18	-38%	10.62	17.18	-38%
Common shares outstanding (millions)									
- end of period	1,801	1,794	1,788	1,783	1,778	1%	1,801	1,778	1%
- weighted average	1,795	1,789	1,783	1,778	1,773	1%	1,786	1,765	1%
- diluted weighted average (excluding convertible instruments)	1,795	1,789	1,786	1,781	1,776	1%	1,789	1,765	1%
- diluted weighted average	1,795	1,789	1,871	1,861	1,873	-4%	1,789	1,765	1%
Dividend per common share paid in the quarter <sup>1</sup>	0.13	0.13	0.13	0.13	0.13	0%	0.52	0.52	0%
Common share dividend payout ratio	n/a	n/a	49.6%	24.2%	13.1%	-	n/a	n/a	-

<sup>1</sup> On February 9, 2012, the Board of Directors approved a quarterly shareholders' dividend of \$0.13 per share on the common shares of the Company, payable on or after March 19, 2012 to shareholders of record at the close of business on February 22, 2012.

**Valuation Data**

Book value per common share	\$ 12.44	\$ 12.87	\$ 12.98	\$ 12.86	\$ 12.76	-3%	\$ 12.44	\$ 12.76	-3%
Market value to book value ratio	0.87	0.93	1.32	1.34	1.34	-35%	0.87	1.34	-35%
Book value excluding goodwill per common share	10.55	10.58	10.77	10.62	10.51	0%	10.55	10.51	0%
Market value to book value excluding goodwill ratio	1.03	1.13	1.59	1.62	1.63	-37%	1.03	1.63	-37%
Market capitalization (\$ billions)	19.5	21.4	30.5	30.6	30.5	-36%	19.5	30.5	-36%

**Funds Under Management**

General fund	226,520	225,925	202,341	198,603	201,222	13%	226,520	201,222	13%
Segregated funds excluding institutional advisory accounts	193,807	188,085	196,630	198,736	196,868	-2%	193,807	196,868	-2%
Mutual funds	49,399	47,743	51,212	50,129	47,726	4%	49,399	47,726	4%
Institutional advisory accounts	22,545	22,950	22,747	22,862	23,170	-3%	22,545	23,170	-3%
Other funds <sup>2</sup>	7,381	7,106	7,744	7,967	7,971	-7%	7,381	7,971	-7%
<b>Total funds under management</b>	<b>499,652</b>	<b>491,809</b>	<b>480,674</b>	<b>478,297</b>	<b>476,957</b>	<b>5%</b>	<b>499,652</b>	<b>476,957</b>	<b>5%</b>
<b>Total funds under management on a constant currency basis</b>	<b>489,908</b>	<b>474,575</b>	<b>491,083</b>	<b>486,776</b>	<b>476,957</b>	<b>3%</b>	<b>489,908</b>	<b>476,957</b>	<b>3%</b>

<sup>2</sup> Other funds includes College Savings (529 plan), Privately Managed Accounts and funds managed for institutional clients in Asia.

**Capital Information**

Total capital <sup>3</sup>	28,982	28,914	28,875	28,608	28,734	1%	28,982	28,734	1%
MCCSR - The Manufacturers Life Insurance Company <sup>4</sup>	216%	219%	241%	243%	249%	-13%	216%	249%	-13%

<sup>3</sup> Total capital includes total equity less AOCI on cash flow hedges and liabilities for preferred shares and capital instruments. Total equity includes unrealized gains and losses on AFS bonds and AFS equities, net of taxes. Effective 2009, the net unrealized gain on AFS bonds, net of taxes, is no longer part of OSFI regulatory capital.

<sup>4</sup> For The Manufacturers Life Insurance Company, the capital ratio has been determined in accordance with the Minimum Continuing Capital & Surplus Requirements (MCCSR) of the Office of the Superintendent of Financial Institutions (Canada). The Q4 2010 MCCSR is determined in accordance with Canadian GAAP.

**Foreign Exchange Information<sup>4</sup>**

- Statements of Financial Position	(CDN to \$ 1 US)	1.017000	1.038900	0.964300	0.971800	0.994600	2%
	(CDN to 1 YEN)	0.013210	0.013490	0.011960	0.011740	0.012260	8%
- Statements of Income	(CDN to \$ 1 US)	1.023187	0.980683	0.967941	0.985549	1.012758	1%
	(CDN to 1 YEN)	0.013233	0.012641	0.011873	0.011979	0.012274	8%

<sup>4</sup> Unless otherwise indicated, information contained in this supplement is in Canadian dollars. These are exchange rates used for currency conversion from U.S. dollars and Japanese yen to Canadian dollars for financial statement purposes.

**CONSOLIDATED STATEMENTS OF INCOME**

(Canadian \$ in millions, unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	6,247	5,814	5,745	6,092	6,300	-1%	23,898	24,125	-1%
Premiums ceded to reinsurers	(1,707)	(1,552)	(1,563)	(1,572)	(1,586)	8%	(6,394)	(6,027)	6%
Net premiums	4,540	4,262	4,182	4,520	4,714	-4%	17,504	18,098	-3%
<b>Investment income</b>									
Investment income <sup>1</sup>	2,034	3,697	2,609	2,027	2,243	-9%	10,367	9,577	8%
Realized/ unrealized gains (losses) on assets supporting insurance and investment contract liabilities <sup>2</sup>	1,360	13,491	2,266	(1,247)	(5,187)	-	15,870	3,585	343%
Net investment income (loss)	3,394	17,188	4,875	780	(2,944)	-	26,237	13,162	99%
<b>Other revenue</b>	1,765	2,005	1,708	1,764	1,650	7%	7,242	6,358	14%
<b>Total revenue</b>	9,699	23,455	10,765	7,064	3,420	184%	50,983	37,618	36%
<b>Contract benefits and expenses</b>									
To contractholders and beneficiaries									
Death, disability and other claims	2,224	2,182	2,231	2,576	2,193	1%	9,213	8,837	4%
Maturity and surrender benefits	1,375	1,339	1,431	1,258	1,463	-6%	5,403	5,205	4%
Annuity payments	802	860	723	779	794	1%	3,164	3,000	5%
Policyholder dividends and experience rating refunds	302	233	276	269	282	7%	1,080	1,130	-4%
Net transfers (from) to segregated funds	(130)	(147)	(64)	42	27	-	(299)	76	-
Change in insurance contract liabilities	4,364	19,697	4,239	(366)	(5,469)	-	27,934	13,642	105%
Change in investment contract liabilities	35	46	(41)	24	8	338%	64	78	-18%
Ceded benefits and expenses	(1,325)	(1,260)	(1,110)	(1,223)	(1,149)	15%	(4,918)	(4,828)	2%
Change in reinsurance assets	(1,486)	(294)	23	(95)	328	-	(1,852)	447	-
<b>Net benefits and claims</b>	6,161	22,656	7,708	3,264	(1,523)	-	39,789	27,587	44%
General expenses	1,134	1,006	964	957	1,082	5%	4,061	3,848	6%
Investment expenses	273	250	240	238	273	0%	1,001	981	2%
Commissions	987	922	932	972	1,071	-8%	3,813	3,891	-2%
Interest expense	288	353	327	281	273	5%	1,249	1,044	20%
Net premium taxes	72	67	62	56	70	3%	257	262	-2%
Goodwill impairment	665	-	-	-	-	-	665	2,330	-71%
<b>Total contract benefits and expenses</b>	9,580	25,254	10,233	5,768	1,246	669%	50,835	39,943	27%
<b>Income (loss) before income taxes</b>	119	(1,799)	532	1,296	2,174	-95%	148	(2,325)	-
Income tax (expense) recovery	(174)	615	(37)	(307)	(349)	-50%	97	799	-88%
<b>Net income (loss)</b>	(55)	(1,184)	495	989	1,825	-	245	(1,526)	-
Less: net income attributed to non-controlling interest in subsidiaries	14	4	4	5	8	75%	27	57	-53%
Less: net income (loss) attributed to participating policyholders	-	89	1	(1)	21	-100%	89	80	11%
<b>Net income (loss) attributed to shareholders</b>	(69)	(1,277)	490	985	1,796	-	129	(1,663)	-
Preferred share dividends	(21)	(22)	(22)	(20)	(20)	5%	(85)	(79)	8%
<b>Net income (loss) available to common shareholders</b>	(90)	(1,299)	468	965	1,776	-	44	(1,742)	-

<sup>1</sup> Investment income includes dividends, interest, rental income, realized gains on assets supporting surplus, credit impairments and equity impairments on AFS assets.

<sup>2</sup> For fixed income assets supporting insurance and investment contracts, equities supporting pass through products and derivatives related to variable annuity hedging programs, the impact of realized/ unrealized gains (losses) on the assets is largely offset in the change in insurance and investment contract liabilities.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Canadian \$ in millions, unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	January 1, 2010 Opening IFRS Balance Sheet	2011 Q4 vs. 2010 Q4
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**ASSETS**

<b>Invested assets</b>							
Cash and short-term securities	12,813	13,804	12,823	11,379	11,849	18,805	8%
Securities							
Bonds	120,487	120,172	101,459	99,756	101,560	85,107	19%
Stocks	10,243	9,856	10,631	10,634	10,475	9,688	-2%
Loans							
Mortgages	35,023	34,792	33,195	32,820	32,837	31,158	7%
Private placements	20,294	20,297	19,178	19,281	19,577	19,980	4%
Policy loans	6,827	6,938	6,431	6,400	6,486	6,609	5%
Bank loans	2,288	2,295	2,311	2,342	2,353	2,457	-3%
Real estate	7,466	6,912	6,346	6,265	6,353	5,988	18%
Other invested assets	11,079	10,859	9,967	9,726	9,732	9,436	14%
<b>Total invested assets</b>	<b>226,520</b>	<b>225,925</b>	<b>202,341</b>	<b>198,603</b>	<b>201,222</b>	<b>189,228</b>	<b>13%</b>
<b>Other assets</b>							
Accrued investment income	1,802	1,840	1,691	1,735	1,642	1,583	10%
Outstanding premiums	781	698	751	754	671	812	16%
Derivatives	15,472	14,410	4,322	3,400	4,000	2,707	287%
Goodwill and intangible assets	5,442	6,088	5,804	5,817	5,907	8,405	-8%
Reinsurance assets	10,728	9,377	7,660	7,778	7,832	8,044	37%
Deferred tax asset	1,757	2,004	1,318	1,190	1,373	1,255	28%
Miscellaneous	3,542	4,398	4,913	3,230	3,000	3,183	18%
<b>Total other assets</b>	<b>39,524</b>	<b>38,815</b>	<b>26,459</b>	<b>23,904</b>	<b>24,425</b>	<b>25,989</b>	<b>62%</b>
<b>Segregated funds net assets</b>	<b>196,058</b>	<b>190,336</b>	<b>198,797</b>	<b>200,890</b>	<b>199,120</b>	<b>190,783</b>	<b>-2%</b>
<b>Total assets</b>	<b>462,102</b>	<b>455,076</b>	<b>427,597</b>	<b>423,397</b>	<b>424,767</b>	<b>406,000</b>	<b>9%</b>

**LIABILITIES AND EQUITY**

<b>Policy liabilities</b>							
Insurance contract liabilities	190,366	188,929	159,286	155,625	158,312	147,943	20%
Investment contract liabilities	2,540	2,491	2,551	2,617	2,990	3,778	-15%
Bank deposits	18,010	18,530	17,409	16,900	16,300	14,734	10%
Deferred tax liability	766	791	925	758	640	1,026	20%
Derivatives	7,627	7,267	3,203	3,185	3,287	2,451	132%
Other liabilities	12,341	12,212	11,015	9,062	9,598	9,831	29%
	231,650	230,220	194,389	188,147	191,127	179,763	21%
Long-term debt	5,503	5,702	5,591	5,806	5,841	3,856	-6%
Liabilities for preferred shares and capital instruments	4,012	3,475	3,439	3,442	4,004	4,022	0%
<b>Segregated funds net liabilities</b>	<b>196,058</b>	<b>190,336</b>	<b>198,797</b>	<b>200,890</b>	<b>199,120</b>	<b>190,783</b>	<b>-2%</b>
<b>Total liabilities</b>	<b>437,223</b>	<b>429,733</b>	<b>402,216</b>	<b>398,285</b>	<b>400,092</b>	<b>378,424</b>	<b>9%</b>
<b>Equity</b>							
Issued share capital							
Preferred shares	1,813	1,618	1,618	1,618	1,422	1,422	27%
Common shares	19,560	19,483	19,413	19,332	19,254	18,937	2%
Contributed surplus	245	240	234	229	222	196	10%
Shareholders' retained earnings	2,501	2,826	4,360	4,124	3,393	6,062	-26%
Shareholders' accumulated other comprehensive income (loss)							
on available-for-sale securities	104	124	314	309	333	660	-69%
on cash flow hedges	(91)	(96)	(55)	(54)	(55)	(19)	-
on translation of foreign operations	83	500	(1,065)	(1,021)	(464)	-	-
<b>Total shareholders' equity</b>	<b>24,215</b>	<b>24,695</b>	<b>24,819</b>	<b>24,537</b>	<b>24,105</b>	<b>27,258</b>	<b>0%</b>
Participating policyholders' equity	249	249	160	159	160	80	56%
Non-controlling interest in subsidiaries	415	399	402	416	410	238	1%
<b>Total equity</b>	<b>24,879</b>	<b>25,343</b>	<b>25,381</b>	<b>25,112</b>	<b>24,675</b>	<b>27,576</b>	<b>1%</b>
<b>Total liabilities and equity</b>	<b>462,102</b>	<b>455,076</b>	<b>427,597</b>	<b>423,397</b>	<b>424,767</b>	<b>406,000</b>	<b>9%</b>

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Canadian \$ in millions, unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	YTD 2011	YTD 2010
<b>Preferred shares</b>							
Balance, beginning of period	1,618	1,618	1,618	1,422	1,422	1,422	1,422
Issued during the period	200	-	-	200	-	400	-
Issuance costs, net of tax	(5)	-	-	(4)	-	(9)	-
<b>Balance, end of period</b>	<b>1,813</b>	<b>1,618</b>	<b>1,618</b>	<b>1,618</b>	<b>1,422</b>	<b>1,813</b>	<b>1,422</b>
<b>Common shares</b>							
Balance, beginning of period	19,483	19,413	19,332	19,254	19,169	19,254	18,937
Issued on exercise of stock options and deferred share units	-	-	1	1	-	2	3
Issued under Dividend Reinvestment and Share Purchase Plans	77	70	80	77	85	304	314
<b>Balance, end of period</b>	<b>19,560</b>	<b>19,483</b>	<b>19,413</b>	<b>19,332</b>	<b>19,254</b>	<b>19,560</b>	<b>19,254</b>
<b>Contributed surplus</b>							
Balance, beginning of period	240	234	229	222	216	222	196
Exercise of stock options and deferred share units	-	-	-	-	-	-	1
Stock option expense	5	6	5	7	6	23	25
<b>Balance, end of period</b>	<b>245</b>	<b>240</b>	<b>234</b>	<b>229</b>	<b>222</b>	<b>245</b>	<b>222</b>
<b>Shareholders' retained earnings</b>							
Balance, beginning of period	2,826	4,360	4,124	3,393	1,850	3,393	6,062
Net income (loss) attributed to shareholders	(69)	(1,277)	490	985	1,796	129	(1,663)
Preferred share dividends	(21)	(22)	(22)	(20)	(20)	(85)	(79)
Common share dividends	(235)	(235)	(232)	(234)	(233)	(936)	(927)
<b>Balance, end of period</b>	<b>2,501</b>	<b>2,826</b>	<b>4,360</b>	<b>4,124</b>	<b>3,393</b>	<b>2,501</b>	<b>3,393</b>
<b>Shareholders' accumulated other comprehensive income (loss)</b>							
Balance, beginning of period	528	(806)	(766)	(186)	621	(186)	641
Other comprehensive income (loss)							
Available-for-sale ("AFS") securities unrealized gains (losses), net of tax expense of \$29	(13)	313	98	(98)	(320)	300	348
AFS securities realized losses (gains) & impairments (recoveries) & tax expense of \$10	(7)	(504)	(99)	74	(18)	(536)	(669)
Cash flow hedges unrealized gains (losses), net of tax expense of \$3	3	(42)	(4)	(1)	32	(44)	(45)
Cash flow hedges realized (gains) losses, net of tax recovery of \$1	2	2	2	2	2	8	9
Unrealized foreign exchange gains (losses), net of \$30 hedges and tax recovery of \$25	(417)	1,565	(44)	(557)	(501)	547	(464)
Share of other comprehensive loss of associates, net of tax recovery of \$nil	-	-	7	-	(2)	7	(6)
<b>Balance, end of period</b>	<b>96</b>	<b>528</b>	<b>(806)</b>	<b>(766)</b>	<b>(186)</b>	<b>96</b>	<b>(186)</b>
<b>Total shareholders' equity, end of period</b>	<b>24,215</b>	<b>24,695</b>	<b>24,819</b>	<b>24,537</b>	<b>24,105</b>	<b>24,215</b>	<b>24,105</b>
<b>Participating policyholders' equity</b>							
Balance, beginning of period	249	160	159	160	139	160	80
Net income (loss) for the period	-	89	1	(1)	21	89	80
<b>Balance, end of period</b>	<b>249</b>	<b>249</b>	<b>160</b>	<b>159</b>	<b>160</b>	<b>249</b>	<b>160</b>
<b>Non-controlling interest in subsidiaries</b>							
Balance, beginning of period	399	402	416	410	318	410	238
Net income attributed to non-controlling interest	14	4	4	5	8	27	57
Other comprehensive income (loss) attributed to non-controlling interest	1	(5)	(2)	1	4	(5)	-
Deconsolidation of a subsidiary	-	-	-	-	107	-	107
Contributions (distributions), net	1	(2)	(16)	-	(27)	(17)	8
<b>Balance, end of period</b>	<b>415</b>	<b>399</b>	<b>402</b>	<b>416</b>	<b>410</b>	<b>415</b>	<b>410</b>
<b>Total equity, end of period</b>	<b>24,879</b>	<b>25,343</b>	<b>25,381</b>	<b>25,112</b>	<b>24,675</b>	<b>24,879</b>	<b>24,675</b>

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Canadian \$ in millions, unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Operating activities</b>									
Net income (loss)	(55)	(1,184)	495	989	1,825	-	245	(1,526)	-
Adjustments for non-cash items in net income:									
Increase (decrease) in insurance contract liabilities	4,364	19,697	4,239	(366)	(5,469)	-	27,934	13,642	105%
Increase (decrease) in investment contract liabilities	35	46	(41)	24	8	338%	64	78	-18%
Increase (decrease) in reinsurance assets	(666)	(1,198)	83	(71)	724	-	(1,852)	447	-
Amortization of premium/discount	13	1	(2)	13	20	-35%	25	118	-79%
Other amortization	101	86	79	79	85	19%	345	316	9%
Net realized and unrealized (gains) losses, including impairments	(1,087)	(14,651)	(2,596)	1,575	5,139	-	(16,759)	(4,491)	273%
Deferred income tax expense (recovery)	173	(682)	35	264	876	-80%	(210)	(474)	-56%
Stock option expense	5	6	5	7	6	-17%	23	25	-8%
Goodwill impairment	665	-	-	-	-	-	665	2,330	-71%
Net income adjusted for non-cash items	3,548	2,121	2,297	2,514	3,214	10%	10,480	10,465	0%
Changes in policy related and operating receivables and payables	(464)	(665)	342	(360)	(188)	147%	(1,147)	1,094	-
<b>Cash provided by operating activities</b>	<b>3,084</b>	<b>1,456</b>	<b>2,639</b>	<b>2,154</b>	<b>3,026</b>	<b>2%</b>	<b>9,333</b>	<b>11,559</b>	<b>-19%</b>
<b>Investing activities</b>									
Purchases and mortgage advances	(20,261)	(28,368)	(20,481)	(13,720)	(21,954)	-8%	(82,830)	(76,090)	9%
Disposals and repayments	15,824	25,235	19,069	11,723	16,578	-5%	71,851	54,533	32%
Changes in investment broker net receivables and payables	139	1,196	494	(72)	(1,989)	-	1,757	83	nm
Net cash decrease from purchase of subsidiaries	-	-	-	-	(28)	-	-	(28)	-
<b>Cash used in investing activities</b>	<b>(4,298)</b>	<b>(1,937)</b>	<b>(918)</b>	<b>(2,069)</b>	<b>(7,393)</b>	<b>-42%</b>	<b>(9,222)</b>	<b>(21,502)</b>	<b>-57%</b>
<b>Financing activities</b>									
Increase (decrease) in repurchase agreements and securities sold but not yet purchased	239	409	(275)	(307)	601	-60%	66	536	-88%
Issue (repayment) of long-term debt, net	(176)	-	(220)	-	-	-	(396)	2,023	-
Issue (repayment) of capital instruments	547	-	-	(550)	-	-	(3)	-	-
Net redemption of investment contract liabilities	61	(287)	(10)	(332)	51	20%	(568)	(739)	-23%
Changes in bank deposits, net	(486)	989	480	620	616	-	1,603	1,574	2%
Shareholder dividends paid in cash	(180)	(186)	(176)	(175)	(168)	7%	(717)	(691)	4%
Funds borrowed (repaid), net	8	1	1	34	3	167%	44	5	780%
Secured borrowings from securitization transactions	250	-	-	-	490	-49%	250	577	-57%
Contributions from (distributions to) non-controlling interest	1	(2)	(16)	-	1	0%	(17)	36	-
Common shares issued, net	-	-	1	1	-	-	2	3	-33%
Preferred shares issued, net	195	-	-	196	-	-	391	-	-
<b>Cash provided by (used in) financing activities</b>	<b>459</b>	<b>924</b>	<b>(215)</b>	<b>(513)</b>	<b>1,594</b>	<b>-71%</b>	<b>655</b>	<b>3,324</b>	<b>-80%</b>
<b>Cash and short-term securities</b>									
Increase (decrease) during the period	(755)	443	1,506	(428)	(2,773)	-73%	766	(6,619)	-
Impact of foreign exchange rate changes on cash and short-term securities	(186)	546	(38)	(130)	(261)	-29%	192	(339)	-
Balance, beginning of period	13,221	12,232	10,764	11,322	14,356	-8%	11,322	18,280	-38%
<b>Balance, end of period</b>	<b>12,280</b>	<b>13,221</b>	<b>12,232</b>	<b>10,764</b>	<b>11,322</b>	<b>8%</b>	<b>12,280</b>	<b>11,322</b>	<b>8%</b>
<b>Cash and short-term securities</b>									
<b>Beginning of period</b>									
Gross cash and short-term securities	13,804	12,823	11,379	11,849	14,929	-8%	11,849	18,805	-37%
Net payments in transit, included in other liabilities	(583)	(591)	(615)	(527)	(573)	2%	(527)	(525)	0%
<b>Net cash and short-term securities, beginning of period</b>	<b>13,221</b>	<b>12,232</b>	<b>10,764</b>	<b>11,322</b>	<b>14,356</b>	<b>-8%</b>	<b>11,322</b>	<b>18,280</b>	<b>-38%</b>
<b>End of period</b>									
Gross cash and short-term securities	12,813	13,804	12,823	11,379	11,849	8%	12,813	11,849	8%
Net payments in transit, included in other liabilities	(533)	(583)	(591)	(615)	(527)	1%	(533)	(527)	1%
<b>Net cash and short-term securities, end of period</b>	<b>12,280</b>	<b>13,221</b>	<b>12,232</b>	<b>10,764</b>	<b>11,322</b>	<b>8%</b>	<b>12,280</b>	<b>11,322</b>	<b>8%</b>

## CONSOLIDATED SOURCE OF EARNINGS

(Canadian \$ in millions, unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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### Source of Earnings <sup>1</sup>

Expected profit from in-force business	814	800	842	828	891	-9%	3,284	3,379	-3%
Impact of new business	(201)	(144)	(95)	(83)	(145)	39%	(523)	(575)	-9%
Experience gains (losses) <sup>1,2</sup>	246	(2,266)	204	789	1,478	-83%	(1,027)	(1,160)	-11%
Management actions and changes in assumptions	(825)	(316)	(576)	(340)	(209)	295%	(2,057)	(4,583)	-55%
Earnings on surplus funds	129	96	158	122	101	28%	505	471	7%
Other	(58)	(62)	(6)	(24)	29	-	(150)	6	-
<b>Income (loss) before income taxes</b>	<b>105</b>	<b>(1,892)</b>	<b>527</b>	<b>1,292</b>	<b>2,145</b>	<b>-95%</b>	<b>32</b>	<b>(2,462)</b>	<b>-</b>
Income tax (expense) recovery	(174)	615	(37)	(307)	(349)	-50%	97	799	-88%
<b>Net income (loss) attributed to shareholders</b>	<b>(69)</b>	<b>(1,277)</b>	<b>490</b>	<b>985</b>	<b>1,796</b>	<b>-</b>	<b>129</b>	<b>(1,663)</b>	<b>-</b>
Constant currency, expected profit from in-force business	803	835	878	850	891	-10%	3,365	3,379	0%

<sup>1</sup> Per OSFI instructions, the Source of Earnings amounts denominated in foreign currencies are translated at the prior quarter's statement of financial position rate. 'Experience gains' includes the adjustment to get to the income statement rate.

<sup>2</sup> Management basis SOE reporting used in this supplementary information package is consistent with OSFI SOE guidelines with the exception that 'experience gains' includes the full impact on reported income from changes to the segregated fund guarantee reserves due to investment market performance. Under OSFI SOE guidelines the component of this reserve change related to changes in CTE level would be reported as a valuation basis change.

### Glossary

Expected profit from in-force business	Formula-driven release of PfADS (Provisions for Adverse Deviations) on the non-fee businesses and expected profit on fee businesses.
Impact of new business	For non-fee income businesses, the capitalized value of future profits less PfADS in respect of new business. For fee income businesses, the non-capitalized acquisition expenses.
Experience gains (losses)	Earnings impact of any differences between actual experience in the current period relative to expected experience implicit in the actuarial liabilities, and differences in current period fee income due to market performance.
Management actions and changes in assumptions	Earnings impact of: -management initiated actions in the period that generate a non-recurring current period impact. -changes in methods and assumptions that impact actuarial liabilities or other liabilities. -integration expenses from acquisitions that flow to income.
Earnings (loss) on surplus funds	Actual investment returns on the Company's surplus (shareholders' equity).
Other	Earnings items not included in any other line of the SOE.
Income taxes	Tax charges to income, consistent with the amount on the statement of income.

**ASIA DIVISION**  
(Unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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**Statements of Income - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	1,632	1,604	1,520	1,427	1,414	15%	6,183	4,848	28%
Premiums ceded to reinsurers	(51)	(35)	(86)	(118)	(55)	-7%	(290)	(129)	125%
<b>Investment income</b>	244	258	280	237	245	0%	1,019	879	16%
<b>Other revenue</b>	219	216	223	240	217	1%	898	814	10%
<b>Subtotal revenue</b>	2,044	2,043	1,937	1,786	1,821	12%	7,810	6,412	22%
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>1</sup>	359	196	235	(91)	(279)	-	699	772	-9%
<b>Total revenue</b>	2,403	2,239	2,172	1,695	1,542	56%	8,509	7,184	18%
<b>Contract benefits and expenses</b>									
To contractholders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities	1,561	2,445	1,793	994	591	164%	6,793	4,686	45%
Ceded benefits and expenses and change in reinsurance assets	(38)	(28)	(73)	(105)	(3)	nm	(244)	(57)	328%
Change in investment contract liabilities	21	32	(63)	(16)	(4)	-	(26)	(22)	18%
General expenses	286	246	232	211	236	21%	975	792	23%
Investment expenses	21	21	18	19	19	11%	79	68	16%
Commissions	211	217	212	184	212	0%	824	742	11%
Other	21	24	20	19	18	17%	84	60	40%
<b>Total contract benefits and expenses</b>	2,083	2,957	2,139	1,306	1,069	95%	8,485	6,269	35%
<b>Income (loss) before income taxes</b>	320	(718)	33	389	473	-32%	24	915	-97%
Income tax (expense) recovery	(37)	(51)	(2)	(30)	(43)	-14%	(120)	(123)	-2%
<b>Net income (loss)</b>	283	(769)	31	359	430	-34%	(96)	792	-
Less net income (loss) attributed to non-controlling interest in subsidiaries	10	(5)	7	5	5	100%	17	40	-58%
Less net income (loss) attributed to participating policyholders	(6)	(38)	(4)	(3)	18	-	(51)	63	-
<b>Net income (loss) attributed to shareholders<sup>2</sup></b>	279	(726)	28	357	407	-31%	(62)	689	-

<sup>1</sup> For fixed income assets supporting insurance and investment contract liabilities, equities supporting pass through products and derivatives related to variable annuity hedging programs, the impact of realized/ unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.

<sup>2</sup> See the Q4 press release for a description of Q4 2011 results compared to Q4 2010.

**Source of Earnings - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Expected profit from in-force business	214	212	213	204	194	10%	843	724	16%
Impact of new business	(2)	-	10	13	(31)	-94%	21	17	24%
Experience gains (losses)	48	(925)	(241)	127	239	-80%	(991)	(112)	785%
Management actions and changes in assumptions	-	(5)	-	-	-	-	(5)	-	-
Earnings on surplus funds	52	46	48	48	41	27%	194	166	17%
Other	4	(3)	-	(5)	7	-43%	(4)	17	-
<b>Income (loss) before income taxes</b>	316	(675)	30	387	450	-30%	58	812	-93%
Income tax (expense) recovery	(37)	(51)	(2)	(30)	(43)	-14%	(120)	(123)	-2%
<b>Net income (loss) attributed to shareholders</b>	279	(726)	28	357	407	-31%	(62)	689	-

**Premiums and Deposits - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Premiums	1,581	1,569	1,434	1,309	1,359	16%	5,893	4,719	25%
Investment contract deposits	23	-	-	-	-	-	23	-	-
Segregated fund deposits excluding variable annuities <sup>3</sup>	236	254	258	251	550	-57%	999	1,868	-47%
Mutual fund deposits <sup>3,4</sup>	630	656	1,048	760	822	-23%	3,094	1,750	77%
<b>Premiums and deposits excluding variable annuities</b>	2,470	2,479	2,740	2,320	2,731	-10%	10,009	8,337	20%
Variable annuities segregated fund deposits	97	118	112	86	72	35%	413	1,265	-67%
<b>Total premiums and deposits</b>	2,567	2,597	2,852	2,406	2,803	-8%	10,422	9,602	9%

<sup>3</sup> At the end of Q4 2010, the pension business was restructured and is now reported as mutual fund rather than segregated fund. P&D reflects the nature of the deposit at the time of the deposit and has not been restated.

<sup>4</sup> This line includes the 49% interest in Manulife TEDA.

**Funds Under Management - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
General fund	34,172	32,911	31,606	30,331	29,240	17%	34,172	29,240	17%
Segregated funds	23,130	22,818	24,131	23,955	24,159	-4%	23,130	24,159	-4%
Mutual funds <sup>5</sup>	9,593	9,198	10,891	10,820	10,385	-8%	9,593	10,385	-8%
Other funds <sup>6</sup>	3,296	3,151	3,957	4,289	4,253	-23%	3,296	4,253	-23%
<b>Total funds under management</b>	70,191	68,078	70,585	69,395	68,037	3%	70,191	68,037	3%

<sup>5</sup> This line includes the 49% interest in Manulife TEDA.

<sup>6</sup> Other funds mainly include funds managed by the Company for institutional clients in Hong Kong and Other Asia Territories.

**Number of Agents**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Number of agents	50,179	46,481	44,483	42,756	42,576	18%	50,179	42,576	18%

**Canadian \$ in millions - Summary Statements of Operations and Key Metrics**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Revenue	2,460	2,196	2,101	1,671	1,560	58%	8,428	7,403	14%
Total policy benefits and expenses	2,133	2,900	2,068	1,288	1,083	97%	8,389	6,458	30%
Net income (loss) attributed to shareholders	285	(712)	28	351	411	-31%	(48)	712	-
Total premiums and deposits	2,625	2,548	2,759	2,371	2,840	-8%	10,303	9,879	4%
Total funds under management	71,390	70,717	68,066	67,446	67,660	6%	71,390	67,660	6%

**ASIA - HONG KONG**  
(Unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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**Statements of Income - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	368	386	376	398	356	3%	1,528	1,348	13%
Premiums ceded to reinsurers	(25)	(14)	(35)	(78)	(14)	79%	(152)	(53)	187%
<b>Investment income</b>	89	94	106	88	88	1%	377	348	8%
<b>Other revenue</b>	71	69	77	84	74	-4%	301	263	14%
<b>Subtotal revenue</b>	503	535	524	492	504	0%	2,054	1,906	8%
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>1</sup>	105	95	93	86	(140)	-	379	293	29%
<b>Total revenue</b>	608	630	617	578	364	67%	2,433	2,199	11%
<b>Contract benefits and expenses</b>									
To contractholders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities	358	565	514	448	136	163%	1,885	1,433	32%
Ceded benefits and expenses and change in reinsurance assets	(1)	(30)	(36)	(82)	(12)	-92%	(149)	(51)	192%
Change in investment contract liabilities	20	34	(73)	(9)	(2)	-	(28)	(20)	40%
General expenses	62	54	52	51	61	2%	219	194	13%
Investment expenses	6	6	6	5	7	-14%	23	22	5%
Commissions	49	56	48	45	66	-26%	198	202	-2%
Other	13	14	11	11	11	18%	49	42	17%
<b>Total contract benefits and expenses</b>	507	699	522	469	267	90%	2,197	1,822	21%
<b>Income (loss) before income taxes</b>	101	(69)	95	109	97	5%	236	377	-37%
Income tax (expense) recovery	(3)	(4)	(6)	(4)	(1)	200%	(17)	1	-
<b>Net income (loss) attributed to shareholders<sup>2</sup></b>	98	(73)	89	105	96	3%	219	378	-42%

<sup>1</sup> For fixed income assets supporting insurance and investment contract liabilities, equities supporting pass through products and derivatives related to variable annuity hedging programs, the impact of realized/unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.

<sup>2</sup> Year over year increase is primarily driven by net experience losses related to the direct impact of equity markets and interest rates and other investment experience related gains and losses.

**Sales - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Insurance<sup>3</sup></b>									
Total insurance sales	57	59	50	43	59	-3%	209	193	8%
<b>Wealth Management</b>									
Group pensions - new annualized premium sales	15	15	15	15	15	0%	60	55	9%
Group pensions - single premium sales	105	121	120	101	141	-26%	447	448	0%
Individual Wealth Management - excluding variable annuities <sup>4</sup>	66	78	119	161	254	-74%	424	462	-8%
Individual Wealth Management - variable annuities	-	-	1	-	-	-	1	1	0%

<sup>3</sup> Consists of 100% of recurring premiums and 10% of both excess and single premiums.

<sup>4</sup> Sales for Individual Wealth Management are measured by premiums and deposits, and include mutual fund deposits and investment linked sales.

**Premiums and Deposits - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Premiums	343	372	341	320	342	0%	1,376	1,295	6%
Investment contract deposits	18	-	-	-	-	-	18	-	-
Segregated fund deposits excluding variable annuities <sup>5</sup>	149	161	170	165	449	-67%	645	1,549	-58%
Mutual fund deposits <sup>5</sup>	261	292	296	291	169	54%	1,140	262	335%
<b>Premiums and deposits excluding variable annuities</b>	771	825	807	776	960	-20%	3,179	3,106	2%
Variable annuities segregated fund deposits	-	-	1	-	-	-	1	1	0%
<b>Total premiums and deposits</b>	771	825	808	776	960	-20%	3,180	3,107	2%

<sup>5</sup> At the end of Q4 2010, the pension business was restructured and is now reported as mutual fund rather than segregated fund. P&D reflects the nature of the deposit at the time of the deposit and has not been restated.

**Funds Under Management - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
General fund	10,749	10,262	9,972	9,658	9,540	13%	10,749	9,540	13%
Segregated funds	4,145	4,004	4,718	4,723	4,604	-10%	4,145	4,604	-10%
Mutual funds	6,864	6,426	7,901	7,800	7,495	-8%	6,864	7,495	-8%
Other funds <sup>6</sup>	3,032	2,899	3,692	4,030	3,936	-23%	3,032	3,936	-23%
<b>Total funds under management</b>	24,790	23,591	26,283	26,211	25,575	-3%	24,790	25,575	-3%

<sup>6</sup> Other funds include funds managed by the Company for institutional clients.

**Changes in General, Segregated, Mutual and Other Funds Under Management - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Beginning balance</b>	23,591	26,283	26,211	25,575	24,494	-4%	25,575	21,338	20%
Premiums and deposits	771	825	808	776	960	-20%	3,180	3,107	2%
Investment income (loss) <sup>7</sup>	696	(2,932)	(88)	507	514	35%	(1,817)	2,008	-
Benefits and withdrawals	(330)	(403)	(431)	(395)	(380)	-13%	(1,559)	(1,280)	22%
Other <sup>8</sup>	62	(182)	(217)	(252)	(13)	-	(589)	402	-
<b>Ending balance</b>	24,790	23,591	26,283	26,211	25,575	-3%	24,790	25,575	-3%

<sup>7</sup> Investment income (loss) consists of gross investment income for the general fund and interest, dividends and net realized and unrealized gains and losses for the segregated funds, mutual funds and other funds.

<sup>8</sup> Other is comprised of all changes to the statement of income and the statement of financial position that are not specifically identified in the roll forward. These include general expenses, investment expenses, taxes, changes in receivables and payables, transfers to/from other Business Units and changes in allocated capital. This includes deposits and withdrawals on externally managed funds which have not been included in premiums and deposits, and benefits and withdrawals.

**Number of Agents**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Number of agents	5,027	4,723	4,608	4,539	4,593	9%	5,027	4,593	9%

**Canadian \$ in millions - Key Metrics**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Net income (loss) attributed to shareholders	101	(73)	86	104	97	4%	218	390	-44%
Sales - Insurance	58	58	49	42	59	-2%	207	198	5%
Sales - Wealth Management	190	210	246	274	415	-54%	920	991	-7%
Total premiums and deposits	789	809	783	764	973	-19%	3,145	3,196	-2%
Total funds under management	25,211	24,508	25,345	25,475	25,437	-1%	25,211	25,437	-1%

**ASIA - OTHER ASIA TERRITORIES**

(Unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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**Statements of Income - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	514	540	562	434	555	-7%	2,050	1,658	24%
Premiums ceded to reinsurers	(20)	(14)	(47)	(34)	(37)	-46%	(115)	(62)	85%
<b>Investment income</b>	88	103	113	90	106	-17%	394	346	14%
<b>Other revenue</b>	34	44	37	42	37	-8%	157	119	32%
<b>Subtotal revenue</b>	616	673	665	532	661	-7%	2,486	2,061	21%
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>1</sup>	262	49	60	(35)	(89)	-	336	396	-15%
<b>Total revenue</b>	878	722	725	497	572	53%	2,822	2,457	15%
<b>Contract benefits and expenses</b>									
To contractholders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities	651	569	548	344	321	103%	2,112	1,592	33%
Ceded benefits and expenses and change in reinsurance assets	(31)	3	(36)	(21)	11	-	(85)	-	-
Change in investment contract liabilities	1	(2)	3	(2)	(2)	-	-	(2)	-
General expenses	122	97	87	73	87	40%	379	272	39%
Investment expenses	10	11	8	10	8	25%	39	32	22%
Commissions	78	71	65	53	70	11%	267	226	18%
Other	5	6	6	5	5	0%	22	19	16%
<b>Total contract benefits and expenses</b>	836	755	681	462	500	67%	2,734	2,139	28%
<b>Income (loss) before income taxes</b>	42	(33)	44	35	72	-42%	88	318	-72%
Income tax (expense) recovery	(28)	(35)	7	(10)	(16)	75%	(66)	(64)	3%
<b>Net income (loss)</b>	14	(68)	51	25	56	-75%	22	254	-91%
Less net income (loss) attributed to non-controlling interest in subsidiaries	10	(5)	7	5	5	100%	17	40	-58%
Less net income (loss) attributed to participating policyholders <sup>2</sup>	(6)	(38)	(4)	(3)	18	-	(51)	63	-
<b>Net income attributed to shareholders<sup>3</sup></b>	10	(25)	48	23	33	-70%	56	151	-63%

<sup>1</sup> For fixed income assets supporting insurance and investment contract liabilities, equities supporting pass through products and derivatives related to variable annuity hedging programs, the impact of realized/unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.

<sup>2</sup> The decrease in income attributed to participating policyholders for the third quarter of 2011 is primarily due to the impact of changes in actuarial assumptions.

<sup>3</sup> Q4 2011 result is decreased primarily driven by net experience losses related to the direct impact of equity markets and interest rates and other investment experience related gains and losses.

**Sales - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Total insurance sales <sup>4</sup>	104	90	84	67	84	24%	345	280	23%
Wealth Management excluding variable annuities <sup>5,6</sup>	485	534	925	593	872	-44%	2,537	1,974	29%
Wealth Management variable annuities	-	-	1	2	-	-	3	5	-40%

<sup>4</sup> Consists of 100% of recurring premiums and 10% of both excess and single premiums.

<sup>5</sup> Sales for Wealth Management businesses are measured by premiums and deposits, and include mutual fund deposits, pension sales and investment linked sales.

<sup>6</sup> This line includes the 49% interest in Manulife TEDA.

**Premiums and Deposits - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Premiums	494	526	515	400	518	-5%	1,935	1,596	21%
Segregated fund deposits excluding variable annuities	86	92	87	85	101	-15%	350	315	11%
Mutual fund deposits <sup>7</sup>	368	361	749	469	652	-44%	1,947	1,487	31%
<b>Premiums and deposits excluding variable annuities</b>	948	979	1,351	954	1,271	-25%	4,232	3,398	25%
Variable annuities segregated fund deposits	-	-	1	2	-	-	3	5	-40%
<b>Total premiums and deposits</b>	948	979	1,352	956	1,271	-25%	4,235	3,403	24%

<sup>7</sup> This line includes the 49% interest in Manulife TEDA.

**Funds Under Management - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
General fund	10,420	9,947	9,718	9,217	8,910	17%	10,420	8,910	17%
Segregated funds	2,261	2,218	2,511	2,480	2,442	-7%	2,261	2,442	-7%
Mutual funds <sup>8</sup>	2,724	2,767	2,987	3,019	2,889	-6%	2,724	2,889	-6%
Other funds	264	252	265	259	317	-17%	264	317	-17%
<b>Total funds under management</b>	15,669	15,184	15,481	14,975	14,558	8%	15,669	14,558	8%

<sup>8</sup> This line includes the 49% interest in Manulife TEDA.

**Changes in General, Segregated, Mutual and Other Funds Under Management - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Beginning balance</b>	15,184	15,481	14,975	14,558	13,683	11%	14,558	10,165	43%
Premiums and deposits	948	979	1,352	956	1,271	-25%	4,235	3,403	24%
Investment income (loss) <sup>9</sup>	390	(346)	174	(178)	292	34%	40	1,405	-97%
Benefits and withdrawals	(646)	(600)	(1,066)	(397)	(828)	-22%	(2,709)	(2,777)	-2%
Other <sup>10</sup>	(207)	(330)	46	36	140	-	(455)	2,362	-
<b>Ending balance</b>	15,669	15,184	15,481	14,975	14,558	8%	15,669	14,558	8%

<sup>9</sup> Investment income (loss) consists of gross investment income for the general fund and interest, dividends and net realized and unrealized gains and losses for the segregated funds, mutual funds and other funds.

<sup>10</sup> Other is comprised of all changes to the statement of income and the statement of financial position that are not specifically identified in the roll forward. These includes general expenses, investment expenses, taxes, changes in receivables and payables, transfers to/from other Business Units, impact of currency changes and changes in allocated capital. This includes deposits and withdrawals on externally managed funds which have not been included in premiums and deposits, and benefits and withdrawals.

**Number of Agents**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Number of agents	41,997	38,586	36,675	35,059	34,745	21%	41,997	34,745	21%

**Canadian \$ in millions - Key Metrics**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Net income (loss) attributed to shareholders	10	(24)	47	22	33	-70%	55	155	-65%
Sales - Insurance	106	89	81	66	86	23%	342	289	18%
Sales - Wealth management	496	523	897	586	883	-44%	2,502	2,028	23%
Total premiums and deposits	969	960	1,306	944	1,289	-25%	4,179	3,492	20%
Total funds under management	15,941	15,766	14,930	14,558	14,471	10%	15,941	14,471	10%

**ASIA - JAPAN**  
(Unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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**Statements of Income - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	750	678	582	595	503	49%	2,605	1,842	41%
Premiums ceded to reinsurers	(6)	(7)	(4)	(6)	(4)	50%	(23)	(14)	64%
<b>Investment income</b>	67	61	61	59	51	31%	248	185	34%
<b>Other revenue</b>	114	103	109	114	106	8%	440	432	2%
<b>Subtotal revenue</b>	925	835	748	762	656	41%	3,270	2,445	34%
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>1</sup>	(8)	52	82	(142)	(50)	-84%	(16)	83	-
<b>Total revenue</b>	917	887	830	620	606	51%	3,254	2,528	29%
<b>Contract benefits and expenses</b>									
To contractholders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities	552	1,311	731	202	134	312%	2,796	1,661	68%
Ceded benefits and expenses and change in reinsurance assets	(6)	(1)	(1)	(2)	(2)	200%	(10)	(6)	67%
Change in investment contract liabilities	-	-	7	(5)	-	-	2	-	-
General expenses	102	95	93	87	88	16%	377	326	16%
Investment expenses	5	4	4	4	4	25%	17	14	21%
Commissions	84	90	99	86	76	11%	359	314	14%
Other	3	4	3	3	2	50%	13	(1)	-
<b>Total contract benefits and expenses</b>	740	1,503	936	375	302	145%	3,554	2,308	54%
<b>Income (loss) before income taxes</b>	177	(616)	(106)	245	304	-42%	(300)	220	-
Income tax (expense) recovery	(6)	(12)	(3)	(16)	(26)	-77%	(37)	(60)	-38%
<b>Net income (loss) attributed to shareholders<sup>2</sup></b>	171	(628)	(109)	229	278	-38%	(337)	160	-

<sup>1</sup> For fixed income assets supporting insurance and investment contract liabilities and derivatives related to variable annuity hedging programs, the impact of realized/ unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.

<sup>2</sup> Year over year decrease is primarily driven by net experience losses related to the direct impact of equity markets and interest rates and other investment experience related gains and losses.

**Sales - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Individual Insurance - New annualized premiums	144	153	220	173	164	-12%	690	563	23%
Wealth Management - Variable Annuities <sup>3</sup>	98	120	111	86	72	36%	415	1,300	-68%
Wealth Management - Fixed Annuities and mutual funds	150	50	49	50	44	241%	299	161	86%

<sup>3</sup> New business sales for Wealth Management are measured by deposits, and include mutual fund deposits and variable annuity sales.

**Premiums and Deposits - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Premiums</b>	744	671	578	589	499	49%	2,582	1,828	41%
Investment contract deposits	5	-	-	-	-	-	5	-	-
Segregated fund deposits excluding variable annuities	1	1	1	1	-	-	4	4	0%
Mutual fund deposits	1	3	3	-	1	0%	7	1	600%
<b>Premiums and deposits excluding variable annuities</b>	751	675	582	590	500	50%	2,598	1,833	42%
Variable annuities segregated fund deposits	97	118	110	84	72	35%	409	1,259	-68%
<b>Total premiums and deposits</b>	848	793	692	674	572	48%	3,007	3,092	-3%

**Funds Under Management - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
General fund	13,003	12,702	11,916	11,456	10,790	21%	13,003	10,790	21%
Segregated funds	16,724	16,596	16,902	16,752	17,113	-2%	16,724	17,113	-2%
Mutual funds	5	5	3	1	1	400%	5	1	400%
<b>Total funds under management</b>	29,732	29,303	28,821	28,209	27,904	7%	29,732	27,904	7%

**Changes in General, Segregated and Mutual Funds Under Management - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Beginning balance</b>	29,303	28,821	28,209	27,904	26,782	9%	29,732	23,163	28%
Premiums and deposits	848	793	692	674	572	48%	3,007	3,092	-3%
Investment income (loss) <sup>4</sup>	348	(833)	37	187	304	14%	(261)	625	-
General fund benefits and withdrawals	(362)	(236)	(249)	(208)	(251)	44%	(1,055)	(854)	24%
Segregated, mutual and other fund benefits and withdrawals	(159)	(160)	(194)	(272)	(203)	-22%	(785)	(869)	-10%
Other <sup>5</sup>	(246)	918	326	(76)	700	-	922	2,747	-66%
<b>Ending balance</b>	29,732	29,303	28,821	28,209	27,904	7%	29,732	27,904	7%

<sup>4</sup> Investment income consists of gross investment income (loss) for the general fund and includes interest, dividends and net realized and unrealized investment gains and losses for the segregated funds and mutual funds.

<sup>5</sup> Other is comprised of all changes to the statement of income and the statement of financial position that are not specifically identified in the roll forward. This includes general expenses, investment expenses, taxes, impact of currency changes, changes in receivables and payables, transfer to/from other business units and changes in allocated capital.

**Number of Agents**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Number of agents	3,155	3,172	3,200	3,158	3,238	-3%	3,155	3,238	-3%

**Canadian \$ in millions - Key Metrics**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Net income (loss) attributed to shareholders	174	(615)	(105)	225	281	-38%	(321)	167	-
Sales - Insurance	148	150	212	171	166	-11%	681	579	18%
Sales - Wealth management	254	167	155	134	117	117%	710	1,511	-53%
Total premiums and deposits	867	779	670	663	578	50%	2,979	3,191	-7%
Total funds under management	30,238	30,443	27,791	27,413	27,752	9%	30,238	27,752	9%

**Yen in millions - Key Metrics**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Net income (loss) attributed to shareholders	13,217	(48,712)	(8,845)	18,800	22,921	-42%	(25,540)	9,436	-
Sales - Individual Insurance	11,184	11,861	17,926	14,237	13,530	-17%	55,208	48,974	13%
Sales - Wealth Management	19,178	13,197	13,076	11,161	9,538	101%	56,612	130,891	-57%
Total premiums and deposits	65,453	61,563	56,436	55,437	47,161	39%	238,889	273,198	-13%
Total funds under management	2,288,990	2,256,697	2,323,626	2,334,933	2,263,592	1%	2,288,990	2,263,592	1%

**CANADIAN DIVISION**

(Canadian \$ in millions, unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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**Statements of Income**

<b>Revenue</b>									
Premium income									
Gross premiums	2,087	1,976	2,007	2,077	2,064	1%	8,147	8,370	-3%
Premiums ceded to reinsurers	(1,244)	(1,184)	(1,145)	(1,158)	(1,164)	7%	(4,731)	(4,515)	
<b>Investment income</b>	758	746	746	730	713	6%	2,980	2,669	12%
<b>Other revenue</b>	493	436	501	552	463	6%	1,982	1,762	12%
<b>Subtotal revenue</b>	2,094	1,974	2,109	2,201	2,076	1%	8,378	8,286	1%
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>1</sup>	999	1,960	538	(424)	(382)	-	3,073	1,273	141%
<b>Total revenue</b>	3,093	3,934	2,647	1,777	1,694	83%	11,451	9,559	20%
<b>Contract benefits and expenses</b>									
To contractholders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities	3,080	4,025	2,375	1,357	1,472	109%	10,837	9,188	18%
Ceded benefits and expenses and change in reinsurance assets	(1,073)	(959)	(803)	(978)	(981)	9%	(3,813)	(3,539)	8%
Change in investment contract liabilities	(1)	(2)	(3)	3	(8)	-88%	(3)	(16)	-81%
General expenses	315	294	290	294	300	5%	1,193	1,102	8%
Investment expenses	80	80	81	77	82	-2%	318	307	4%
Commissions	311	288	291	316	329	-5%	1,206	1,140	6%
Other	113	196	116	96	111	2%	521	385	35%
<b>Total contract benefits and expenses</b>	2,825	3,922	2,347	1,165	1,305	116%	10,259	8,567	20%
<b>Income before income taxes</b>	268	12	300	612	389	-31%	1,192	992	20%
Income tax (expense) recovery	(21)	18	(35)	(105)	109	-	(143)	108	-
<b>Net income</b>	247	30	265	507	498	-50%	1,049	1,100	-5%
Less net income attributed to participating policyholders	6	126	5	2	3	100%	139	15	827%
<b>Net income (loss) attributed to shareholders <sup>2</sup></b>	241	(96)	260	505	495	-51%	910	1,085	-16%

<sup>1</sup> For fixed income assets supporting insurance and investment contract liabilities, equities supporting pass through products and derivatives related to variable annuity hedging programs, the impact of realized/unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.

<sup>2</sup> See the Q4 press release for a description of Q4 2011 results compared to Q4 2010.

**Source of Earnings**

Expected profit from in-force business	211	221	228	230	231	-9%	890	902	-1%
Impact of new business	(80)	(55)	(41)	(41)	(56)	43%	(217)	(166)	31%
Experience gains (losses)	88	(289)	52	372	168	-48%	223	88	153%
Management actions and changes in assumptions	8	-	12	-	(1)	-	20	(4)	-
Earnings on surplus funds	54	55	55	55	47	15%	219	187	17%
Other	(19)	(46)	(11)	(6)	(3)	533%	(82)	(30)	173%
<b>Income (loss) before income taxes</b>	262	(114)	295	610	386	-32%	1,053	977	8%
Income tax (expense) recovery	(21)	18	(35)	(105)	109	-	(143)	108	-
<b>Net income (loss) attributed to shareholders</b>	241	(96)	260	505	495	-51%	910	1,085	-16%

**Premiums and Deposits**

Premiums	843	792	862	919	900	-6%	3,416	3,855	-11%
Segregated fund deposits excluding variable annuity not targeted for growth <sup>3</sup>	951	746	831	1,058	789	21%	3,586	3,143	14%
Mutual fund deposits	287	423	691	595	407	-29%	1,996	1,379	45%
ASO premium equivalents	666	666	663	684	662	1%	2,679	2,647	1%
Group Benefits ceded	941	931	933	949	933	1%	3,754	3,675	2%
<b>Premiums and deposits excluding variable annuity segregated fund deposits not targeted for growth <sup>3</sup></b>	3,688	3,558	3,980	4,205	3,691	0%	15,431	14,699	5%
Variable annuity segregated fund deposits not targeted for growth	585	384	409	529	612	-4%	1,907	1,887	1%
<b>Total premiums and deposits</b>	4,273	3,942	4,389	4,734	4,303	-1%	17,338	16,586	5%

<sup>3</sup> Segregated fund deposits include deposits on group retirement products and sales of low guarantee variable annuity products such as InvestmentPlus and PensionBuilder.

**Funds Under Management**

General fund	73,857	72,415	68,395	67,195	66,407	11%	73,857	66,407	11%
Segregated funds	40,826	38,842	41,606	42,124	40,773	0%	40,826	40,773	0%
Mutual funds, including assets held by segregated funds	17,708	16,866	18,105	17,970	16,760	6%	17,708	16,760	6%
Less: Mutual funds held by segregated funds	(10,333)	(9,703)	(10,310)	(10,367)	(9,546)	8%	(10,333)	(9,546)	8%
<b>Total funds under management</b>	122,058	118,420	117,796	116,922	114,394	7%	122,058	114,394	7%

**CANADA - INDIVIDUAL INSURANCE**

(Canadian \$ in millions, unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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**Statements of Income**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	963	879	900	858	905	6%	3,600	3,386	6%
Premiums ceded to reinsurers	(285)	(240)	(196)	(193)	(214)	33%	(914)	(771)	19%
<b>Investment income</b>	298	296	298	286	275	8%	1,178	1,042	13%
<b>Other revenue</b>	2	10	5	6	6	-67%	23	22	5%
<b>Subtotal revenue</b>	978	945	1,007	957	972	1%	3,887	3,679	6%
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>1</sup>	693	841	225	(50)	41	nm	1,709	1,019	68%
<b>Total revenue</b>	1,671	1,786	1,232	907	1,013	65%	5,596	4,698	19%
<b>Contract benefits and expenses</b>									
To contractholders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities	1,459	1,622	1,009	435	885	65%	4,525	4,233	7%
Ceded benefits and expenses and change in reinsurance assets	(334)	(246)	(86)	(234)	(265)	26%	(900)	(697)	29%
General expenses	102	93	90	92	95	7%	377	346	9%
Investment expenses	18	16	19	15	18	0%	68	68	0%
Commissions	134	120	111	117	136	-1%	482	460	5%
Other	22	21	19	19	20	10%	81	77	5%
<b>Total contract benefits and expenses</b>	1,401	1,626	1,162	444	889	58%	4,633	4,487	3%
<b>Income before income taxes</b>	270	160	70	463	124	118%	963	211	356%
Income tax (expense) recovery	(51)	(1)	2	(95)	51	-	(145)	81	-
<b>Net income</b>	219	159	72	368	175	25%	818	292	180%
Less net income attributed to participating policyholders <sup>2</sup>	6	126	5	2	3	100%	139	15	827%
<b>Net income attributed to shareholders<sup>3</sup></b>	213	33	67	366	172	24%	679	277	145%

<sup>1</sup> For fixed income assets supporting insurance and investment contract liabilities and for equities supporting pass through products, the impact of realized/ unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.

<sup>2</sup> The increase in income attributed to participating policyholders in the third quarter of 2011 is primarily due to the impact of changes in actuarial assumptions.

<sup>3</sup> Year over year increase reflects favorable market and investment experience driven by decline in the swap curve and decline in yields in the current quarter.

**Sales**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>New annualized premium sales</b>									
Life and living benefits <sup>4</sup>	58	48	50	54	72	-19%	210	223	-6%
Other <sup>5</sup>	16	16	17	17	15	7%	66	59	12%
<b>Total new annualized premium sales</b>	74	64	67	71	87	-15%	276	282	-2%
<b>Single premium sales<sup>6</sup></b>									
	81	76	43	55	66	23%	255	216	18%

<sup>4</sup> Sales of life and living benefits consist of 100% of recurring premiums and 10% of excess premiums in accordance with guidance from LIMRA International. Life and living benefits sales include products sold through all individual distribution sources, including Affinity Markets.

<sup>5</sup> Living benefits include disability, critical illness and long-term care products.

<sup>6</sup> Other includes products such as health, dental and mortgage creditor insurance.

<sup>7</sup> Single premium sales include travel insurance, credit card balance coverage and auto creditor insurance.

**Premiums and Deposits**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Premiums	678	639	704	665	691	-2%	2,686	2,615	3%
Segregated fund deposits	2	2	1	2	2	0%	7	7	0%
ASO premium equivalents	15	12	13	13	14	7%	53	54	-2%
<b>Total premiums and deposits</b>	695	653	718	680	707	-2%	2,746	2,676	3%

**Funds Under Management**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
General fund	28,784	27,831	26,508	26,000	25,485	13%	28,784	25,485	13%
Segregated funds	187	184	211	225	222	-16%	187	222	-16%
<b>Total funds under management</b>	28,971	28,015	26,719	26,225	25,707	13%	28,971	25,707	13%

**Changes in General and Segregated Funds Under Management**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Beginning balance</b>									
Premiums and deposits	680	641	705	667	693	-2%	2,693	2,622	3%
Investment income <sup>7</sup>	1,000	1,113	513	244	334	199%	2,870	2,091	37%
Benefits and withdrawals	(265)	(236)	(347)	(364)	(308)	-14%	(1,212)	(1,222)	-1%
Other <sup>8</sup>	(459)	(222)	(377)	(29)	51	-	(1,087)	(154)	606%
<b>Ending balance</b>	28,971	28,015	26,719	26,225	25,707	13%	28,971	25,707	13%

<sup>7</sup> Investment income consists of gross investment income for the general fund and interest, dividends and net realized and unrealized gains and losses for the segregated funds.

<sup>8</sup> Other is comprised of all changes to the statement of income and the statement of financial position that are not specifically identified in the roll forward. These include general expenses, investment expenses, taxes, changes in receivables and payables, transfers to/from other business units and changes in allocated capital.

**CANADA - INDIVIDUAL WEALTH MANAGEMENT**

(Canadian \$ in millions, unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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**Statements of Income**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	109	104	95	136	142	-23%	444	939	-53%
<b>Investment income</b>	331	323	319	313	308	7%	1,286	1,115	15%
<b>Other revenue</b>	282	288	297	299	309	-9%	1,166	1,127	3%
<b>Subtotal revenue</b>	722	715	711	748	759	-5%	2,896	3,181	-9%
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>1</sup>	207	933	240	(321)	(361)	-	1,059	114	829%
<b>Total revenue</b>	929	1,648	951	427	398	133%	3,955	3,295	20%
<b>Contract benefits and expenses</b>									
To contractholders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities	635	1,415	474	(26)	(133)	-	2,498	1,669	50%
Change in investment contract liabilities	(1)	(2)	(3)	3	(8)	-88%	(3)	(16)	-81%
General expenses	91	85	85	84	91	0%	345	314	10%
Investment expenses	48	49	48	49	50	-4%	194	185	5%
Commissions	134	127	137	155	153	-12%	553	524	6%
Other	69	155	78	55	71	-3%	357	229	56%
<b>Total contract benefits and expenses</b>	976	1,829	819	320	224	336%	3,944	2,905	36%
<b>Income (loss) before income taxes</b>	(47)	(181)	132	107	174	-	11	390	-97%
Income tax (expense) recovery	30	26	(23)	(12)	30	0%	21	28	-25%
<b>Net income (loss) attributed to shareholders<sup>2</sup></b>	(17)	(155)	109	95	204	-	32	418	-92%

<sup>1</sup> For fixed income assets supporting insurance and investment contract liabilities, equities supporting pass through products and derivatives related to variable annuity hedging programs, the impact of realized/unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.

<sup>2</sup> Year over year decrease reflects the impact of declines in the yield curve on unhedged interest and hedging of additional in-force guarantees.

**Premiums and Deposits**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Premiums	109	104	95	136	142	-23%	444	939	-53%
Mutual fund deposits	287	423	691	595	407	-29%	1,996	1,379	45%
Variable annuity segregated fund deposits targeted for growth <sup>3</sup>	285	147	176	223	195	46%	831	652	27%
<b>Premiums and deposits excluding variable annuity segregated funds not targeted for growth</b>	681	674	962	954	744	-9%	3,271	2,970	10%
Variable annuity segregated fund deposits not targeted for growth	585	384	409	529	612	-4%	1,907	1,887	1%
<b>Total premiums and deposits</b>	1,266	1,058	1,371	1,483	1,356	-7%	5,178	4,857	7%

<sup>3</sup> Segregated fund deposits targeted for growth include deposits on sales of low guarantee variable annuity products such as InvestmentPlus and PensionBuilder.

<b>Manulife Bank lending volumes<sup>4</sup></b>	1,204	1,172	1,215	1,078	1,210	0%	4,669	4,355	7%
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<sup>4</sup> Manulife Bank lending volumes represent bank loans and mortgages authorized in the period.

**Funds Under Management**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
General fund - Manulife Bank	19,976	20,213	19,105	18,649	17,829	12%	19,976	17,829	12%
General fund - Other	13,464	13,224	11,876	11,819	12,009	12%	13,464	12,009	12%
Segregated funds	24,692	23,576	25,358	25,933	25,407	-3%	24,692	25,407	-3%
Mutual funds, including assets held by segregated funds	17,708	16,866	18,105	17,970	16,760	6%	17,708	16,760	6%
Less: Mutual funds held by segregated funds	(10,333)	(9,703)	(10,310)	(10,367)	(9,546)	8%	(10,333)	(9,546)	8%
<b>Total funds under management</b>	65,507	64,176	64,134	64,004	62,459	5%	65,507	62,459	5%

**Changes in General, Segregated and Mutual Funds Under Management**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Beginning balance</b>	64,176	64,134	64,004	62,459	59,430	8%	62,459	57,296	9%
Premiums	1,266	1,058	1,371	1,483	1,356	-7%	5,178	4,857	7%
Bank deposits	(521)	1,122	509	600	576	-	1,710	1,566	9%
Investment income (loss) <sup>5</sup>	1,628	(1,191)	(22)	951	1,622	0%	1,366	4,431	-69%
General fund benefits and withdrawals	(370)	(318)	(322)	(351)	(333)	11%	(1,361)	(1,342)	1%
Segregated fund withdrawals	(436)	(432)	(588)	(684)	(635)	-31%	(2,140)	(2,245)	-5%
Mutual fund withdrawals	(307)	(299)	(304)	(427)	(372)	-17%	(1,337)	(1,455)	-8%
Other <sup>6</sup>	71	102	(514)	(27)	815	-91%	(368)	(649)	-43%
<b>Ending balance</b>	65,507	64,176	64,134	64,004	62,459	5%	65,507	62,459	5%

<sup>5</sup> Investment income for segregated and mutual funds includes net realized and unrealized investment gains and losses, interest and dividend revenue.

<sup>6</sup> Other for the general fund is comprised of all changes to the statement of income and the statement of financial position that are not specifically identified in the roll forward. These include general expenses, investment expenses, taxes, changes in receivables and payables and changes in allocated capital. Other for segregated and mutual funds includes expenses and transfers to/from other business units.

**CANADA - GROUP BUSINESSES**

(Canadian \$ in millions, unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Statements of Income</b>									
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	1,015	993	1,012	1,083	1,017	0%	4,103	4,045	1%
Premiums ceded to reinsurers	(959)	(944)	(949)	(965)	(950)	1%	(3,817)	(3,744)	2%
<b>Investment income</b>	129	127	129	131	130	-1%	516	512	1%
<b>Other revenue</b>	209	138	199	247	148	41%	793	613	29%
<b>Subtotal revenue</b>	394	314	391	496	345	14%	1,595	1,426	12%
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>1</sup>	99	186	73	(53)	(62)	-	305	140	118%
<b>Total revenue</b>	493	500	464	443	283	74%	1,900	1,566	21%
<b>Contract benefits and expenses</b>									
To contractholders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities	986	988	892	948	720	37%	3,814	3,286	16%
Ceded benefits and expenses and change in reinsurance assets	(739)	(713)	(717)	(744)	(716)	3%	(2,913)	(2,842)	2%
General expenses	122	116	115	118	114	7%	471	442	7%
Investment expenses	14	15	14	13	14	0%	56	54	4%
Commissions	43	41	43	44	40	8%	171	156	10%
Other	22	20	19	22	20	10%	83	79	5%
<b>Total contract benefits and expenses</b>	448	467	366	401	192	133%	1,682	1,175	43%
<b>Income before income taxes</b>	45	33	98	42	91	-51%	218	391	-44%
Income tax recovery (expense)	-	(7)	(14)	2	28	-100%	(19)	(1)	nm
<b>Net income attributed to shareholders <sup>2</sup></b>	45	26	84	44	119	-62%	199	390	-49%
<sup>1</sup> For assets supporting insurance and investment contract liabilities, the impact of realized/ unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.									
<sup>2</sup> Year over year decrease reflects the impact of declines in the yield curve.									
<b>Sales</b>									
Group Benefits <sup>3</sup>	90	85	81	100	77	17%	356	354	1%
Group Retirement Solutions - new annualized premium sales	23	74	71	68	14	64%	236	160	48%
Group Retirement Solutions - single premium sales	131	115	126	329	170	-23%	701	773	-9%
<b>Total sales</b>	244	274	278	497	261	-7%	1,293	1,287	0%
<sup>3</sup> Sales for the Group Benefits business are measured by new annualized premiums (including amendments) and single premium sales, including ASO premium equivalents.									
<b>Premiums and Deposits</b>									
Premiums	56	49	63	118	67	-16%	286	301	-5%
Segregated fund deposits	664	597	654	833	592	12%	2,748	2,484	11%
ASO premium equivalents	651	654	650	671	648	0%	2,626	2,593	1%
Group Benefits ceded	941	931	933	949	933	1%	3,754	3,675	2%
<b>Total premiums and deposits</b>	2,312	2,231	2,300	2,571	2,240	3%	9,414	9,053	4%
<b>Funds Under Management</b>									
General funds	11,633	11,147	10,906	10,727	11,084	5%	11,633	11,084	5%
Segregated funds	15,947	15,082	16,037	15,966	15,144	5%	15,947	15,144	5%
<b>Total funds under management</b>	27,580	26,229	26,943	26,693	26,228	5%	27,580	26,228	5%
<b>Changes in General and Segregated Funds Under Management</b>									
<b>Beginning balance</b>	26,229	26,943	26,693	26,228	25,181	4%	26,228	23,327	12%
Premiums and deposits	720	646	717	951	659	9%	3,034	2,785	9%
Investment income (loss) <sup>4</sup>	821	(812)	8	491	814	1%	508	2,092	-76%
Benefits and withdrawals	(408)	(363)	(406)	(481)	(426)	-4%	(1,658)	(1,607)	3%
Other <sup>5</sup>	218	(185)	(69)	(496)	-	-	(532)	(369)	44%
<b>Ending balance</b>	27,580	26,229	26,943	26,693	26,228	5%	27,580	26,228	5%
<sup>4</sup> Investment income (loss) consists of gross investment income for the general fund and interest, dividends and net realized and unrealized gains and losses for the segregated funds.									
<sup>5</sup> Other is comprised of all changes to the statement of income and the statement of financial position that are not specifically identified in the roll forward. These includes general expenses, investment expenses, taxes, changes in receivables and payables, transfers to/from other Business Units and changes in allocated capital.									

**U.S. INSURANCE**

(Unaudited)



	2011	2011	2011	2011	2010	2011 Q4	YTD	YTD	YTD 2011
	Q4	Q3	Q2	Q1	Q4	vs.	2011	2010	vs.
						2010 Q4			YTD 2010

**Statements of Income - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	1,943	1,871	1,820	1,940	2,033	-4%	7,574	7,554	0%
Premiums ceded to reinsurers	(399)	(335)	(338)	(296)	(349)	14%	(1,368)	(1,307)	5%
<b>Investment income</b>	905	842	849	851	791	14%	3,447	2,976	16%
<b>Other revenue</b>	185	203	182	172	179	3%	742	679	9%
<b>Subtotal revenue</b>	2,634	2,581	2,513	2,667	2,654	-1%	10,395	9,902	5%
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>1</sup>	664	7,538	1,043	(392)	(2,775)	-	8,853	909	874%
<b>Total revenue</b>	3,298	10,119	3,556	2,275	(121)	-	19,248	10,811	78%
<b>Contract benefits and expenses</b>									
To contractholders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities	3,323	10,232	2,788	1,507	(1,067)	-	17,850	10,557	69%
Ceded benefits and expenses and change in reinsurance assets	(1,201)	(457)	(209)	(329)	(215)	459%	(2,196)	(1,321)	66%
General expenses	167	155	157	150	163	2%	629	621	1%
Investment expenses	46	34	33	32	43	7%	145	133	9%
Commissions	257	235	224	263	303	-15%	979	1,103	-11%
Other	40	35	91	37	41	-2%	203	155	31%
<b>Total contract benefits and expenses</b>	2,632	10,234	3,084	1,660	(732)	-	17,610	11,248	57%
<b>Income (loss) before income taxes</b>	666	(115)	472	615	611	9%	1,638	(437)	-
Income tax (expense) recovery	(242)	55	(159)	(202)	(207)	17%	(548)	166	-
<b>Net income (loss) attributed to shareholders <sup>2</sup></b>	424	(60)	313	413	404	5%	1,090	(271)	-

<sup>1</sup> For fixed income assets supporting insurance and investment contract liabilities and for equities supporting pass through products, the impact of realized/unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.

The gains (losses) primarily relate to fair value movements on bonds and derivatives.

<sup>2</sup> See the Q4 press release for a description of Q4 2011 results compared to Q4 2010.

**Source of Earnings - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Expected profit from in-force business	185	179	172	162	172	8%	698	681	2%
Impact of new business	(77)	(47)	(16)	(16)	(33)	133%	(156)	(315)	-50%
Experience gains (losses)	532	(328)	241	411	391	36%	856	(1,056)	-
Management actions and changes in assumptions	(3)	-	-	-	(8)	-63%	(3)	(12)	-75%
Earnings on surplus funds	71	72	72	71	58	22%	286	231	24%
Other	(42)	9	3	(13)	31	-	(43)	34	-
<b>Income (loss) before income taxes</b>	666	(115)	472	615	611	9%	1,638	(437)	-
Income tax (expense) recovery	(242)	55	(159)	(202)	(207)	17%	(548)	166	-
<b>Net income (loss) attributed to shareholders</b>	424	(60)	313	413	404	5%	1,090	(271)	-

**Premiums and Deposits - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Premiums excluding universal life with lifetime no-lapse guarantees and guaranteed non-participating whole life	1,269	1,212	1,239	1,277	1,276	-1%	4,997	4,563	10%
Segregated fund deposits	398	340	295	314	385	3%	1,347	1,251	8%
Premiums - universal life with lifetime no-lapse guarantees and guaranteed non-participating whole life	275	324	243	367	408	-33%	1,209	1,684	-28%
<b>Total premiums and deposits</b>	1,942	1,876	1,777	1,958	2,069	-6%	7,553	7,498	1%

**Funds Under Management - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
General fund	77,811	75,904	66,405	64,184	62,041	25%	77,811	62,041	25%
Segregated funds	12,262	11,530	12,778	12,736	12,263	0%	12,262	12,263	0%
<b>Total funds under management</b>	90,073	87,434	79,183	76,920	74,304	21%	90,073	74,304	21%

**Canadian \$ in millions - Summary Statements of Operations and Key Metrics**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Revenue	3,374	9,924	3,442	2,242	(124)	-	18,982	11,190	70%
Total policy benefits and expenses	2,692	10,037	2,986	1,635	(744)	-	17,350	11,642	49%
Net income (loss) attributed to shareholders	434	(59)	303	407	409	6%	1,085	(281)	-
Total premiums and deposits	1,987	1,840	1,720	1,930	2,095	-5%	7,477	7,717	-3%
Total funds under management	91,604	90,836	76,356	74,751	73,903	24%	91,604	73,903	24%

**U.S. INSURANCE - JOHN HANCOCK LIFE**

(Unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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**Statements of Income - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	1,484	1,424	1,382	1,517	1,568	-5%	5,807	5,812	0%
Premiums ceded to reinsurers	(399)	(335)	(337)	(296)	(349)	14%	(1,367)	(1,306)	5%
<b>Investment income</b>	614	597	604	610	581	6%	2,425	2,243	8%
<b>Other revenue</b>	177	195	174	166	173	2%	712	654	9%
<b>Subtotal revenue</b>	1,876	1,881	1,823	1,997	1,973	-5%	7,577	7,403	2%
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>1</sup>	360	3,421	437	(102)	(1,077)	-	4,116	614	570%
<b>Total revenue</b>	2,236	5,302	2,260	1,895	896	150%	11,693	8,017	46%
<b>Contract benefits and expenses</b>									
To contractholders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities	2,744	5,766	1,745	1,421	39	nm	11,676	7,892	48%
Ceded benefits and expenses and change in reinsurance assets	(1,200)	(457)	(209)	(329)	(215)	458%	(2,195)	(1,320)	66%
General expenses	116	110	111	108	108	7%	445	425	5%
Investment expenses	29	25	24	24	29	0%	102	95	7%
Commissions	220	190	179	206	240	-8%	795	854	-7%
Other	32	27	85	28	33	-3%	172	123	40%
<b>Total contract benefits and expenses</b>	1,941	5,661	1,935	1,458	234	729%	10,995	8,069	36%
<b>Income (loss) before income taxes</b>	295	(359)	325	437	662	-55%	698	(52)	-
Income tax (expense) recovery	(114)	140	(108)	(141)	(225)	-49%	(223)	28	-
<b>Net income (loss) attributed to shareholders<sup>2</sup></b>	181	(219)	217	296	437	-59%	475	(24)	-

<sup>1</sup> For fixed income assets supporting insurance and investment contract liabilities and for equities supporting pass through products, the impact of realized/ unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.

<sup>2</sup> Year over year decrease is due to lower net experience gains related to the direct impact of equity markets and interest rates and other investment experience related gains and losses, the impact of lower sales volumes in relation to fixed acquisition expenses and less favourable tax items, partially offset by favourable claims experience.

**Sales - U.S. \$ in millions<sup>3</sup>**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Sales excluding universal life with lifetime no-lapse guarantees and guaranteed non-participating whole life	122	111	87	84	108	13%	404	316	28%
Sales - universal life with lifetime no-lapse guarantees and guaranteed non-participating whole life	17	14	15	35	67	-75%	79	261	-70%
<b>Total sales</b>	139	125	102	119	175	-21%	483	577	-16%

<sup>3</sup> Consists of 100% of recurring premiums and 10% of both excess and single premiums.

**Premiums and Deposits - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Premiums excluding universal life with lifetime no-lapse guarantees and guaranteed non-participating whole life	693	648	677	730	698	-1%	2,748	2,384	15%
Segregated fund deposits	294	237	206	227	298	-1%	964	907	6%
Premiums - universal life with lifetime no-lapse guarantees and guaranteed non-participating whole life	275	324	243	367	408	-33%	1,209	1,684	-28%
Premiums - International Group Program	117	117	125	124	113	4%	483	438	10%
<b>Total premiums and deposits</b>	1,379	1,326	1,251	1,448	1,517	-9%	5,404	5,413	0%

**Funds Under Management - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
General fund	52,879	51,826	47,128	45,858	44,840	18%	52,879	44,840	18%
Segregated funds	9,553	9,028	10,223	10,281	9,933	-4%	9,553	9,933	-4%
<b>Total funds under management</b>	62,432	60,854	57,351	56,139	54,773	14%	62,432	54,773	14%

**Changes in General and Segregated Funds Under Management - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Beginning balance</b>	60,854	57,351	56,139	54,773	54,524	12%	54,773	49,378	11%
Premiums and deposits	1,379	1,326	1,251	1,448	1,517	-9%	5,404	5,413	0%
Investment income <sup>4</sup>	1,565	2,893	1,104	925	131	nm	6,487	3,998	62%
Benefits and withdrawals	(1,029)	(1,052)	(1,130)	(1,086)	(1,122)	-8%	(4,297)	(4,422)	-3%
Other <sup>5</sup>	(337)	336	(13)	79	(277)	22%	65	406	-84%
<b>Ending balance</b>	62,432	60,854	57,351	56,139	54,773	14%	62,432	54,773	14%

<sup>4</sup> Investment income consists of gross investment income for the general fund and interest, dividends and net realized and unrealized gains and losses for the segregated funds.

<sup>5</sup> Other is comprised of all changes to the statement of income and the statement of financial position that are not specifically identified in the roll forward. These include general expenses, investment expenses, taxes, changes in receivables and payables, transfers to/from other Business Units and changes in allocated capital.

**Canadian \$ in millions - Key Metrics**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Net income (loss) attributed to shareholders	185	(215)	210	292	443	-58%	472	(31)	-
Sales	142	123	98	117	178	-20%	480	593	-19%
Total premiums and deposits	1,411	1,301	1,211	1,427	1,536	-8%	5,350	5,571	-4%
Total funds under management	63,494	63,222	55,304	54,557	54,477	17%	63,494	54,477	17%

**U.S. INSURANCE - JOHN HANCOCK LONG-TERM CARE**

(Unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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**Statements of Income - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	459	447	438	423	465	-1%	1,767	1,742	1%
Premiums ceded to reinsurers	-	-	(1)	-	-	-	(1)	(1)	0%
<b>Investment income</b>	291	245	245	241	210	39%	1,022	733	39%
<b>Other revenue</b>	8	8	8	6	6	33%	30	25	20%
<b>Subtotal revenue</b>	758	700	690	670	681	11%	2,818	2,499	13%
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>1</sup>	304	4,117	606	(290)	(1,698)	-	4,737	295	nm
<b>Total revenue</b>	1,062	4,817	1,296	380	(1,017)	-	7,555	2,794	170%
<b>Contract benefits and expenses</b>									
To contractholders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities	579	4,466	1,043	86	(1,106)	-	6,174	2,665	132%
Ceded benefits and expenses and change in reinsurance assets	(1)	-	-	-	-	-	(1)	(1)	0%
General expenses	51	45	46	42	55	-7%	184	196	-6%
Investment expenses	17	9	9	8	14	21%	43	38	13%
Commissions	37	45	45	57	63	-41%	184	249	-26%
Other	8	8	6	9	8	0%	31	32	-3%
<b>Total contract benefits and expenses</b>	691	4,573	1,149	202	(966)	-	6,615	3,179	108%
<b>Income (loss) before income taxes</b>	371	244	147	178	(51)	-	940	(385)	-
Income tax (expense) recovery	(128)	(85)	(51)	(61)	18	-	(325)	138	-
<b>Net income (loss) attributed to shareholders <sup>2</sup></b>	243	159	96	117	(33)	-	615	(247)	-

<sup>1</sup> For fixed income assets supporting insurance and investment contract liabilities and for equities supporting pass through products, the impact of realized/ unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.

<sup>2</sup> Year over year increase is due to net experience gains related to the direct impact of equity markets and interest rates and other investment experience related gains and losses and favourable claims experience, partially offset by the impact of lower sales volumes in relation to fixed acquisition expenses.

**Sales - U.S. \$ in millions**

New annualized premiums	15	70	31	26	42	-64%	142	207	-31%
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**Premiums and Deposits - U.S. \$ in millions**

Premiums	459	447	437	423	465	-1%	1,766	1,741	1%
Segregated fund deposits	104	103	89	87	87	20%	383	344	11%
<b>Total premiums and deposits</b>	563	550	526	510	552	2%	2,149	2,085	3%

**Funds Under Management - U.S. \$ in millions**

General fund	24,932	24,078	19,277	18,326	17,201	45%	24,932	17,201	45%
Segregated funds	2,709	2,502	2,555	2,455	2,330	16%	2,709	2,330	16%
<b>Total funds under management</b>	27,641	26,580	21,832	20,781	19,531	42%	27,641	19,531	42%

**Changes in General and Segregated Funds Under Management - U.S. \$ in millions**

<b>Beginning balance</b>	26,580	21,832	20,781	19,531	20,602	29%	19,531	14,189	38%
Premiums and deposits	563	550	526	510	552	2%	2,149	2,085	3%
Investment income (loss) <sup>3</sup>	730	4,236	893	14	(1,442)	-	5,873	1,255	368%
Benefits and withdrawals	(189)	(195)	(181)	(172)	(173)	9%	(737)	(660)	12%
Other <sup>4</sup>	(43)	157	(187)	898	(8)	438%	825	2,662	-69%
<b>Ending balance</b>	27,641	26,580	21,832	20,781	19,531	42%	27,641	19,531	42%

<sup>3</sup> Investment income (loss) consists of gross investment income (loss) for the general fund and interest, dividends and net realized and unrealized gains and losses for the segregated funds.

<sup>4</sup> Other is comprised of all changes to the statement of income and the statement of financial position that are not specifically identified in the roll forward. These include general expenses, investment expenses, taxes, changes in receivables and payables, transfers to/from other Business Units and changes in allocated capital.

**Canadian \$ in millions - Key Metrics**

Net income (loss) attributed to shareholders	249	156	93	115	(34)	-	613	(250)	-
Sales	14	69	31	25	43	-67%	139	214	-35%
Total premiums and deposits	576	539	509	503	559	3%	2,127	2,146	-1%
Funds under management	28,110	27,614	21,052	20,194	19,426	45%	28,110	19,426	45%

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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Statements of Income - U.S. \$ in millions

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	469	415	364	517	595	-21%	1,765	2,324	-24%
Premiums ceded to reinsurers	-	(1)	-	-	-	-	(1)	-	-
<b>Investment income</b>	509	514	461	530	489	4%	2,014	1,699	19%
<b>Other revenue</b>	694	706	752	733	720	-4%	2,885	2,722	6%
<b>Subtotal revenue</b>	1,672	1,634	1,577	1,780	1,803	-7%	6,663	6,745	-1%
Realized/ unrealized gains (losses) on assets supporting insurance and investment contract liabilities <sup>1</sup>	(679)	3,974	488	(351)	(1,656)	-59%	3,432	416	725%
<b>Total revenue</b>	993	5,608	2,065	1,429	147	576%	10,095	7,161	41%
<b>Contract benefits and expenses</b>									
To contractholders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities	305	7,381	1,455	324	(1,760)	-	9,465	4,159	128%
Ceded benefits and expenses and change in reinsurance assets	89	(730)	(102)	112	387	-77%	(631)	(197)	220%
Change in investment contract liabilities	16	17	24	37	19	-16%	94	113	-17%
General expenses	188	169	165	165	162	16%	687	630	9%
Investment expenses	128	121	122	119	126	2%	490	450	9%
Commissions	193	193	220	213	211	-9%	819	807	1%
Other	8	3	3	3	3	167%	17	14	21%
<b>Total contract benefits and expenses</b>	927	7,154	1,887	973	(852)	-	10,941	5,976	83%
<b>Income (loss) before income taxes</b>	66	(1,546)	178	456	999	-93%	(846)	1,185	-
Income tax (expense) recovery	8	562	(44)	(139)	(324)	-	387	(326)	-
<b>Net income (loss) attributed to shareholders<sup>2</sup></b>	74	(984)	134	317	675	-89%	(459)	859	-

<sup>1</sup> For fixed income assets supporting insurance and investment contract liabilities, equities supporting pass through products and derivatives related to variable annuity hedging programs, the impact of realized/unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits. The gains (losses) relate to fair value movements on bonds and derivatives.

<sup>2</sup> See the Q4 press release for a description of Q4 2011 results compared to Q4 2010.

Source of Earnings - U.S. \$ in millions

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Expected profit from in-force business	162	197	207	199	224	-28%	765	788	-3%
Impact of new business	(38)	(45)	(52)	(37)	(23)	65%	(172)	(98)	76%
Experience gains (losses)	(83)	(1,726)	(21)	253	764	-	(1,577)	248	-
Management actions and changes in assumptions	(20)	-	-	(2)	(5)	300%	(22)	79	-
Earnings on surplus funds	42	42	43	42	43	-2%	169	172	-2%
Other	3	(14)	1	1	(4)	-	(9)	(4)	125%
<b>Income (loss) before income taxes</b>	66	(1,546)	178	456	999	-93%	(846)	1,185	-
Income tax (expense) recovery	8	562	(44)	(139)	(324)	-	387	(326)	-
<b>Net income (loss) attributed to shareholders</b>	74	(984)	134	317	675	-89%	(459)	859	-

Premiums and Deposits - U.S. \$ in millions

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Premiums excluding variable annuities and book value fixed deferred annuities	411	329	265	429	494	-17%	1,434	1,844	-22%
Investment contract deposits	101	27	42	97	133	-24%	267	290	-8%
Segregated fund deposits excluding variable annuities	2,938	2,998	2,870	3,297	3,067	-4%	12,103	12,278	-1%
Mutual fund deposits	2,324	2,776	3,283	3,363	2,391	-3%	11,746	9,169	28%
Other fund deposits	129	162	247	171	144	-10%	709	517	37%
<b>Premiums and deposits excluding variable annuities and book value fixed deferred annuities</b>	5,903	6,292	6,707	7,357	6,229	-5%	26,259	24,098	9%
Premiums and deposits- variable annuities	329	412	525	527	579	-43%	1,793	2,628	-32%
Premiums - book value fixed deferred annuities	8	14	12	9	13	-38%	43	132	-67%
<b>Total premiums and deposits</b>	6,240	6,718	7,244	7,893	6,821	-9%	28,095	26,858	5%

Funds Under Management - U.S. \$ in millions

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
General fund	35,275	35,757	32,245	31,852	33,287	6%	35,275	33,287	6%
Segregated funds	115,153	109,411	123,994	124,584	120,673	-5%	115,153	120,673	-5%
Mutual funds	31,728	29,863	34,134	32,939	30,347	5%	31,728	30,347	5%
Other funds	3,960	3,689	4,073	3,910	3,762	5%	3,960	3,762	5%
<b>Total funds under management</b>	186,116	178,720	194,446	193,285	188,069	-1%	186,116	188,069	-1%

Canadian \$ in millions - Summary Statements of Operations and Key Metrics

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Revenue	1,016	5,500	1,998	1,409	153	564%	9,923	7,405	34%
Total policy benefits and expenses	948	7,016	1,826	960	(859)	-	10,750	6,190	74%
Net income (loss) attributed to shareholders	76	(965)	130	312	684	-89%	(447)	882	-
Total premiums and deposits	6,384	6,590	7,011	7,779	6,906	-8%	27,763	27,658	0%
Total funds under management	189,281	185,673	187,505	187,835	187,054	1%	189,281	187,054	1%

**U.S. WEALTH MANAGEMENT - JOHN HANCOCK VARIABLE ANNUITIES**

(Unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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**Statements of Income - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	50	72	87	79	88	-43%	288	348	-17%
Premiums ceded to reinsurers	-	(1)	-	-	-	-	(1)	-	-
<b>Investment income</b>	108	104	85	74	63	71%	371	196	89%
<b>Other revenue</b>	364	379	397	392	393	-7%	1,532	1,513	1%
<b>Subtotal revenue</b>	522	554	569	545	544	-4%	2,190	2,057	6%
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>1</sup>	(770)	3,112	168	(356)	(1,188)	-35%	2,154	(479)	-
<b>Total revenue</b>	(248)	3,666	737	189	(644)	-61%	4,344	1,578	175%
<b>Contract benefits and expenses</b>									
To contractholders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities	(543)	5,905	658	(280)	(1,862)	-71%	5,740	676	749%
Ceded benefits and expenses and change in reinsurance assets	92	(729)	(101)	111	388	-76%	(627)	(192)	227%
General expenses	48	43	43	42	47	2%	176	186	-5%
Investment expenses	29	29	30	30	31	-6%	118	121	-2%
Commissions	87	90	101	100	99	-12%	378	393	-4%
Other	3	-	1	-	-	-	4	3	33%
<b>Total contract benefits and expenses</b>	(284)	5,338	732	3	(1,297)	-78%	5,789	1,187	388%
<b>Income (loss) before income taxes</b>	36	(1,672)	5	186	653	-94%	(1,445)	391	-
Income tax (expense) recovery	-	600	6	(57)	(220)	-	549	(105)	-
<b>Net income (loss) attributed to shareholders <sup>2</sup></b>	36	(1,072)	11	129	433	-92%	(896)	286	-

<sup>1</sup> For fixed income assets supporting insurance and investment contract liabilities, equities supporting pass through products and derivatives related to variable annuity hedging programs, the impact of realized/ unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.

<sup>2</sup> Year over year decrease is due to net experience losses related to the direct impact of equity markets and interest rates, charges on variable annuity guarantee liabilities that are dynamically hedged and other investment experience related gains and losses, lower fee income from lower average assets under management, costs associated with the hedging of additional in-force variable annuity guaranteed value and costs associated with staff reductions.

**Sales/Premiums and Deposits - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Premiums	50	71	87	79	88	-43%	287	348	-18%
Segregated fund deposits	279	341	438	448	491	-43%	1,506	2,280	-34%
<b>Total premiums and deposits</b>	329	412	525	527	579	-43%	1,793	2,628	-32%

**Funds Under Management - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
General fund	3,388	3,953	1,033	688	816	315%	3,388	816	315%
Segregated funds	50,380	48,596	55,349	56,239	55,369	-9%	50,380	55,369	-9%
<b>Total funds under management</b>	53,768	52,549	56,382	56,927	56,185	-4%	53,768	56,185	-4%

**Changes in General and Segregated Funds Under Management - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Beginning balance</b>	52,549	56,382	56,927	56,185	55,021	-4%	56,185	54,265	4%
Premiums and deposits	329	412	525	527	579	-43%	1,793	2,628	-32%
Investment income (loss) <sup>3</sup>	2,246	(2,370)	671	1,690	1,952	15%	2,237	5,615	-60%
Withdrawals	(1,222)	(1,350)	(1,570)	(1,382)	(1,265)	-3%	(5,524)	(4,359)	27%
Other <sup>4</sup>	(134)	(525)	(171)	(93)	(102)	31%	(923)	(1,964)	-53%
<b>Ending balance</b>	53,768	52,549	56,382	56,927	56,185	-4%	53,768	56,185	-4%

<sup>3</sup> Investment income (loss) consists of gross investment income for the general fund and interest, dividends and net realized and unrealized gains and losses for the segregated funds.

<sup>4</sup> Other is comprised of all changes to the statement of income and the statement of financial position that are not specifically identified in the roll forward. These include general expenses, investment expenses, taxes, changes in receivables and payables, transfers to/from other Business Units and changes in allocated capital.

**Canadian \$ in millions - Key Metrics**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Net income (loss) attributed to shareholders	37	(1,051)	11	127	439	-92%	(876)	293	-
Total sales/premiums and deposits	337	403	508	520	586	-42%	1,768	2,707	-35%
<b>Total funds under management</b>	54,683	54,594	54,370	55,323	55,881	-2%	54,683	55,881	-2%

**U.S. WEALTH MANAGEMENT - JOHN HANCOCK WEALTH ASSET MANAGEMENT**



(Unaudited)	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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**Statements of Income - U.S. \$ in millions**

<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	34	36	29	41	37	-8%	140	166	-16%
<b>Investment income</b>	12	14	13	13	14	-14%	52	61	-15%
<b>Other revenue</b>	318	323	339	326	314	1%	1,306	1,163	12%
<b>Subtotal revenue</b>	364	373	381	380	365	0%	1,498	1,390	8%
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>1</sup>	(3)	(8)	1	1	(10)	-70%	(9)	(7)	29%
<b>Total revenue</b>	361	365	382	381	355	2%	1,489	1,383	8%
<b>Contract benefits and expenses</b>									
To contractholders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities	36	44	44	51	29	24%	175	177	-1%
General expenses	112	101	99	99	92	22%	411	354	16%
Investment expenses	78	75	76	74	70	11%	303	252	20%
Commissions	97	99	114	104	98	-1%	414	369	12%
Other	2	-	-	-	-	-	2	-	-
<b>Total contract benefits and expenses</b>	325	319	333	328	289	12%	1,305	1,152	13%
<b>Income before income taxes</b>	36	46	49	53	66	-45%	184	231	-20%
Income tax expense	(1)	(16)	(14)	(13)	(15)	-93%	(44)	(58)	-24%
<b>Net income attributed to shareholders<sup>2</sup></b>	35	30	35	40	51	-31%	140	173	-19%

<sup>1</sup> For fixed income assets supporting insurance and investment contract liabilities and equities supporting pass through products, the impact of realized/unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.

<sup>2</sup> Year over year decrease is due to lower net experience gains related to the direct impact of equity markets and interest rates and other investment experience related gains and losses and costs associated with staff reductions.

**Sales - U.S. \$ in millions**

Sales - Defined contribution <sup>3</sup>	1,383	1,170	993	1,191	1,538	-10%	4,737	5,106	-7%
Sales - Mutual and other funds <sup>4</sup>	2,453	2,938	3,530	3,534	2,535	-3%	12,455	9,686	29%

<sup>3</sup> Defined contribution sales include new annualized and first year single premium sales.

<sup>4</sup> Other funds include sales of College Savings (529 plan) and Privately Managed Accounts.

**Premiums and Deposits - U.S. \$ in millions**

Premiums	34	36	29	41	37	-8%	140	166	-16%
Segregated fund deposits	2,862	2,942	2,816	3,211	3,013	-5%	11,831	11,849	0%
Mutual fund deposits	2,324	2,776	3,283	3,363	2,391	-3%	11,746	9,169	28%
Other fund deposits <sup>5</sup>	129	162	247	171	144	-10%	709	517	37%
<b>Total premiums and deposits</b>	5,349	5,916	6,375	6,786	5,585	-4%	24,426	21,701	13%

<sup>5</sup> Other fund deposits include College Savings (529 plan) and Privately Managed Accounts.

**Funds Under Management - U.S. \$ in millions**

General fund	1,494	1,478	1,439	1,382	1,736	-14%	1,494	1,736	-14%
Segregated funds	61,115	57,240	65,131	64,816	61,712	-1%	61,115	61,712	-1%
Mutual funds	31,728	29,863	34,134	32,939	30,347	5%	31,728	30,347	5%
Other funds <sup>6</sup>	3,960	3,689	4,073	3,910	3,762	5%	3,960	3,762	5%
<b>Total funds under management</b>	98,297	92,270	104,777	103,047	97,557	1%	98,297	97,557	1%

<sup>6</sup> Other funds include College Savings (529 plan) and Privately Managed Accounts.

**Changes in General, Segregated, Mutual and Other Funds Under Management - U.S. \$ in millions**

<b>Beginning balance</b>	92,270	104,777	103,047	97,557	90,788	2%	97,557	81,387	20%
Premiums and deposits - Defined contribution	2,896	2,978	2,845	3,252	3,050	-5%	11,971	12,015	0%
Premiums and deposits - Mutual and other funds	2,453	2,938	3,530	3,534	2,535	-3%	12,455	9,686	29%
Investment income (loss) <sup>7</sup>	6,006	(12,746)	292	3,906	6,079	-1%	(2,542)	11,431	-
Withdrawals - Defined contribution	(2,816)	(2,469)	(2,553)	(2,707)	(3,003)	-6%	(10,545)	(9,811)	7%
Withdrawals - Mutual and other funds	(2,354)	(3,001)	(2,195)	(1,946)	(1,761)	34%	(9,496)	(6,565)	45%
Other <sup>8</sup>	(158)	(207)	(189)	(549)	(131)	21%	(1,103)	(586)	88%
<b>Ending balance</b>	98,297	92,270	104,777	103,047	97,557	1%	98,297	97,557	1%

<sup>7</sup> Investment income (loss) consists of gross investment income for the general fund and interest, dividends and net realized and unrealized gains and losses for the segregated funds, mutual funds and other funds.

<sup>8</sup> Other is comprised of all changes to the statement of income and the statement of financial position that are not specifically identified in the roll forward. These include general expenses, investment expenses, taxes, changes in receivables and payables, transfers to/from other Business Units and changes in allocated capital.

**Canadian \$ in millions - Key Metrics**

Net income attributed to shareholders	36	28	35	39	52	-31%	138	179	-23%
Sales - Defined contribution	1,416	1,146	962	1,174	1,558	-9%	4,698	5,254	-11%
Sales - Mutual and other funds	2,510	2,882	3,417	3,483	2,566	-2%	12,291	9,973	23%
Total premiums and deposits	5,474	5,803	6,171	6,687	5,656	-3%	24,134	22,348	8%
<b>Total funds under management</b>	99,970	95,859	101,037	100,140	97,032	3%	99,970	97,032	3%

**U.S. WEALTH MANAGEMENT - JOHN HANCOCK FIXED PRODUCTS**

(Unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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**Statements of Income - U.S. \$ in millions**

<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	385	307	248	397	470	-18%	1,337	1,810	-26%
<b>Investment income</b>	389	396	363	443	412	-6%	1,591	1,442	10%
<b>Other revenue</b>	12	4	16	15	13	-8%	47	46	2%
<b>Subtotal revenue</b>	786	707	627	855	894	-12%	2,975	3,298	-10%
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>1</sup>	94	870	319	4	(458)	-	1,287	902	43%
<b>Total revenue</b>	880	1,577	946	859	436	102%	4,262	4,200	1%
<b>Contract benefits and expenses</b>									
To contractholders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities	812	1,432	753	553	73	nm	3,550	3,306	7%
Ceded benefits and expenses and change in reinsurance assets	(3)	(1)	(1)	1	(1)	200%	(4)	(5)	-20%
Change in investment contract liabilities	16	17	24	37	19	-16%	94	113	-17%
General expenses	28	25	23	24	23	22%	100	90	11%
Investment expenses	21	17	16	15	25	-16%	69	77	-10%
Commissions	9	4	5	9	14	-36%	27	45	-40%
Other	3	3	2	3	3	0%	11	11	0%
<b>Total contract benefits and expenses</b>	886	1,497	822	642	156	468%	3,847	3,637	6%
<b>Income before income taxes</b>	(6)	80	124	217	280	-	415	563	-26%
Income tax expense	9	(22)	(36)	(69)	(89)	-	(118)	(163)	-28%
<b>Net income attributed to shareholders <sup>2</sup></b>	3	58	88	148	191	-98%	297	400	-26%

<sup>1</sup> For fixed income assets supporting insurance and investment contract liabilities and for equities supporting pass through products, the impact of realized/ unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.

<sup>2</sup> Year over year decrease is due to net experience losses related to the direct impact of equity markets and interest rates and other investment experience related gains and losses, unfavourable fixed annuity claims experience, the impact of lower sales of fixed annuities and costs associated with staff reductions.

**Sales - U.S. \$ in millions**

Fixed deferred annuities excluding book value fixed deferred annuities	100	42	36	104	20	403%	281	204	38%
Book value fixed deferred annuities	8	13	12	9	12	-34%	43	131	-67%
Payout annuities	221	96	95	175	265	-17%	587	951	-38%
Fee-based products <sup>3</sup>	19	25	15	12	38	-50%	71	171	-58%
<b>Total sales</b>	348	176	158	300	335	4%	982	1,457	-33%

<sup>3</sup> Fee-based products include general account group annuity contracts and separate accounts.

**Premiums and Deposits - U.S. \$ in millions**

Premiums excluding book value fixed deferred annuities	377	293	236	388	457	-18%	1,294	1,678	-23%
Investment contract deposits	101	27	42	97	133	-24%	267	290	-8%
Segregated fund deposits	76	56	54	86	54	41%	272	429	-37%
Premiums - book value fixed deferred annuities	8	14	12	9	13	-38%	43	132	-67%
<b>Total premiums and deposits</b>	562	390	344	580	657	-14%	1,876	2,529	-26%

**Funds Under Management - U.S. \$ in millions**

General fund	30,393	30,326	29,773	29,782	30,735	-1%	30,393	30,735	-1%
Segregated funds	3,658	3,575	3,514	3,529	3,592	2%	3,658	3,592	2%
<b>Total funds under management</b>	34,051	33,901	33,287	33,311	34,327	-1%	34,051	34,327	-1%

**Changes in General and Segregated Funds Under Management - U.S. \$ in millions**

<b>Beginning balance</b>	33,901	33,287	33,311	34,327	35,283	-4%	34,327	33,967	1%
Premiums and deposits	562	390	344	580	657	-14%	1,876	2,529	-26%
Investment income (loss) <sup>4</sup>	609	1,379	758	487	(61)	-	3,233	2,720	19%
Withdrawals	(931)	(1,255)	(1,073)	(1,490)	(1,423)	-35%	(4,749)	(4,916)	-3%
Other <sup>5</sup>	(90)	100	(53)	(593)	(129)	-30%	(636)	27	-
<b>Ending balance</b>	34,051	33,901	33,287	33,311	34,327	-1%	34,051	34,327	-1%

<sup>4</sup> Investment income consists of gross investment income for the general fund and interest, dividends and net realized and unrealized gains and losses for the segregated funds.

<sup>5</sup> Other is comprised of all changes to the statement of income and the statement of financial position that are not specifically identified in the roll forward. These include general expenses, investment expenses, taxes, changes in receivables and payables, transfers to/ from other Business Units and changes in allocated capital.

**Canadian \$ in millions - Key Metrics**

Net income attributed to shareholders	3	58	84	146	193	-98%	291	410	-29%
Sales	356	173	153	295	339	5%	977	1,501	-35%
Total premiums and deposits	573	384	332	572	664	-14%	1,861	2,603	-29%
Total funds under management	34,628	35,220	32,098	32,372	34,141	1%	34,628	34,141	1%

**CORPORATE & OTHER**  
(Canadian \$ in millions, unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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**Statements of Income**

<b>Corporate and Investments</b>									
<b>Revenue</b>									
Gross investment income before items below	219	267	306	262	301	-27%	1,054	1,054	0%
Gains on AFS equities	26	28	32	35	34	-24%	121	159	-24%
Gains (losses) on AFS bonds, and related derivative positions	(25)	355	142	(112)	(60)	-58%	360	779	-54%
Gains (losses) on macro hedges	(423)	911	39	(290)	(120)	253%	237	(120)	-
Interest on surplus funds allocated to divisions	(221)	(213)	(217)	(219)	(196)	13%	(870)	(788)	10%
Other revenue	141	29	79	77	48	194%	326	229	42%
<b>Total revenue, net</b>	<b>(283)</b>	<b>1,377</b>	<b>381</b>	<b>(247)</b>	<b>7</b>	<b>-</b>	<b>1,228</b>	<b>1,313</b>	<b>-6%</b>
<b>Contract benefits and expenses</b>									
General expenses	159	148	131	135	203	-22%	573	604	-5%
Investment expenses, net	(8)	(7)	(10)	(8)	-	-	(33)	1	-
Changes in actuarial methods and assumptions	(6)	956	601	105	63	-	1,656	2,952	-44%
Goodwill impairment	665	-	-	-	-	-	665	2,330	-71%
Other	192	142	165	198	175	10%	697	705	-1%
<b>Total contract benefits and expenses</b>	<b>1,002</b>	<b>1,239</b>	<b>887</b>	<b>430</b>	<b>441</b>	<b>127%</b>	<b>3,558</b>	<b>6,592</b>	<b>-46%</b>
<b>Income (loss) before income taxes</b>	<b>(1,285)</b>	<b>138</b>	<b>(506)</b>	<b>(677)</b>	<b>(434)</b>	<b>196%</b>	<b>(2,330)</b>	<b>(5,279)</b>	<b>-56%</b>
Income tax recovery	137	150	213	180	149	-8%	680	1,030	-34%
<b>Net income (loss)</b>	<b>(1,148)</b>	<b>288</b>	<b>(293)</b>	<b>(497)</b>	<b>(285)</b>	<b>303%</b>	<b>(1,650)</b>	<b>(4,249)</b>	<b>-61%</b>
Less net income (loss) attributed to non-controlling interest in subsidiaries	4	8	(2)	-	2	100%	10	16	-38%
<b>Net income (loss) attributed to shareholders - Corporate and Investments</b>	<b>(1,152)</b>	<b>280</b>	<b>(291)</b>	<b>(497)</b>	<b>(287)</b>	<b>301%</b>	<b>(1,660)</b>	<b>(4,265)</b>	<b>-61%</b>
Net income (loss) attributed to shareholders for Reinsurance business (see next page)	47	275	60	(93)	84	-44%	289	204	42%
<b>Total net income (loss) attributed to shareholders<sup>1</sup></b>	<b>(1,105)</b>	<b>555</b>	<b>(231)</b>	<b>(590)</b>	<b>(203)</b>	<b>444%</b>	<b>(1,371)</b>	<b>(4,061)</b>	<b>-66%</b>

<sup>1</sup> See the Q4 press release for a description of Q4 2011 results compared to Q4 2010.

**Premiums and Deposits**

Segregated fund deposits	-	6	-	-	-	-	6	-	-
Institutional advisory accounts deposits	627	602	909	669	443	42%	2,807	2,700	4%
Premiums - Reinsurance business (see next page)	20	18	148	180	132	-85%	366	566	-35%
<b>Total premiums and deposits</b>	<b>647</b>	<b>626</b>	<b>1,057</b>	<b>849</b>	<b>575</b>	<b>13%</b>	<b>3,179</b>	<b>3,266</b>	<b>-3%</b>

**Funds Under Management**

General fund - Corporate and Investments	1,557	1,617	5,819	6,140	8,322	-81%	1,557	8,322	-81%
General fund - Reinsurance (see next page)	1,341	1,703	2,520	2,459	2,602	-	1,341	2,602	-48%
Segregated funds - elimination of amounts held by the Company	(124)	(107)	(135)	(118)	(148)	-16%	(124)	(148)	-16%
Institutional advisory accounts <sup>2</sup>	22,545	22,950	22,747	22,862	23,170	-3%	22,545	23,170	-3%
<b>Total funds under management</b>	<b>25,319</b>	<b>26,163</b>	<b>30,951</b>	<b>31,343</b>	<b>33,946</b>	<b>-25%</b>	<b>25,319</b>	<b>33,946</b>	<b>-25%</b>

<sup>2</sup> Of the \$22.5 billion in Institutional Advisory Accounts FUM in Q4 2011, \$19.5 billion is managed by Manulife Asset Management and the remainder is managed by Investment Division affiliates.

**CORPORATE & OTHER - REINSURANCE**

(Unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
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**Statements of Income - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	22	23	159	190	142	-85%	394	583	-32%
Premiums ceded to reinsurers	(3)	(4)	(8)	(6)	(12)	-75%	(21)	(34)	-38%
<b>Investment income</b>	9	16	23	27	24	-63%	75	105	-29%
<b>Other revenue</b>	6	446	8	6	8	-25%	466	26	nm
<b>Subtotal revenue</b>	34	481	182	217	162	-79%	914	680	34%
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>1</sup>	3	55	20	(2)	(34)	-	76	44	73%
<b>Total revenue</b>	37	536	202	215	128	-71%	990	724	37%
<b>Contract benefits and expenses</b>									
To contractholders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities	1	157	124	295	7	-86%	577	459	26%
Ceded benefits and expenses and change in reinsurance assets	(26)	(24)	(20)	(9)	(5)	420%	(79)	(49)	61%
General expenses	4	4	9	9	10	-60%	26	37	-30%
Investment expenses	1	7	-	1	1	0%	9	3	200%
Commissions	-	1	8	5	6	-100%	14	21	-33%
Other	-	-	1	(7)	1	-100%	(6)	5	-
<b>Total contract benefits and expenses</b>	(20)	145	122	294	20	-	541	476	14%
<b>Income (loss) before income taxes</b>	57	391	80	(79)	108	-47%	449	248	81%
Income tax expense	(12)	(111)	(17)	(16)	(26)	-54%	(156)	(50)	212%
<b>Net income (loss) attributed to shareholders <sup>2</sup></b>	45	280	63	(95)	82	-45%	293	198	48%

<sup>1</sup> For fixed income assets supporting insurance and investment contract liabilities, the impact of realized/ unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.

<sup>2</sup> Year over year decrease is primarily a result of the elimination of on-going earnings from the Life Retrocession business sold in Q3 2011 and lower experience gains on segregated fund guarantees.

**Source of Earnings - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Expected profit from in-force business	33	31	46	45	50	-34%	155	202	-23%
Impact of new business	-	-	2	(2)	-	-	-	1	-100%
Experience gains (losses)	20	(82)	26	(128)	51	-61%	(164)	13	-
Management actions and changes in assumptions	-	438	-	-	-	-	438	-	-
Earnings on surplus funds	4	4	7	7	6	-33%	22	27	-19%
Other	-	-	(1)	(1)	1	-100%	(2)	5	-
<b>Income before income taxes</b>	57	391	80	(79)	108	-47%	449	248	81%
Income tax expense	(12)	(111)	(17)	(16)	(26)	-54%	(156)	(50)	212%
<b>Net income attributed to shareholders</b>	45	280	63	(95)	82	-45%	293	198	48%

**Premiums - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Life reinsurance	1	-	133	125	112	-99%	259	477	-46%
Property and Casualty reinsurance	18	19	18	59	18	0%	114	72	58%
<b>Total premiums</b>	19	19	151	184	130	-85%	373	549	-32%

**Funds Under Management - U.S. \$ in millions**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
General fund	1,318	1,640	2,613	2,531	2,617	-50%	1,318	2,617	-50%

**Canadian \$ in millions - Key Metrics**

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2011 Q4 vs. 2010 Q4	YTD 2011	YTD 2010	YTD 2011 vs. YTD 2010
Net income (loss) attributed to shareholders	47	275	60	(93)	84	-44%	289	204	42%
Total premiums	20	18	148	180	132	-85%	366	566	-35%
Total funds under management	1,341	1,703	2,520	2,459	2,602	-48%	1,341	2,602	-48%

# **Asset Information**

**INVESTED ASSETS - PORTFOLIO COMPOSITION**

(Canadian \$ in millions, unaudited)



	As at Q4 2011	%	As at Q3 2011	%	As at Q2 2011	%	As at Q1 2011	%	As at Q4 2010	%
<b>Carrying value</b>										
<b>Cash and short-term securities</b>	<b>12,813</b>	<b>5.6 %</b>	<b>13,804</b>	<b>6.1 %</b>	<b>12,823</b>	<b>6.3 %</b>	<b>11,379</b>	<b>5.7 %</b>	<b>11,849</b>	<b>5.9 %</b>
Public bonds										
Government										
Canadian government & agency	16,547	7.3 %	15,907	7.0 %	14,992	7.4 %	14,608	7.4 %	15,221	7.6 %
US government & agency	28,012	12.4 %	27,987	12.4 %	19,737	9.8 %	19,324	9.7 %	18,696	9.3 %
Foreign governments & agency	12,162	5.4 %	12,215	5.4 %	9,565	4.7 %	8,987	4.5 %	9,008	4.5 %
Corporate	58,108	25.6 %	57,743	25.6 %	51,086	25.3 %	50,498	25.4 %	52,015	25.8 %
Securitized										
CMBS	3,410	1.5 %	3,896	1.7 %	3,956	2.0 %	4,200	2.1 %	4,565	2.3 %
RMBS	407	0.2 %	437	0.2 %	440	0.2 %	466	0.2 %	482	0.2 %
ABS	1,841	0.8 %	1,987	0.9 %	1,683	0.8 %	1,673	0.9 %	1,573	0.8 %
<b>Total public bonds</b>	<b>120,487</b>	<b>53.2 %</b>	<b>120,172</b>	<b>53.2 %</b>	<b>101,459</b>	<b>50.2 %</b>	<b>99,756</b>	<b>50.2 %</b>	<b>101,560</b>	<b>50.5 %</b>
<b>Private placement debt</b>	<b>20,294</b>	<b>9.0 %</b>	<b>20,297</b>	<b>9.0 %</b>	<b>19,178</b>	<b>9.5 %</b>	<b>19,281</b>	<b>9.7 %</b>	<b>19,577</b>	<b>9.7 %</b>
Mortgages										
Commercial										
Multi family residential	3,459	1.5 %	3,448	1.5 %	3,409	1.7 %	3,352	1.7 %	3,393	1.7 %
Retail	5,816	2.6 %	5,828	2.6 %	5,765	2.8 %	5,791	2.9 %	5,903	2.9 %
Office	5,688	2.5 %	5,886	2.6 %	5,289	2.6 %	5,311	2.7 %	5,483	2.7 %
Industrial	2,888	1.3 %	2,965	1.3 %	2,985	1.5 %	3,060	1.5 %	3,184	1.6 %
Other commercial	2,197	1.0 %	2,208	1.0 %	1,826	0.9 %	1,731	0.9 %	1,758	0.9 %
Other mortgages										
Manulife Bank single residential	13,434	5.9 %	12,938	5.7 %	12,453	6.2 %	11,977	6.0 %	11,482	5.7 %
Agriculture	1,541	0.7 %	1,519	0.7 %	1,468	0.7 %	1,598	0.8 %	1,634	0.8 %
<b>Total mortgages <sup>1</sup></b>	<b>35,023</b>	<b>15.5 %</b>	<b>34,792</b>	<b>15.4 %</b>	<b>33,195</b>	<b>16.4 %</b>	<b>32,820</b>	<b>16.5 %</b>	<b>32,837</b>	<b>16.3 %</b>
<b>Policy loans</b>	<b>6,827</b>	<b>3.0 %</b>	<b>6,938</b>	<b>3.1 %</b>	<b>6,431</b>	<b>3.2 %</b>	<b>6,400</b>	<b>3.2 %</b>	<b>6,486</b>	<b>3.2 %</b>
<b>Bank loans</b>	<b>2,288</b>	<b>1.0 %</b>	<b>2,295</b>	<b>1.0 %</b>	<b>2,311</b>	<b>1.1 %</b>	<b>2,342</b>	<b>1.2 %</b>	<b>2,353</b>	<b>1.2 %</b>
Stocks										
Par, equity-linked and pass-through	6,362	2.8 %	6,064	2.7 %	6,691	3.3 %	6,826	3.4 %	6,691	3.3 %
Nonpar and surplus	3,881	1.7 %	3,792	1.7 %	3,940	2.0 %	3,808	2.0 %	3,784	1.9 %
<b>Total Stocks</b>	<b>10,243</b>	<b>4.5 %</b>	<b>9,856</b>	<b>4.4 %</b>	<b>10,631</b>	<b>5.3 %</b>	<b>10,634</b>	<b>5.4 %</b>	<b>10,475</b>	<b>5.2 %</b>
Real estate										
Office	5,296	2.3 %	4,768	2.1 %	4,355	2.2 %	4,231	2.1 %	4,320	2.2 %
Industrial	585	0.3 %	539	0.2 %	499	0.2 %	465	0.3 %	572	0.3 %
Company use	831	0.4 %	857	0.4 %	811	0.4 %	806	0.4 %	822	0.4 %
Other	754	0.3 %	748	0.3 %	681	0.3 %	763	0.4 %	639	0.3 %
<b>Total real estate</b>	<b>7,466</b>	<b>3.3 %</b>	<b>6,912</b>	<b>3.0 %</b>	<b>6,346</b>	<b>3.1 %</b>	<b>6,265</b>	<b>3.2 %</b>	<b>6,353</b>	<b>3.2 %</b>
Other investments										
Private equity & mezzanine	1,474	0.7 %	1,673	0.7 %	1,527	0.7 %	1,411	0.7 %	1,343	0.7 %
Power & infrastructure	2,507	1.1 %	2,432	1.1 %	2,188	1.1 %	2,090	1.1 %	2,157	1.1 %
Leases	2,560	1.1 %	2,594	1.2 %	2,388	1.2 %	2,386	1.2 %	2,424	1.2 %
Oil & gas	1,292	0.6 %	1,008	0.4 %	898	0.5 %	891	0.4 %	895	0.4 %
Timberland	1,527	0.7 %	1,519	0.7 %	1,456	0.7 %	1,440	0.7 %	1,374	0.7 %
Farmland	762	0.3 %	668	0.3 %	602	0.3 %	588	0.3 %	589	0.3 %
Affordable housing	470	0.2 %	489	0.2 %	474	0.2 %	497	0.3 %	517	0.2 %
Other	487	0.2 %	476	0.2 %	434	0.2 %	423	0.2 %	433	0.2 %
<b>Total other investments</b>	<b>11,079</b>	<b>4.9 %</b>	<b>10,859</b>	<b>4.8 %</b>	<b>9,967</b>	<b>4.9 %</b>	<b>9,726</b>	<b>4.9 %</b>	<b>9,732</b>	<b>4.8 %</b>
<b>Total invested assets</b>	<b>226,520</b>	<b>100.0 %</b>	<b>225,925</b>	<b>100.0 %</b>	<b>202,341</b>	<b>100.0 %</b>	<b>198,603</b>	<b>100.0 %</b>	<b>201,222</b>	<b>100.0 %</b>

<sup>1</sup> Includes government insured mortgages (\$11,291 or 32% as at December 31, 2011).

**Fair value <sup>2</sup>**

Real estate	7,895	7,343	6,768	6,651	6,738
Other investments	11,390	11,160	10,400	10,195	10,113

<sup>2</sup> The fair values of real estate and other investments are disclosed in the table above since the changes in the fair value of those assets backing insurance and investment contract liabilities are reflected as earnings/charges through actuarial reserves.

**INVESTED ASSETS - FIXED INCOME SECURITIES BY CREDIT QUALITY AND GEOGRAPHIC LOCATION**

(Canadian \$ in millions, unaudited)

**Public Bond and Private Placement Portfolio by Credit Quality (at carrying value)**

	Credit Rating <sup>1</sup>	NAIC designation	As at Q4 2011		As at Q3 2011		As at Q2 2011		As at Q1 2011		As at Q4 2010	
				%		%		%		%		%
Public Bonds	AAA	1	42,174	35%	42,641	35%	33,994	33%	33,018	33%	32,997	32%
	AA	1	23,682	20%	23,456	19%	18,859	19%	18,618	19%	18,871	19%
	A	1	33,078	27%	33,075	28%	29,562	29%	28,778	29%	29,977	29%
	BBB	2	16,957	14%	16,516	14%	14,939	15%	15,415	15%	15,835	16%
	BB	3	3,758	3%	3,555	3%	3,151	3%	2,999	3%	2,962	3%
	<b>B &amp; lower, and unrated</b>	<b>4 &amp; below</b>		838	1%	929	1%	954	1%	928	1%	918
	<b>Total</b>		<b>120,487</b>	<b>100%</b>	<b>120,172</b>	<b>100%</b>	<b>101,459</b>	<b>100%</b>	<b>99,756</b>	<b>100%</b>	<b>101,560</b>	<b>100%</b>
Private Placements	AAA	1	608	3%	512	3%	416	2%	426	2%	422	2%
	AA	1	2,436	12%	2,239	11%	2,067	11%	2,111	11%	2,150	11%
	A	1	5,902	29%	5,962	29%	5,576	29%	5,565	29%	5,653	29%
	BBB	2	8,977	44%	9,214	45%	8,974	47%	9,015	47%	9,099	46%
	BB	3	1,178	6%	1,220	6%	939	5%	991	5%	1,002	5%
	<b>B &amp; lower, and unrated</b>	<b>4 &amp; below</b>		1,193	6%	1,150	6%	1,206	6%	1,173	6%	1,251
	<b>Total</b>		<b>20,294</b>	<b>100%</b>	<b>20,297</b>	<b>100%</b>	<b>19,178</b>	<b>100%</b>	<b>19,281</b>	<b>100%</b>	<b>19,577</b>	<b>100%</b>
Total	AAA	1	42,782	30%	43,153	31%	34,410	29%	33,444	28%	33,419	28%
	AA	1	26,118	19%	25,695	18%	20,926	17%	20,729	17%	21,021	17%
	A	1	38,980	28%	39,037	28%	35,138	29%	34,343	29%	35,630	29%
	BBB	2	25,934	18%	25,730	18%	23,913	20%	24,430	21%	24,934	21%
	BB	3	4,936	4%	4,775	3%	4,090	3%	3,990	3%	3,964	3%
	<b>B &amp; lower, and unrated</b>	<b>4 &amp; below</b>		2,031	1%	2,079	2%	2,160	2%	2,101	2%	2,169
	<b>Total</b>		<b>140,781</b>	<b>100%</b>	<b>140,469</b>	<b>100%</b>	<b>120,637</b>	<b>100%</b>	<b>119,037</b>	<b>100%</b>	<b>121,137</b>	<b>100%</b>

<sup>1</sup> The company replicates exposure to specific issuers by selling credit protection via credit default swaps (CDS) to complement its cash bond investments. The Company does not use CDS to leverage its credit risk exposure and any CDS protection sold is backed by government security holdings. In order to reflect the actual credit exposure held by the Company, the credit quality carrying values have been adjusted to reflect the credit quality of the underlying issuers referenced in the CDS sold by the Company. At December 31, 2011, the Company had \$219 (2010: nil) notional outstanding of CDS protection sold.

**Public Bond and Private Placement Portfolio by Geographic Location (at carrying value)**

	Country	As at Q4 2011		As at Q3 2011		As at Q2 2011		As at Q1 2011		As at Q4 2010	
			%		%		%		%		%
Public Bonds	US	63,871	53%	64,548	54%	52,017	51%	51,743	52%	53,322	53%
	Canada	32,048	26%	31,007	26%	28,377	28%	27,774	28%	28,079	28%
	Europe	4,484	4%	4,551	4%	4,443	4%	4,496	4%	4,553	4%
	Asia & Other	20,084	17%	20,066	16%	16,622	17%	15,743	16%	15,606	15%
	<b>Total</b>	<b>120,487</b>	<b>100%</b>	<b>120,172</b>	<b>100%</b>	<b>101,459</b>	<b>100%</b>	<b>99,756</b>	<b>100%</b>	<b>101,560</b>	<b>100%</b>
Private Placements	US	11,964	59%	11,949	59%	10,943	57%	11,014	57%	11,137	57%
	Canada	5,748	28%	5,728	28%	5,732	30%	5,806	30%	5,894	30%
	Europe	1,364	7%	1,479	7%	1,385	7%	1,429	8%	1,496	8%
	Asia & Other	1,218	6%	1,141	6%	1,118	6%	1,032	5%	1,050	5%
	<b>Total</b>	<b>20,294</b>	<b>100%</b>	<b>20,297</b>	<b>100%</b>	<b>19,178</b>	<b>100%</b>	<b>19,281</b>	<b>100%</b>	<b>19,577</b>	<b>100%</b>
Total	US	75,835	54%	76,497	55%	62,960	52%	62,757	53%	64,459	53%
	Canada	37,796	27%	36,735	26%	34,109	28%	33,580	28%	33,973	28%
	Europe	5,848	4%	6,030	4%	5,828	5%	5,925	5%	6,049	5%
	Asia & Other	21,302	15%	21,207	15%	17,740	15%	16,775	14%	16,656	14%
	<b>Total</b>	<b>140,781</b>	<b>100%</b>	<b>140,469</b>	<b>100%</b>	<b>120,637</b>	<b>100%</b>	<b>119,037</b>	<b>100%</b>	<b>121,137</b>	<b>100%</b>

**INVESTED ASSETS - FIXED INCOME SECURITIES BY SECTOR**

(Canadian \$ in millions, unaudited)



**Public Bond and Private Placement Portfolio by Sector / Industry Holdings (at carrying value)**

	As at Q4 2011			As at Q3 2011			As at Q2 2011			As at Q1 2011			As at Q4 2010			
	Carrying	Investment		Carrying	Investment		Carrying	Investment		Carrying	Investment		Carrying	Investment		
	value	%	grade %	value	%	grade %	value	%	grade %	value	%	grade %	value	%	grade %	
<b>Public Bonds</b>																
Government & agency	56,721	47%	96%	56,109	47%	97%	44,294	44%	96%	42,919	43%	96%	42,925	42%	96%	
Financial	19,057	16%	95%	18,986	16%	96%	17,635	17%	95%	17,839	18%	95%	18,497	18%	95%	
Telecommunications	2,117	2%	100%	2,221	2%	100%	2,035	2%	100%	1,982	2%	100%	1,955	2%	99%	
Utilities	13,491	11%	97%	13,418	11%	97%	11,324	11%	97%	11,144	11%	98%	11,577	11%	98%	
Energy	7,387	6%	96%	7,293	6%	96%	6,383	6%	96%	6,414	7%	97%	6,787	7%	97%	
Industrial	5,195	4%	99%	5,195	4%	99%	4,534	5%	99%	4,377	4%	99%	4,400	4%	100%	
Securitized MBS/ABS	5,658	5%	91%	6,320	5%	90%	6,079	6%	90%	6,339	6%	90%	6,620	7%	91%	
Consumer (non-cyclical)	4,328	4%	100%	4,234	4%	100%	3,485	3%	100%	3,337	3%	100%	3,234	3%	100%	
Consumer (cyclical)	1,657	1%	93%	1,725	1%	93%	1,581	2%	93%	1,519	2%	95%	1,528	2%	94%	
Basic materials	2,269	2%	89%	2,081	2%	92%	1,838	2%	91%	1,773	2%	90%	1,856	2%	91%	
Technology	964	1%	100%	1,006	1%	100%	855	1%	100%	764	1%	100%	833	1%	100%	
Media & internet	1,368	1%	98%	1,313	1%	98%	1,178	1%	100%	1,113	1%	100%	1,106	1%	100%	
Diversified & miscellaneous	275	0%	100%	271	0%	100%	238	0%	100%	236	0%	100%	242	0%	100%	
<b>Total</b>	<b>120,487</b>	<b>100%</b>	<b>96%</b>	<b>120,172</b>	<b>100%</b>	<b>96%</b>	<b>101,459</b>	<b>100%</b>	<b>96%</b>	<b>99,756</b>	<b>100%</b>	<b>96%</b>	<b>101,560</b>	<b>100%</b>	<b>96%</b>	
<b>Private Placements</b>																
Government & agency	2,183	11%	96%	2,153	11%	95%	1,984	10%	95%	1,985	10%	95%	2,001	10%	95%	
Financial	2,104	10%	94%	2,110	10%	94%	2,037	11%	93%	2,016	11%	93%	2,047	10%	94%	
Telecommunications	80	0%	100%	83	0%	100%	82	0%	100%	84	0%	100%	88	0%	100%	
Utilities	6,623	33%	89%	6,560	32%	89%	6,035	32%	91%	6,033	31%	92%	5,926	30%	92%	
Energy	1,771	9%	100%	1,801	9%	100%	1,691	9%	100%	1,662	9%	99%	1,690	9%	99%	
Industrial	1,921	10%	83%	2,025	10%	84%	1,908	10%	85%	1,965	10%	83%	2,005	10%	82%	
Securitized MBS/ABS	76	0%	100%	96	1%	100%	111	1%	100%	131	1%	100%	167	1%	100%	
Consumer (non-cyclical)	2,358	12%	87%	2,174	11%	86%	2,130	11%	86%	2,169	11%	85%	2,262	12%	85%	
Consumer (cyclical)	1,238	6%	76%	1,266	6%	76%	1,218	6%	77%	1,282	7%	77%	1,308	7%	78%	
Basic materials	1,684	8%	75%	1,761	9%	76%	1,716	9%	74%	1,641	9%	76%	1,710	9%	75%	
Technology	26	0%	100%	27	0%	100%	26	0%	100%	43	0%	100%	90	1%	100%	
Media & internet	230	1%	70%	241	1%	71%	240	1%	72%	270	1%	65%	283	1%	66%	
Diversified & miscellaneous	0	0%	n/a	0	0%	n/a	0	0%	n/a	0	0%	n/a	0	0%	n/a	
<b>Total</b>	<b>20,294</b>	<b>100%</b>	<b>88%</b>	<b>20,297</b>	<b>100%</b>	<b>88%</b>	<b>19,178</b>	<b>100%</b>	<b>89%</b>	<b>19,281</b>	<b>100%</b>	<b>89%</b>	<b>19,577</b>	<b>100%</b>	<b>88%</b>	
<b>Total</b>																
Government & agency	58,904	42%	96%	58,262	41%	96%	46,278	38%	96%	44,904	38%	96%	44,926	37%	96%	
Financial	21,161	15%	95%	21,096	15%	95%	19,672	16%	94%	19,855	17%	94%	20,544	17%	95%	
Telecommunications	2,197	2%	100%	2,304	2%	100%	2,117	2%	100%	2,066	2%	100%	2,043	2%	99%	
Utilities	20,114	14%	94%	19,978	14%	94%	17,359	15%	95%	17,177	14%	96%	17,503	14%	96%	
Energy	9,158	6%	97%	9,094	6%	97%	8,074	7%	97%	8,076	7%	98%	8,477	7%	97%	
Industrial	7,116	5%	95%	7,220	5%	95%	6,442	5%	95%	6,342	5%	94%	6,405	5%	94%	
Securitized MBS/ABS	5,734	4%	91%	6,416	5%	90%	6,190	5%	90%	6,470	5%	91%	6,787	6%	91%	
Consumer (non-cyclical)	6,686	5%	95%	6,408	5%	95%	5,615	5%	95%	5,506	5%	94%	5,496	5%	94%	
Consumer (cyclical)	2,895	2%	86%	2,991	2%	86%	2,799	2%	86%	2,801	2%	86%	2,836	2%	86%	
Basic materials	3,953	3%	83%	3,842	3%	84%	3,554	3%	83%	3,414	3%	83%	3,566	3%	83%	
Technology	990	1%	100%	1,033	1%	100%	881	1%	100%	807	1%	100%	923	1%	100%	
Media & internet	1,598	1%	94%	1,554	1%	94%	1,418	1%	95%	1,383	1%	93%	1,389	1%	93%	
Diversified & miscellaneous	275	0%	100%	271	0%	100%	238	0%	100%	236	0%	100%	242	0%	100%	
<b>Total</b>	<b>140,781</b>	<b>100%</b>	<b>95%</b>	<b>140,469</b>	<b>100%</b>	<b>95%</b>	<b>120,637</b>	<b>100%</b>	<b>95%</b>	<b>119,037</b>	<b>100%</b>	<b>95%</b>	<b>121,137</b>	<b>100%</b>	<b>95%</b>	

**INVESTED ASSETS - PROVISIONS, IMPAIRMENTS & UNREALIZED LOSSES**

(Canadian \$ in millions, unaudited)


**Unrealized (losses)**

	As at Q4 2011				As at Q3 2011				As at Q2 2011				As at Q1 2011				As at Q4 2010							
	Amortized cost	Gross unrealized (losses) < 80% cost	Amounts > 6 months	%	Amortized cost	Gross unrealized (losses) < 80% cost	Amounts > 6 months	%	Amortized cost	Gross unrealized (losses) < 80% cost	Amounts > 6 months	%	Amortized cost	Gross unrealized (losses) < 80% cost	Amounts > 6 months	%	Amortized cost	Gross unrealized (losses) < 80% cost	Amounts > 6 months	%				
<b>Public bonds</b>																								
Government	51,478	(257)	0%	-	50,978	(261)	1%	-	43,402	(588)	1%	-	42,842	(1,032)	2%	-	42,434	(847)	2%	-				
Corporate																								
Financials	18,486	(455)	2%	(86)	18,279	(413)	2%	(86)	16,947	(220)	1%	(74)	17,252	(240)	1%	(88)	17,907	(289)	2%	(96)				
Non-financials	34,449	(138)	0%	-	34,456	(145)	0%	-	31,326	(151)	0%	-	30,947	(208)	1%	-	31,419	(165)	1%	-				
Securitized																								
CMBS	3,385	(110)	3%	(56)	3,865	(131)	3%	(74)	3,860	(78)	2%	(52)	4,111	(80)	2%	(58)	4,472	(111)	2%	(93)				
RMBS	586	(185)	32%	(158)	626	(196)	31%	(165)	606	(173)	29%	(145)	634	(177)	28%	(151)	677	(203)	30%	(173)				
ABS	1,786	(60)	3%	(39)	1,929	(64)	3%	(38)	1,645	(50)	3%	(39)	1,673	(72)	4%	(62)	1,583	(89)	6%	(79)				
<b>Private placement debt</b>	20,294	(125)	1%	(21)	20,297	(133)	1%	(3)	19,178	(137)	1%	-	19,281	(115)	1%	-	19,577	(111)	1%	-				
<b>Fixed income securities<sup>1</sup></b>	<b>130,464</b>	<b>(1,330)</b>	<b>1%</b>	<b>(360)</b>	<b>130,430</b>	<b>(1,343)</b>	<b>1%</b>	<b>(366)</b>	<b>116,964</b>	<b>(1,397)</b>	<b>1%</b>	<b>(310)</b>	<b>116,740</b>	<b>(1,924)</b>	<b>2%</b>	<b>(359)</b>	<b>118,069</b>	<b>(1,815)</b>	<b>2%</b>	<b>(441)</b>				

<sup>1</sup> Gross unrealized losses consist of unrealized losses on AFS public bonds and private placements held at cost in the Corporate Surplus segment, as well as the difference between fair value and amortized cost on public bonds and private placements held in liability segments. Losses on AFS public bonds held in Surplus and on all private placements are realized upon sale or by credit impairment. However, for fixed income securities supporting CALM liabilities, losses are only realized upon credit impairment because unrealized gains and losses on public bonds, which impact net investment income, are largely offset by the changes in actuarial liabilities unless the security is credit impaired.

**Provisions, impairments and recoveries<sup>2</sup>**

	Q4 2011			Q3 2011			Q2 2011			Q1 2011			Q4 2010		
	Par	Non-par	Total	Par	Non-par	Total	Par	Non-par	Total	Par	Non-par	Total	Par	Non-par	Total
<b>Credit related</b>															
Loans	-	1	1	2	6	8	1	3	4	2	(11)	(9)	-	(9)	(9)
Public bonds - FVTPL	(14)	(22)	(36)	(9)	(12)	(21)	3	(2)	1	(1)	(3)	(4)	(1)	(4)	(5)
Public bonds - AFS	-	(4)	(4)	-	(2)	(2)	-	(9)	(9)	-	-	-	-	(6)	(6)
Other <sup>3</sup>	-	1	1	(1)	-	(1)	1	-	1	1	1	2	-	1	1
<b>Sub-total</b>	<b>(14)</b>	<b>(24)</b>	<b>(38)</b>	<b>(8)</b>	<b>(8)</b>	<b>(16)</b>	<b>5</b>	<b>(8)</b>	<b>(3)</b>	<b>2</b>	<b>(13)</b>	<b>(11)</b>	<b>(1)</b>	<b>(18)</b>	<b>(19)</b>
<b>Equity related</b>															
Public - AFS	-	(22)	(22)	-	(24)	(24)	-	(10)	(10)	-	(5)	(5)	-	(10)	(10)
Private equities - AFS and Other <sup>3</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>(22)</b>	<b>(22)</b>	<b>-</b>	<b>(24)</b>	<b>(24)</b>	<b>-</b>	<b>(10)</b>	<b>(10)</b>	<b>-</b>	<b>(5)</b>	<b>(5)</b>	<b>-</b>	<b>(10)</b>	<b>(10)</b>
<b>Total</b>	<b>(14)</b>	<b>(46)</b>	<b>(60)</b>	<b>(8)</b>	<b>(32)</b>	<b>(40)</b>	<b>5</b>	<b>(18)</b>	<b>(13)</b>	<b>2</b>	<b>(18)</b>	<b>(16)</b>	<b>(1)</b>	<b>(28)</b>	<b>(29)</b>

<sup>2</sup> Includes net new (provisions) recoveries on loans and net (impairments) gains on sale on public bonds and other invested assets, including those held at fair value. Although GAAP does not require us to measure the impairment portion of unrealized losses on public bonds classified as FVTPL, we believe this is a key metric for our business.

<sup>3</sup> Other credit related and equity related provisions, impairments and recoveries are included in investment income from Other Investments; please refer to the following page.

**Net impaired fixed income assets**

	As at Q4 2011			As at Q3 2011			As at Q2 2011			As at Q1 2011			As at Q4 2010		
	Gross amount	Allowances	Impaired value	Gross amount	Allowances	Impaired value	Gross amount	Allowances	Impaired value	Gross amount	Allowances	Impaired value	Gross amount	Allowances	Impaired value
<b>Loans</b>															
Mortgages and bank loans	144	(53)	91	175	(57)	118	182	(50)	132	152	(40)	112	117	(34)	83
Private placements	223	(41)	182	195	(44)	151	267	(49)	218	319	(77)	242	349	(84)	265
<b>Sub-total</b>	<b>367</b>	<b>(94)</b>	<b>273</b>	<b>370</b>	<b>(101)</b>	<b>269</b>	<b>449</b>	<b>(99)</b>	<b>350</b>	<b>471</b>	<b>(117)</b>	<b>354</b>	<b>466</b>	<b>(118)</b>	<b>348</b>
<b>Other fixed income<sup>4</sup></b>															
Public bonds - FVTPL	166	-	166	152	-	152	158	-	158	146	-	146	152	-	152
Public bonds - AFS	43	-	43	39	-	39	37	-	37	33	-	33	34	-	34
Other	2	-	2	2	-	2	4	-	4	5	-	5	2	-	2
<b>Sub-total</b>	<b>211</b>	<b>-</b>	<b>211</b>	<b>193</b>	<b>-</b>	<b>193</b>	<b>199</b>	<b>-</b>	<b>199</b>	<b>184</b>	<b>-</b>	<b>184</b>	<b>188</b>	<b>-</b>	<b>188</b>
<b>Total</b>	<b>578</b>	<b>(94)</b>	<b>484</b>	<b>563</b>	<b>(101)</b>	<b>462</b>	<b>648</b>	<b>(99)</b>	<b>549</b>	<b>655</b>	<b>(117)</b>	<b>538</b>	<b>654</b>	<b>(118)</b>	<b>536</b>

<sup>4</sup> Impairments of Other fixed income assets are charged directly to the carrying value of the asset. Accordingly, no allowances are shown against these assets.

**INVESTMENT INCOME**

(Canadian \$ in millions, unaudited)



	Q4 2011		Q3 2011		Q2 2011		Q1 2011		Q4 2010	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
<b>Cash and short-term securities</b>										
Investment income	19	n/a	36	n/a	33	n/a	20	n/a	30	n/a
<b>Bonds</b>										
Interest income	1,192	4.4%	1,149	4.6%	1,128	4.7%	1,166	4.8%	1,156	4.8%
Impairments, net <sup>1</sup>	(40)		(23)		(8)		(4)		(11)	
Gains (losses) on assets backing Surplus	31		613		110		(143)		(25)	
<b>Total</b>	<b>1,183</b>	<b>4.1%</b>	<b>1,739</b>	<b>6.6%</b>	<b>1,230</b>	<b>4.9%</b>	<b>1,019</b>	<b>4.1%</b>	<b>1,120</b>	<b>4.4%</b>
<sup>1</sup> Includes impairments on bonds classified as AFS and FVTPL.										
<b>Stock securities</b>										
Dividend income	77	3.1%	70	2.7%	82	3.1%	48	1.8%	53	2.0%
Impairments, net	(22)		(24)		(10)		(5)		(10)	
Gains on assets backing Surplus	25		29		32		35		35	
<b>Total</b>	<b>80</b>	<b>3.2%</b>	<b>75</b>	<b>2.9%</b>	<b>104</b>	<b>3.9%</b>	<b>78</b>	<b>3.0%</b>	<b>78</b>	<b>3.0%</b>
<b>Loans</b>										
Mortgage loan interest income	426	5.0%	411	5.0%	414	5.1%	409	5.1%	410	5.1%
Private placement interest income	329	6.7%	361	7.6%	320	6.8%	312	6.6%	373	7.7%
Policy loan interest income	102	6.0%	97	5.9%	96	6.0%	96	5.9%	104	6.3%
Bank loan interest income	24	4.3%	24	4.3%	24	4.2%	24	4.2%	25	4.3%
Recoveries (impairments), net	1		8		4		(9)		(9)	
<b>Total</b>	<b>882</b>	<b>5.6%</b>	<b>901</b>	<b>5.9%</b>	<b>858</b>	<b>5.8%</b>	<b>832</b>	<b>5.6%</b>	<b>903</b>	<b>6.0%</b>
<b>Real estate</b>										
Rental and other income	79	4.7%	89	5.6%	94	6.2%	93	6.1%	79	5.1%
Gains (losses) on assets backing surplus	1		-		1		2		(1)	
<b>Total</b>	<b>80</b>	<b>4.7%</b>	<b>89</b>	<b>5.6%</b>	<b>95</b>	<b>6.2%</b>	<b>95</b>	<b>6.2%</b>	<b>78</b>	<b>5.1%</b>
<b>Other investments</b>										
Investment income	204	n/a	105	n/a	146	n/a	220	n/a	97	n/a
<b>Derivatives</b>										
Gains (losses) on macro equity hedges	(423)		910		39		(290)		(120)	
Other derivative income (loss)	9		(158)		104		53		57	
<b>Total</b>	<b>(414)</b>	<b>n/a</b>	<b>752</b>	<b>n/a</b>	<b>143</b>	<b>n/a</b>	<b>(237)</b>	<b>n/a</b>	<b>(63)</b>	<b>n/a</b>
<b>Investment income <sup>2</sup></b>	<b>2,034</b>	<b>3.7%</b>	<b>3,697</b>	<b>7.5%</b>	<b>2,609</b>	<b>5.4%</b>	<b>2,027</b>	<b>4.1%</b>	<b>2,243</b>	<b>4.4%</b>
<sup>2</sup> Investment income includes dividends, interest, rental income and realized gains on assets supporting surplus.										
<b>Realized/ unrealized gains (losses) on assets supporting insurance and investment contracts</b>										
Bonds	933		6,521		1,360		(716)		(3,093)	
Stocks	400		(1,110)		(169)		244		573	
Loans	23		(32)		30		23		35	
Real estate	10		131		31		95		42	
Other investments	2		164		105		(49)		11	
Derivatives	(8)		7,817		909		(844)		(2,755)	
<b>Total</b>	<b>1,360</b>	<b>n/a</b>	<b>13,491</b>	<b>n/a</b>	<b>2,266</b>	<b>n/a</b>	<b>(1,247)</b>	<b>n/a</b>	<b>(5,187)</b>	<b>n/a</b>
<b>Total investment income (loss)</b>	<b>3,394</b>	<b>6.3%</b>	<b>17,188</b>	<b>38.5%</b>	<b>4,875</b>	<b>10.2%</b>	<b>780</b>	<b>1.6%</b>	<b>(2,944)</b>	<b>-5.6%</b>
<b>Investment expenses related to invested assets</b>	<b>(108)</b>	<b>n/a</b>	<b>(95)</b>	<b>n/a</b>	<b>(84)</b>	<b>n/a</b>	<b>(91)</b>	<b>n/a</b>	<b>(116)</b>	<b>n/a</b>
<b>Investment income (loss) less investment expenses</b>	<b>3,286</b>	<b>6.1%</b>	<b>17,093</b>	<b>38.3%</b>	<b>4,791</b>	<b>10.0%</b>	<b>689</b>	<b>1.4%</b>	<b>(3,060)</b>	<b>-5.8%</b>

# **Actuarial Liabilities Information**

**VARIABLE ANNUITY PRODUCT GUARANTEES**

(Canadian \$millions, unaudited)



	Guarantee Value				Net Amount at Risk <sup>2</sup>				Expected Gain/ (Loss) from Guarantees <sup>3</sup>	Policy Liabilities Held <sup>4,6</sup>		Target Capital (200 % of MCCSR)	Policy Liabilities Held plus Target Capital
	Gross Amount <sup>5</sup>	Amount Reinsured	Amount Dynamically Hedged	Net of Reinsurance & Dynamic Hedging <sup>1</sup>	Gross Amount <sup>5</sup>	Amount Reinsured	Amount Dynamically Hedged	Net of Reinsurance & Dynamic Hedging <sup>1</sup>		Unhedged Business	Dynamically Hedged Business		
<b>Q4 2011</b>	112,884	10,851	60,655	41,378	18,115	2,975	7,085	8,055	(4,561)	3,586	6,435	5,530	15,551
<b>Q3 2011</b>	114,263	11,397	60,579	42,287	21,004	3,538	8,451	9,015	(4,987)	3,915	6,782	5,223	15,920
<b>Q2 2011</b>	107,515	10,920	57,431	39,164	11,978	2,277	3,840	5,861	508	1,979	1,257	4,808	8,044
<b>Q1 2011</b>	108,119	11,415	57,236	39,468	11,366	2,291	3,465	5,610	1,272	1,670	717	4,548	6,935
<b>Q4 2010</b>	110,765	12,032	49,291	49,442	13,040	2,663	3,109	7,268	1,164	2,083	1,018	4,578	7,679

**Net of Reinsurance & Dynamic Hedging <sup>1</sup>**

As at Q4 2011	Total Guarantee Value <sup>5</sup>	Total Fund Value <sup>5</sup>	Net Amount at Risk <sup>2,5</sup>
<b>US</b>			
Withdrawal Benefits	11,140	8,724	2,438
Income Benefits	798	631	168
Death Benefits	3,349	3,301	707
	<u>15,287</u>	<u>12,656</u>	<u>3,313</u>
<b>Canada</b>			
Withdrawal Benefits	166	158	9
Maturity Benefits	4,672	5,211	269
Death Benefits	369	-	158
	<u>5,207</u>	<u>5,369</u>	<u>436</u>
<b>Japan</b>			
Withdrawal Benefits	4,342	3,199	1,143
Maturity Benefits	13,157	10,845	2,461
Income Benefits	-	-	-
Death Benefits	707	353	233
	<u>18,206</u>	<u>14,397</u>	<u>3,837</u>
<b>Reinsurance &amp; Other</b>	<u>2,678</u>	<u>2,471</u>	<u>469</u>

Key markets, closing levels	S&P 500	TSX	TOPIX	EAFE
<b>As at Q4 2011</b>	1,258	11,955	729	1,413
<b>As at Q3 2011</b>	1,131	11,624	761	1,373
<b>As at Q2 2011</b>	1,321	13,301	849	1,708
<b>As at Q1 2011</b>	1,326	14,116	869	1,703
<b>As at Q4 2010</b>	1,258	13,443	899	1,658

<sup>1</sup> Net of dynamic hedging and amounts ceded to 3rd party reinsurers. Amounts reinsured include amounts covered under stop loss treaties as well as first dollar treaties. Some of the treaties include deductibles and claims limits.

<sup>2</sup> Net Amount at Risk is based on sum of excess of guarantee value over fund value only on contracts where amount at risk is currently positive.

<sup>3</sup> Expected Gain/(Loss) from Guarantees is the contract fees attributed to guarantees less the guarantee costs based on average of all scenarios. Not included in this amount is the value of expected profit on the underlying contracts that contain the guarantees.

<sup>4</sup> Under Phase I of IFRS 4, former Canadian GAAP valuation practices continue to apply to insurance contracts. This requires that reserves for segregated fund and variable products have a Conditional Tail Expectation ("CTE") of between 60 and 80.

We hold CTE(70) level policy liabilities for unhedged business and CTE(75) level for dynamically hedged business.

<sup>5</sup> Total Guarantee Value, Total Fund Value and Net Amount at Risk includes certain HK products which are classified as investment contracts under IFRS. There is no reinsurance or hedging for these products.

<sup>6</sup> The policy liabilities are held within the insurance contract liabilities, investment contract liabilities and other liabilities, as applicable under IFRS and are shown net of reinsurance.

The net amount at risk is not currently payable. Guaranteed death benefits are contingent and only payable upon the eventual death of policyholders if fund values remain below guarantee values. Withdrawal, accumulation and income benefits are also contingent and only payable at scheduled maturity in the future, if the policyholders are still living and have not terminated their policies and fund values remain below guarantee values.

Guaranteed benefits in a single contract are frequently a combination of death benefit and living benefit (withdrawal / maturity / income).

Death benefit amounts shown reflect only stand alone death benefits plus any excess of death benefits over living benefits on contracts with both death and other benefit forms.

**CTE Level & Description**

CTE(0) is the average of all scenarios tested in the period  
 CTE(70) covers the average cost of the worst 30% of scenarios tested with the highest net cost  
 CTE(90) covers the average cost of the worst 10% of scenarios tested with the highest net cost  
 CTE(95) covers the average cost of the worst 5% of scenarios tested with the highest net cost

**Comparable Market Scenario for North American Markets**

Annual market growth of approximately 9.5%.  
 Minimal market growth for 10 years, followed by annual market growth of approximately 5.5%.  
 Immediate market decline of 20%-25%, followed by 10 years of no growth before resuming annual market growth of approximately 4%.  
 Immediate market decline of 35%-40%, followed by 10 years of no growth before resuming annual market growth of approximately 3.5%.

**ACTUARIAL LIABILITIES - WEALTH MANAGEMENT DAC BALANCES**

(Canadian \$ in millions, unaudited)



	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4
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**Change in Deferred Acquisition Costs (DAC)**

Opening balance	4,700	4,531	4,636	4,795	4,973
Amount capitalized	163	150	166	188	212
Amount amortized	(251)	(254)	(251)	(257)	(265)
Currency	(75)	273	(20)	(90)	(125)
<b>Ending balance</b>	<b>4,537</b>	<b>4,700</b>	<b>4,531</b>	<b>4,636</b>	<b>4,795</b>

**DAC Balances**

Hong Kong	201	206	191	191	194
Japan	248	274	261	277	313
Canadian Individual Wealth Management	1,032	1,014	1,019	1,014	993
John Hancock Variable Annuities	1,619	1,749	1,708	1,798	1,922
John Hancock Wealth Asset Management	1,352	1,371	1,266	1,270	1,288
Other	85	86	86	86	85
<b>Total DAC</b>	<b>4,537</b>	<b>4,700</b>	<b>4,531</b>	<b>4,636</b>	<b>4,795</b>

**Funds Under Management**

Hong Kong	10,546	10,203	11,127	10,920	9,428
Japan	16,965	17,198	16,256	16,237	16,977
Canadian Individual Wealth Management <sup>1</sup>	47,804	45,982	47,926	50,697	46,113
John Hancock Variable Annuities	54,683	54,594	54,370	55,323	55,881
John Hancock Wealth Asset Management	99,970	95,859	101,037	100,140	97,032
Other	21,645	20,684	21,788	21,675	21,014
<b>Total Funds Under Management</b>	<b>251,613</b>	<b>244,520</b>	<b>252,504</b>	<b>254,992</b>	<b>246,445</b>

**DAC as a % of Funds Under Management**

Hong Kong	1.9%	2.0%	1.7%	1.7%	2.1%
Japan	1.5%	1.6%	1.6%	1.7%	1.8%
Canadian Individual Wealth Management	2.2%	2.2%	2.1%	2.0%	2.2%
John Hancock Variable Annuities	3.0%	3.2%	3.1%	3.3%	3.4%
John Hancock Wealth Asset Management	1.4%	1.4%	1.3%	1.3%	1.3%
Other	0.4%	0.4%	0.4%	0.4%	0.4%
<b>Total DAC as a % of Funds Under Management</b>	<b>1.8%</b>	<b>1.9%</b>	<b>1.8%</b>	<b>1.8%</b>	<b>1.9%</b>

DAC balances are classified as reductions in liabilities for products classified as insurance contracts and as other assets on the statement of financial position for products not classified as insurance contracts. Recoverability is tested quarterly.

<sup>1</sup> Funds under management has been adjusted to show only the assets with applicable DAC balances.

**ACTUARIAL LIABILITIES - EMBEDDED VALUE**

(Canadian \$ in millions unless otherwise stated, unaudited)

**Overview**

Embedded value is a measure of the shareholder value embedded in the current balance sheet of the Company, excluding any value associated with future new business. The change in embedded value between reporting periods is used by Manulife Financial's management as a measure of the value created by the year's operations. Embedded value is a non-GAAP measure.

As at December 31, 2011, Manulife Financial's embedded value was \$36.1 billion, a decrease of \$3.2 billion from December 31, 2010. Normal operating activities reduced embedded value by \$1.1 billion as interest on last year's embedded value and the embedded value created by new business was more than offset by experience variances and the impact of actuarial assumption changes. Due to the significant decline in risk free interest rates this year, we altered our method for determining the discount rate from one based on current risk free rates to one based on a long term moving average of risk free rates, similar to the Ultimate Reinvestment Rate used in the valuation of policy liabilities. Thus non-operational items reduced embedded value by \$2.1 billion due to the higher discount rate that resulted from this method change as well as the impact of shareholder dividends, partly offset by favourable currency impacts due to the appreciation of the US dollar and Japanese yen.

**Change in Embedded Value in 2011**

The table below shows the change in the embedded value during 2011, and the corresponding changes in 2010.

	For the year ended December 31			
	2011		2010 <sup>1</sup>	
		per share		per share
<b>Embedded Value as at January 1</b>	<b>39,303</b>	22.11	<b>40,790</b>	23.20
Interest on Embedded Value	2,808		3,168	
New Business	1,086		1,841	
Experience Variances and Changes in Actuarial Assumptions	(5,029)		(4,851)	
<b>Embedded Value before Discount Rate / Currency and Capital Movements</b>	<b>38,168</b>	21.47	<b>40,948</b>	23.29
Discount Rate Changes	(2,416)		1,766	
Surplus Yield Changes	(12)		(1,812)	
Currency	1,171		(935)	
Shareholder Dividends	(936)		(927)	
Other Capital Movements <sup>2</sup>	90		263	
<b>Embedded Value as at December 31</b>	<b>36,065</b>	20.02	<b>39,303</b>	22.11

<sup>1</sup> 2010 figures are based on CGAAP reporting.

<sup>2</sup> Includes share issues, option exercises, and adjustments to opening retained earnings.

Interest on embedded value of \$2,808 represents the unwinding of the discount rate applied to the embedded value.

The Company's new business in 2011 increased the embedded value by \$1,086 million, a 41% decrease from 2010.

The experience variances and changes in actuarial assumptions loss of \$5,029 is primarily driven by higher capital requirements resulting in increased costs of holding capital within businesses, as well as 2011 equity market and interest rate movements.

Changes in the discount rate change caused a loss of \$2,416 which is the result of refining the methodology for determining the hurdle. The new method, based on a long term moving average of risk free rates similar to the Ultimate Reinvestment Rate, caused discount rate increases of 1.25% in Canada, and 1.00% in the U.S. and Hong Kong.

The currency gain of \$1,171 is caused by the appreciation of the value of non-Canadian in force business when reported in Canadian dollars, as the Canadian dollar depreciated in 2011 against most major currencies particularly the U.S. dollar and Japanese yen.

The impact of discount rate and currency changes are assumed to take place at the end of the year. Unless otherwise noted, all prior movement items reflect the year-start discount rate and exchange rate.

**ACTUARIAL LIABILITIES - EMBEDDED VALUE (CONT'D)**

(Unaudited)

**Principal Assumptions**

The principal long-term economic assumptions used in the calculations are as follows:

	Canada	U.S.	Hong Kong	Japan
MCCSR Ratio	150%	150%	150%	150%
Discount Rate	8.50%	8.50%	9.25%	6.25%
Risk Premium	4.0%	4.0%	5.0%	4.0%
Equity Return	9.50%	10.00%	11.50%	6.00%
Jurisdictional Income Tax Rate	26%	35%	16.5%	36%
Exchange Rate	n/a	1.0170	0.1309	0.0132

As noted above, the discount rate method was changed for this year's embedded value to be based on a long term moving average of risk free rates similar to the Ultimate Reinvestment Rate that is used in the determination of policy liabilities. Risk premiums varying from four to five percent are added to the long term risk free rate. However, higher risk premiums were used in some Asian businesses resulting in a weighted average discount rate of 8.4 percent.

For Hong Kong, individual insurance products are taxed on a premium tax basis due to a Company election under Hong Kong tax regulations.

The embedded value has been calculated using the financial position of the Company as at September 30, 2011 projected to December 31, 2011, allowing for the actual change in key elements such as the market value of securities, the contribution of new business and policy experience. As such, management believes that the value is a fair representation of the Company's embedded value as at December 31, 2011.

The future stream of profits and cost of capital has been calculated on a IFRS basis with MCCSR capital in all territories. Surplus assets have been fair valued and projected forward at a market return of 4.50% for U.S. and Canadian dollar denominated assets, and 2.00% for Yen denominated assets.

The Company's target capital structure of 75% equity / 25% debt has been utilized.

All actuarial assumptions are consistent with best estimate assumptions used in the valuation of policy liabilities at December 31, 2011 on an IFRS basis. Future mortality and morbidity improvements are recognized in best estimate assumptions on insurance businesses in North America.

**Changes in Assumptions from Year-End 2010**

Principal assumptions and 2010 comparables are disclosed below:

<b>Discount Rates</b>	<b>2011</b>	<b>2010</b>	<b>Interest on Surplus</b>	<b>2011</b>	<b>2010</b>
Canada	8.50%	7.25%	Canada	4.50%	4.50%
U.S.	8.50%	7.50%	U.S.	4.50%	4.50%
Hong Kong	9.25%	8.25%	Hong Kong	4.50%	4.50%
Japan	6.25%	6.25%	Japan	2.00%	2.00%
<b>Exchange Rates</b>	<b>2011</b>	<b>2010</b>			
U.S. Dollar	1.0170	0.9946			
Hong Kong Dollar	0.1309	0.1280			
Japanese Yen	0.0132	0.0123			

**ACTUARIAL LIABILITIES - EMBEDDED VALUE (CONT'D)**

(Canadian \$ in millions unless otherwise stated, unaudited)

**Sensitivities**In-force EV Sensitivities

100 bps increase in the discount rate	(3,300)
100 bps decrease in the discount rate	4,000
Increase in the MCCR ratio from 150% to 175%	(1,600)

New Business EV Sensitivities

100 bps increase in the discount rate	(120)
100 bps decrease in the discount rate	150

**EV Reconciliation to Financial Statements**

Embedded value does not have a standard definition. Manulife Financial's embedded value is defined as adjusted IFRS shareholder equity plus the value of in-force business as determined below.

	2011	2010 <sup>1</sup>
Shareholder Equity on Statement of Financial Position (excludes preferred shares)	22,402	25,291
Fair Value Adjustments	(1,247)	(1,142)
Goodwill & (post-tax) Intangibles	(4,729)	(7,182)
Value of Shareholder Net Equity	16,426	16,967
Pre-Tax Value of Expected Profit Embedded in IFRS Policy Liabilities (Reported Actuarial Provision for Adverse Deviation - PfAD) <sup>2</sup>	47,801	45,035
Adjustments:		
Value of additional policy margins not captured in reported actuarial PfAD	7,437	4,900
Taxes	(14,292)	(13,156)
Converting discount rates from valuation rates to higher cost of capital adjusted discount rates	(12,299)	(7,732)
Gross Value of In-Force Business	28,647	29,047
Cost of Locked-in Capital	(9,008)	(6,711)
Value of In-Force Business <sup>3</sup>	19,639	22,336
<b>Embedded Value</b>	<b>36,065</b>	<b>39,303</b>

<sup>1</sup> 2010 figures are based on CGAAP reporting

<sup>2</sup> The reported actuarial PfAD includes non-capitalized segregated fund margins.

<sup>3</sup> The 2011 value of in-force Variable Annuity business is \$3,860

**REGULATORY CAPITAL**

(Canadian \$ in millions, unaudited)

IFRS<sup>1</sup>

Determined in accordance with Canadian GAAP

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2011 Jan 1st	2010 Q4
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**The Manufacturers Life Insurance Company's MCCSR****Capital available:**

Tier 1 capital						
Common shares	21,769	21,574	21,574	21,379	21,379	21,379
Retained earnings and CTA	4,473	6,360	6,134	5,589	5,184	7,398
Qualifying non-controlling interests	390	445	442	455	453	334
Innovative instruments	2,000	2,000	2,000	2,000	2,000	2,000
Other	3,044	3,028	3,141	3,178	3,173	2,669
<b>Gross Tier 1 capital</b>	<b>31,676</b>	<b>33,407</b>	<b>33,291</b>	<b>32,601</b>	<b>32,189</b>	<b>33,780</b>
Deductions:						
Goodwill & intangibles in excess of limit	(3,404)	(4,106)	(3,939)	(3,940)	(3,990)	(5,543)
Other	(4,434)	(5,399)	(4,933)	(4,409)	(4,358)	(4,393)
Adjustments	(828)	(973)	(934)	(893)	(834)	(816)
<b>Net Tier 1 capital - A</b>	<b>23,010</b>	<b>22,929</b>	<b>23,485</b>	<b>23,359</b>	<b>23,007</b>	<b>23,028</b>

**Tier 2 Capital**

Tier 2A	460	471	575	629	635	509
Tier 2B allowed	1,986	1,439	1,429	1,430	1,983	1,983
Tier 2C	4,653	4,718	4,470	4,622	4,599	4,633
Adjustments	(1,665)	(1,769)	(1,697)	(1,617)	(1,672)	(1,685)
<b>Total Tier 2 capital allowed</b>	<b>5,434</b>	<b>4,859</b>	<b>4,777</b>	<b>5,064</b>	<b>5,545</b>	<b>5,440</b>

<b>Total Tier 1 and Tier 2 capital</b>	<b>28,444</b>	<b>27,788</b>	<b>28,262</b>	<b>28,423</b>	<b>28,552</b>	<b>28,468</b>
Less Adjustments	-	-	-	-	-	-
<b>Total Capital Available - B</b>	<b>28,444</b>	<b>27,788</b>	<b>28,262</b>	<b>28,423</b>	<b>28,552</b>	<b>28,468</b>

**Capital Required:**

Asset default & market risk	8,082	7,763	7,247	6,876	6,772	6,609
Insurance risks	2,964	2,830	2,674	2,938	2,924	2,919
Interest rate risks	2,109	2,079	1,822	1,876	1,923	1,904
<b>Total Capital Required - C</b>	<b>13,155</b>	<b>12,672</b>	<b>11,743</b>	<b>11,690</b>	<b>11,619</b>	<b>11,432</b>

<b>MCCSR Ratio: Total (B/C) x 100</b>	<b>216%</b>	<b>219%</b>	<b>241%</b>	<b>243%</b>	<b>246%</b>	<b>249%</b>
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<sup>1</sup> Under the IFRS transition guidance outlined by the Office of the Superintendent of Financial Institutions, the impact of IFRS adoption on available capital is largely phased-in over an eight quarter period which began with the first quarter of 2011. The impact on required capital is not subject to the phase-in rules. The phased-in adoption of IFRS reduced MLI's MCCSR ratio by approximately 4.5 points over the year of 2011 and is expected to reduce the ratio by approximately a further 1.5 points over the remainder of the two year phase-in period ending with the fourth quarter of 2012.

**Accumulated Other Comprehensive Income (AOCI):** A separate component of shareholders' equity which includes net unrealized gains and losses on available-for-sale securities, net unrealized gains and losses on derivative instruments designated within an effective cash flow hedge, and unrealized foreign currency translation gains and losses. These items have been recognized in comprehensive income, but excluded from net income.

**Return on Common Shareholders' Equity:** Net income available to common shareholders divided by average common shareholders' equity excluding accumulated other comprehensive income (loss) on available-for-sale securities and on cash flow hedges.

**Annuity:** A contract which allows the contract holder to either (i) accumulate funds for retirement planning, or (ii) receive scheduled payments, either periodically for a specified period of time or until death.

- **Fixed Annuity:** The return to the contract holder is specified in the contract, i.e., the Company bears the investment risk.

- **Book Value Annuity:** An annuity which provides a declared rate of interest for a specified contract while offering a guarantee of principal amount.

- **Variable Annuity:** Funds are invested in segregated funds (also called separate accounts in the U.S.) and the return to the contract holder fluctuates according to the earnings of the underlying investments. In some instances, guarantees are provided.

**Available-For-Sale (AFS) Financial Assets:** Non-derivative financial assets that are designated as available-for-sale or that are not classified as loans and receivables, held-to-maturity investments, or held for trading.

**Book Value per Share:** Ratio obtained by dividing common shareholders' equity by the number of common shares outstanding at the end of the period.

**Cash Flow Hedges:** A hedge of the exposure to variability in cash flows associated with a recognized asset or liability, a forecasted transaction or a foreign currency risk in an unrecognized firm commitment that is attributable to a particular risk and could affect reported net income.

**Corporate Owned Life Insurance (COLI):** Life insurance purchased by organizations, predominantly to finance non-qualified executive deferred compensation plans.

**Deferred Acquisition Costs (DAC):** Costs directly attributable to the acquisition of new business, principally agents' compensation, which are capitalized on the Company's balance sheet and amortized into income over a specified period.

**Fair Value:** Amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

**Funds Under Management (FUM):** Include general fund assets, segregated fund assets, institutional advisory accounts, mutual fund assets and other funds.

- **General Fund Assets:** Total invested assets as presented on the Company's balance sheet.

- **Segregated Fund Assets:** Net assets held by policyholders in segregated funds related to insurance, annuity and pension products. These funds are maintained separately from the Company's general account and the policyholder / contract holder bears the investment risk of the underlying fund.

- **Mutual Fund Assets:** Net assets held in proprietary mutual funds.

- **Institutional Advisory Accounts:** Accounts either separate or commingled of Institutional Clients for which MFC Global Investment Management provides investment management services and that do not meet the definition of Segregated Funds.

- **Other Funds:** Funds managed or administered by the Company other than those associated with a contract issued by the Company.

**Impaired Assets:** Mortgages, bonds and other investment securities in default where there is no longer reasonable assurance of collection.

**Institutional Clients:** Organizations that are non-Manulife-affiliated for which MFC Global Investment Management provides investment management services. Such clients include pensions, endowments and other external investment managers and wealth management organizations.

**Investment Contracts:** Products that do not contain insurance risk (as defined under IFRS) and are accounted for as financial liabilities at amortized cost or fair value.

**Leveraged Leases:** In these leases the financing provided by the long-term creditor is nonrecourse as to the general credit of the lessor. The amount of the financing is sufficient to provide the lessor with substantial "leverage" in the transaction. Income is recognized on a constant yield basis.

**Long-Term Care (LTC):** Insurance coverage available on an individual or group basis to provide reimbursement for medical and other services to the chronically ill, disabled or mentally challenged.

**Minimum Continuing Capital and Surplus Requirements (MCCSR):** The ratio of the available capital of a life insurance company to its required capital, each as calculated under the Office of the Superintendent of Financial Institutions' (OSFI) published guidelines.

**Premiums and Deposits:** Include general fund premiums, segregated fund deposits, institutional advisory account deposits, mutual fund deposits, other fund deposits and ASO premium equivalents.

- **General Fund Premiums:** Premiums earned on insurance and fixed annuity contracts as reflected in the Company's statement of operations.

- **Segregated Fund Deposits:** Deposits related to insurance, annuity and pension products which are invested in segregated funds.

- **Mutual Fund Deposits:** Deposits received in proprietary mutual funds.

- **Institutional Advisory Account Deposits:** Deposits received in the Institutional Advisory Accounts.

- **Other Fund Deposits:** Deposits received from customers related to non-proprietary funds for Manulife-branded products.

- **ASO Premium Equivalents:** ASO ("administrative services only") contracts are group insurance contracts administered by the Company on behalf of the client on which the Company earns a fee for its services but the client retains all risks inherent in the group insurance. ASO premium equivalents are a measure of the business volume calculated as expected claims plus administrative fees charged.

**Sales:** Sales are measured according to product type.

- **Individual Insurance:** New annualized premiums reflect the annualized premium expected in the first year of a policy that requires premium payments for more than one year. Sales are reported gross before the impact of reinsurance. Single premium is the lump sum premium from the sale of a single premium product e.g. travel insurance.

- **Group Insurance:** Sales include new annualized premiums and ASO premium equivalents on new cases, as well as the addition of new coverages and amendments to contracts, excluding rate increases.

- **Individual Wealth Management:** All new deposits are reported as sales. This includes individual annuities, both fixed and variable; segregated fund products; mutual funds; college savings 529 plans; and authorized bank loans and mortgages.

- **Group Pensions:** New regular premiums reflect an estimate of expected deposits in the first year of the plan with the Company. Single premium sales reflect the assets transferred from the previous plan provider. Sales include the impact of the addition of a new division of or a new product to an existing client as well as increases in the contribution rate for an existing plan.

**Total Capital:** Capital funding that is both unsecured and permanent in nature. Comprises total equity (excluding AOCI on cash flow hedges), liabilities for preferred shares and qualifying capital instruments.

**Universal Life Insurance:** A form of permanent life insurance with flexible premiums. The customer may vary the premium payment and death benefit within certain restrictions. The contract is credited with a rate of interest based on the return of a portfolio of assets held by the Company, possibly with a minimum rate guarantee, which may be reset periodically at the discretion of the Company.

**Variable Universal Life Insurance:** A form of permanent life insurance with flexible premiums in which the cash value and possibly the death benefit of the policy fluctuate according to the investment performance of segregated funds (or separate accounts).



**GENERAL INFORMATION**

**MANULIFE FINANCIAL CORPORATION HEAD OFFICE**

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Web Site: [www.manulife.com](http://www.manulife.com)

**TRANSFER AGENT**

Canada  
CIBC Mellon Trust Company  
1-800-783-9495  
[www.cibcmellon.com/investor](http://www.cibcmellon.com/investor)

United States  
Mellon Investor Services  
1-800-249-7702  
[www.melloninvestor.com](http://www.melloninvestor.com)

**COMMON STOCK**

Common Stock of Manulife Financial is traded on:

<u>Stock Exchange</u>	<u>Symbol</u>
Toronto	MFC
New York	MFC
Hong Kong	945
Philippines	MFC

**INVESTOR INFORMATION**

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**INDUSTRY RATING INFORMATION**

The following credit rating agencies each assign claims paying and financial strength ratings to our main operating subsidiaries, The Manufacturers Life Insurance Company and John Hancock Life Insurance Company (U.S.A.), thereby recognizing these companies as having strong credit ratings in the insurance industry.

**The Manufacturers Life Insurance Company**

<u>Purpose</u>	<u>Rating agency</u>	<u>Rating</u>
Claims paying/ Financial strength	Standard & Poor's	AA-
	Moody's	A1
	FitchRatings	AA-
	DBRS	IC-1
	A.M. Best	A+

**John Hancock Life Insurance Company (U.S.A)**

<u>Purpose</u>	<u>Rating agency</u>	<u>Rating</u>
Claims paying/ Financial strength	Standard & Poor's	AA-
	Moody's	A1
	FitchRatings	AA-
	DBRS	not rated
	A.M. Best	A+