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Thank you Madam Chair. Good morning, everyone.

I appreciate the opportunity to address this annual meeting here in Toronto. I am honoured to be the Chief Financial Officer of our great Canadian Company – a company that has stood behind its promises to our policyholders and customers – for over 120 years. I am also very proud of what we have accomplished in the last year, particularly relative to the further strengthening of our capital position as this provides us with additional flexibility to capitalize on opportunities going forward.

This morning, I will review our financial results for 2009 and the first quarter of 2010, and then I will close with some thoughts regarding our competitive advantages.

Financial Results

Let's begin with a recap of our 2009 financials.

2009 proved to be another exceptional year of volatility and economic headwinds for the financial services industry. Against that background, we accomplished a great deal. In 2009, 1) we delivered higher earnings; 2) we achieved strong capital levels; 3) we reduced risk; 4) we began to rebalance our business mix to increase our focus on high value products with good margins and a lower risk profile, and; 5) very importantly, we maintained top quartile financial strength ratings. Our progress in all five of these areas has positioned us for stronger future performance. In addition, our decisions in 2009 to reduce the dividend, and issue additional common equity have increased our financial flexibility.

Our Annual Report detailed our 2009 financial results so I will review the highlights this morning.

2009 Net Earnings

Our Net income of $1.4 billion for 2009 was up from $517 million the year before. In 2009, we achieved a 5.2% Return on Equity in a challenging year for our industry, and this ranked as solid relative performance for profitability among our global peers. To be clear, our management team is not at all satisfied with this ROE level and we are dedicated to significant improvements over time.

Strong Capital

Strengthening our capital was a top priority for us in 2009. Our goal was to increase our flexibility to take advantage of profitable growth opportunities and to better withstand the risk of additional financial market and economic volatility. We closed out the year with a strong MCCSR of 240 per cent in MLI, and this result provides us with significant financial flexibility in the current environment.

Hedging Equity Exposure to Guaranteed Products

Strong capital also supported our risk reduction program. In 2009 we made significant progress in decreasing our exposure to equity guarantees through product changes – and by hedging portions of our variable annuity book at times that were beneficial to our shareholders.

Our VA equity exposure is now 51 per cent hedged or reinsured at the end of first quarter 2010 – a substantial increase relative to the 20 per cent hedged or reinsured at the beginning of 2009. The net amount that these policies are “in the money” is approximately 70 per cent lower than one year ago.

Rebalance Business Mix

We also began to rebalance our business mix. Sales results were strong in Asia where our returns are particularly attractive. Our sales results by product demonstrated an increased relative focus on insurance and wealth products excluding variable annuities which is consistent with our risk management initiatives.

Financial Strength - A Powerful Differentiator

I am also proud that throughout 2009, Manulife's operating Companies ranked in the top quartile among our peers with respect to financial strength ratings. With many of our products, we are in the business of making long-term promises to our customers and supporting their need for financial security. Our AA+ rating from Standard & Poor's gives our customers additional confidence that we will be there for their future.

Investment Performance

One of the reasons for our strong financial ratings is our excellent investment performance. Our investment portfolio is well diversified and performed very well in 2009 relative to challenging market conditions and relative to our major competitors. This slide shows the year-end balance of gross unrealized losses as a percentage of regulatory surplus. Our much lower level of unrealized losses at year-end, 2009 demonstrates our strong investment management discipline.

Q1 Net Earnings

Earlier today, we reported our results for the first quarter of 2010.
Net Earnings for the first quarter were very strong at $1.14 billion and our ROE was 16.8 per cent. In addition to solid operating results, we captured value from favourable investment activities and also benefitted from increases in equity markets.

Q1 Segmented Sales

Our strong position in key growth markets and improving economic confidence also contributed to increased sales of our insurance and wealth products excluding Variable Annuities. Of note, insurance sales increased by 20 per cent on a constant currency basis relative to the prior year – with very strong growth of 35 per cent in Asia on the same basis. Wealth sales excluding variable annuities increased 21 per cent with particularly strong mutual fund and retirement product sales in both Canada and the US.

Lower variable annuity sales were in line with our focus on rebalancing our business mix and reducing equity exposure. Our first quarter New Business Embedded Value increased by approximately 22 per cent relative to last year. While Variable Annuity sales were lower, Variable Annuity New Business Embedded Value was higher reflecting product and pricing enhancements and lower expected hedging costs due to higher swap interest rates.

Q1 Capital and Financial Strength

Capital continues to be strong with MLI's MCCSR increasing to 250 per cent at the end of the first quarter. Investment performance also remained very strong relative to market conditions.

We will review all of these results in more detail during our quarterly conference call later today.

Summary

Overall in the last 12 months, we have delivered higher earnings, have strengthened our capital, have improved our risk profile, have begun to rebalance our business mix, and have maintained our top quartile ratings position. Our management team has a strong commitment to further improving earnings, ROE and shareholder returns going forward. By driving the highest growth in our highest return markets and allocating our capital to the most attractive opportunities, we expect to accomplish these goals.

Competitive Strengths

I will conclude with comments regarding several of our competitive advantages.

Overall, we are a great Company with powerful brands. Manulife is a well-known brand here in Canada and increasingly in Asia. John Hancock is a very strong brand in the US. This is an important competitive advantage in an environment where policyholders worry about their financial security.

Importantly, financial strength is the competitive advantage underlying our powerful brands. As Manulife's CFO, I have a strong sense of responsibility to uphold – and build upon our foundation of financial strength.

Let me underscore three ways financial strength helps us to win in the marketplace:

- First our financial position gives us flexibility to respond to many acquisition and organic growth opportunities – and this is likely to be increasingly significant as our sector emerges from the economic crisis.

- Second, the financial strength ratings of our operating companies are among the highest in our industry. These ratings provide confidence to the market and help make us a leading choice among distributors and new customers.

- And third, our international scale and diversification – with a market cap that places us in the top ten of our sector globally – provide us with a strong platform for us to capitalize on additional growth opportunities in the future.

Talent

Finally, our talent is our most important competitive advantage. Since my arrival, I have been impressed every day with the deep and consistent talent and commitment at our Company. Our Stars of Excellence with us here today represent several examples of the best and the brightest of our next generation of leaders and I am committed to helping ensure that our talent remains a significant competitive advantage.

I want to conclude by saying how pleased I am for my family and me to be living here in Canada. I am proud of the opportunity to work at a great company and in a country with a financial system that has a remarkably strong track record during the recent crisis.

I think there is much that the US and Europe should learn from Canada, and we very much look forward to being an active participant protecting Canada's strengths in this area.

Thank you very much.