



Manulife Financial

**Ten Years of Success as a Public Company and
Well-Positioned for Future Growth**

Scotia Capital Financials Summit

Donald A. Guloien

President & Chief Executive Officer

September 17, 2009



Legal Disclaimer

Caution Regarding Forward-Looking Statements

This document contains forward-looking statements within the meaning of the “safe harbour” provisions of Canadian provincial securities laws and the U.S. *Private Securities Litigation Reform Act of 1995*. These forward-looking statements include, but are not limited to, statements with respect to our estimated quarterly normalized earnings. The forward-looking statements in this document also relate to, among other things, our objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and can generally be identified by the use of words such as “may”, “will”, “could”, “should”, “would”, “likely”, “suspect”, “outlook”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “forecast”, “objective”, “continue”, “embark” and “endeavour” (or the negative thereof) and words and expressions of similar import, and include statements concerning possible or assumed future results. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements and they should not be interpreted as confirming market or analysts’ expectations in any way. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from expectations include but are not limited to: general business and economic conditions (including but not limited to performance of equity markets, interest rate fluctuations, currency rates, investment losses and defaults, movements in credit spreads, market liquidity and creditworthiness of guarantors and counterparties); Company liquidity, including the availability of financing to satisfy existing financial liabilities on their expected maturity dates when required; changes in laws and regulations; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; accuracy of estimates used in applying accounting policies and actuarial methods used by the Company; the ability to maintain the Company’s reputation; the ability to implement effective hedging strategies; legal and regulatory proceedings; level of competition and consolidation; the ability to adapt products and services to the changing market; the ability to attract and retain key executives; acquisitions and the ability to complete acquisitions including the availability of equity and debt financing for this purpose; the ability to execute strategic plans and changes to strategic plans; the disruption of or changes to key elements of the Company’s or public infrastructure systems; and environmental concerns. Additional information about material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the body of this document as well as under “Risk Factors” in our most recent Annual Information Form, under “Risk Management” and “Critical Accounting and Actuarial Policies” in the Management’s Discussion and Analysis in our most recent annual and interim reports, in the “Risk Management” note to consolidated financial statements in our most recent annual and interim reports and elsewhere in our filings with Canadian and U.S. securities regulators. We do not undertake to update any forward-looking statements except as required by law.



Ten Years of Success as a Public Company and Well-Positioned for Future Growth

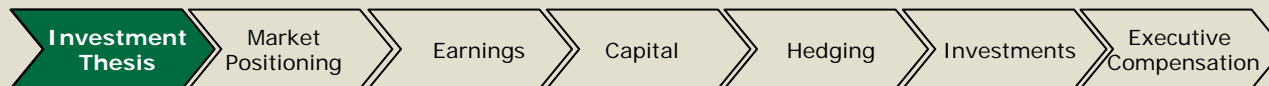
Agenda

- **Investment Thesis**
- Market Positioning
- Topics of Note
 - Earnings
 - Capital
 - De-Risking
 - Asset Quality
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- Conclusions



Investment Thesis

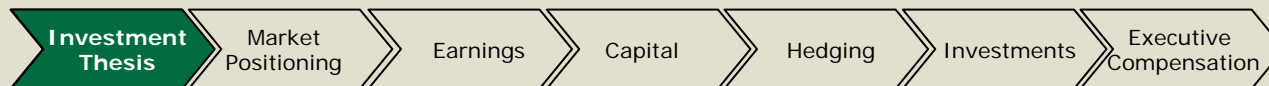
- A company well positioned to take advantage of global need for highly reliable savings, investment and protection providers
 - Whether they be baby boomers in Canada, high net worth in the U.S., business owners in Japan or emerging middle class in Asia
- A company well positioned to take advantage of the long term impact of the financial crisis
 - Through flight to quality, higher margins, organic growth, consolidation, market position and cost/availability of capital
- A company with the skills to diversify its offerings
 - By taking expertise from one market and applying it to others
- A company with great asset quality
 - Yet well-positioned to benefit from improvement in global equity markets and economic outlook





Our Strengths

- Strong capital position, getting stronger
- Well positioned in growth markets
- Excellent brand recognition and reputation
- Superior investment management
- Quality team
- Scale
- Great track record, promising future





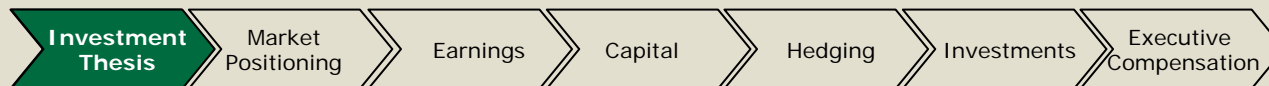
Our Brands

 **Manulife Financial**

John Hancock
the future is yours

 **MFC Global
Investment Management.**

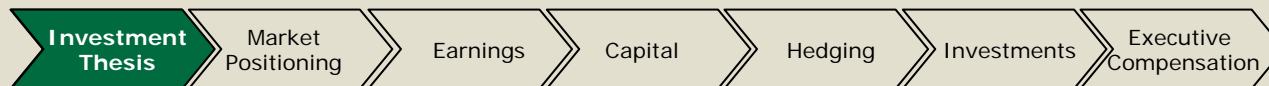
- Strong
- Reliable
- Trustworthy
- Forward Thinking





Our Challenges

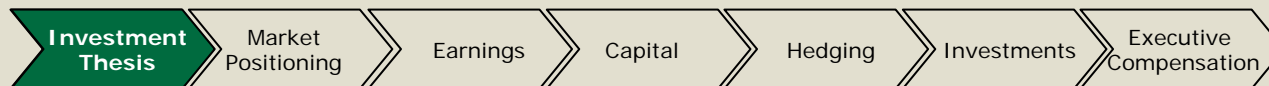
- Equity market impact on variable annuity guarantees
- Lower interest rates and spreads
- Impact of market meltdown on sales of Wealth and high-end Estate Planning products
- Short term impact- dividend reduction
- Capital required, and servicing that capital





Our Way Ahead

- Grow our businesses, with priority on the highest return products and geographies, and diversification of risk
- Take advantage of flight to quality
- Reduce equity sensitivity through de-risking of product, structure and hedging
- Charge more for taking risk, offering quality
- Product extension: leveraging existing skills, particularly in all elements of savings and investment management
- Opportunities for acquisition and geographic expansion: leveraging existing skills and competitive advantage
- Build capital to fund organic growth and pursue strategic opportunities





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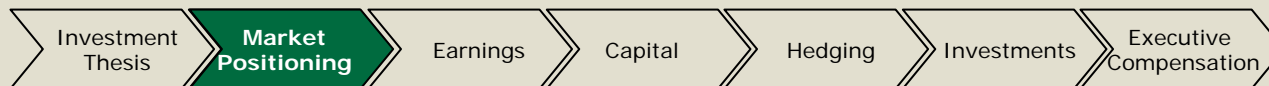


Ten Years of Success as a Public Company

Metric	1999	2009	%	
Share Price (TSX) <small>TSR = Total Shareholder Return; assumes dividends reinvested in MFC shares, per Thomson Reuters.</small>	\$8.95 ¹	\$22.53 ³	252%	TSR 12%
Share Price (NYSE) <small>LTM = Last Twelve Months; P&D data presented based on LTM of period noted</small>	US\$6.09 ¹	US\$20.46 ³	336%	TSR 15%
Market Capitalization	\$9B ¹	\$36.4B ³	404%	CAGR 15%
Premiums & Deposits (LTM)	\$18.6B ²	\$76.1B ⁴	409%	CAGR 15%
Funds Under Management	\$105B ²	\$421B ⁴	401%	CAGR 15%
Employees	12,020 ²	23,806 ⁴	198%	CAGR 7%
Agents	15,980 ²	35,453 ⁵	222%	CAGR 8%
LifeCo Rank by Mkt Cap	12 ²	4 ³		

- Manulife successfully demutualized and became a publicly traded life insurance company on September 24, 1999

C\$ Millions.



1 Based on IPO date of September 24, 1999

2 Based on September 30, 1999

3 Based on August 31, 2009

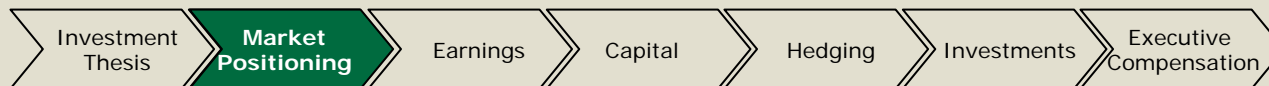
4 Based on June 30, 2009

5 Based on December 31, 2008



Proven Successes

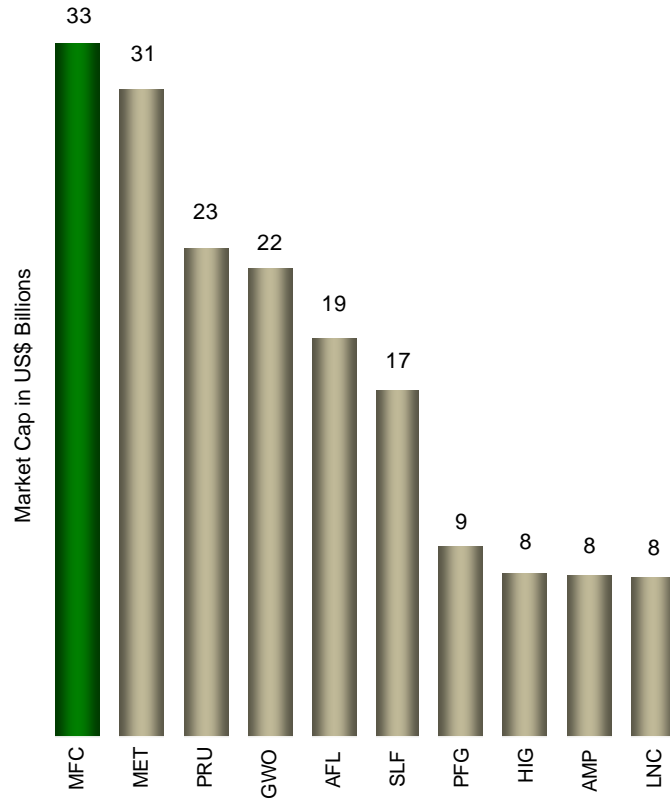
- Proven success in organic growth
- Proven success in identifying, pricing, executing and integrating strategic acquisitions
 - John Hancock
 - Japan Entry/ Daihyaku Buyout
 - North American Life
 - Dominion Life
 - Confederation Life Group Business
 - Zurich Canada
 - Commercial Union
 - Berkshire
 - Fuhwa
 - AIC
- Proven success in avoiding common “calamities” on assets and liabilities



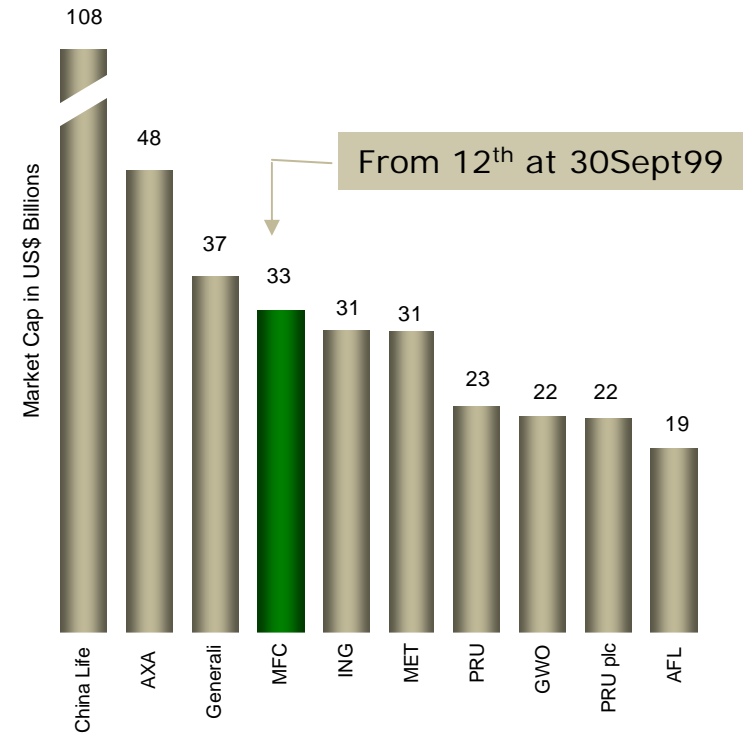


Significant Scale

North American Life Insurers



Global Life Insurers



Market data as at August 31, 2009. Source: Thomson Reuters.



Highly Rated

- Manulife's key operating subsidiaries have amongst the highest ratings in the industry

Agency	Rating	Outlook
S&P	AA+	Stable
Moody's	Aa3	Negative
A.M. Best	A+	Stable
DBRS	IC-1	Stable
Fitch	AA	Negative

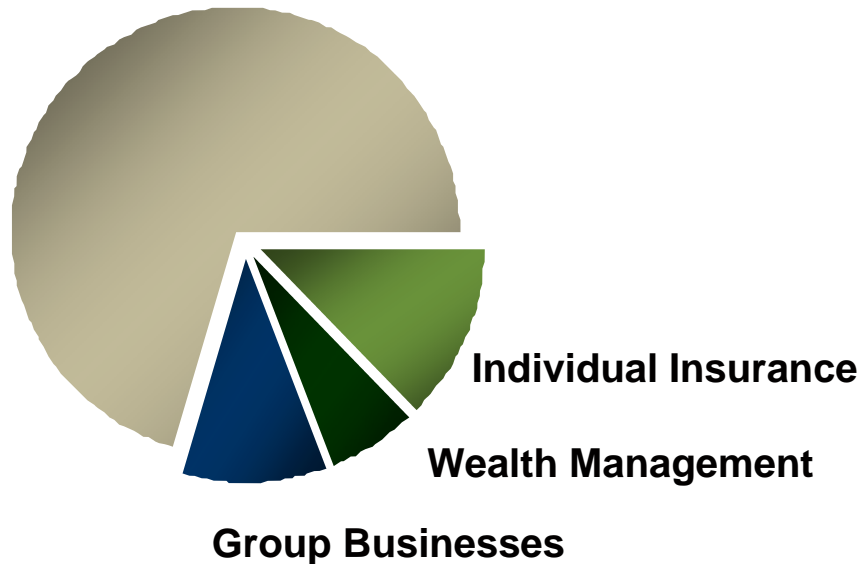
As at August 31, 2009.



With Great Franchises

Canada

29% of Total Earnings



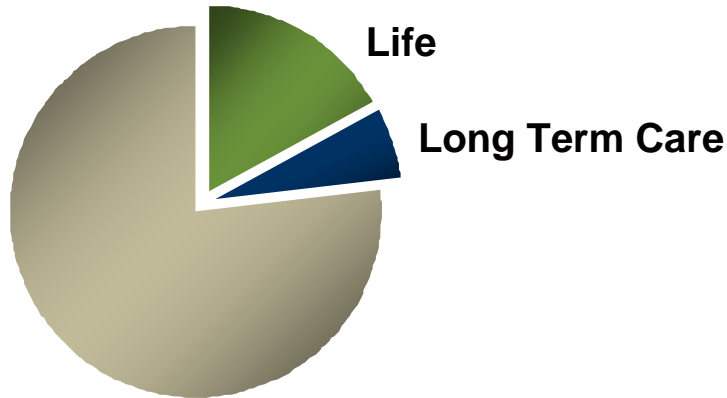
- Top 1 or 2 market shares in Individual Life, Fixed Annuities, Segregated Funds, Group Pension and Group Benefits
- Other group businesses: Manulife Bank, Critical Illness, Affinity
- Diversified distribution including Independent Agents, Financial Planners, Banks and Stockbrokers
- Product innovation
- Service excellence

Percentage of earnings is calculated based on average over last 4 years. Earnings data prior to 2007 is on a pre-investment pooling basis.



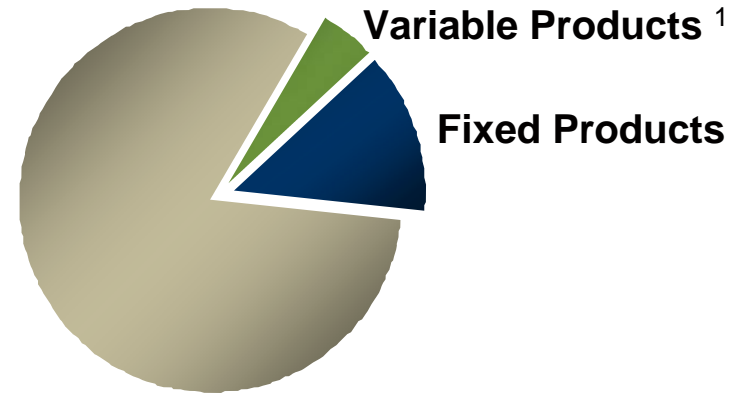
U.S. Insurance

23% of Total Earnings



U.S. Wealth Management

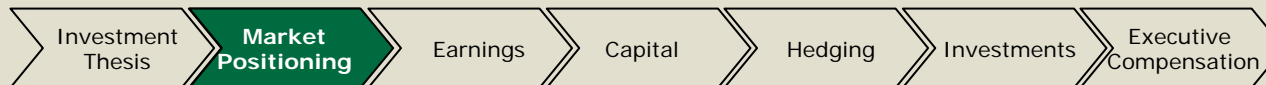
18% of Total Earnings



- An industry leader in Life Insurance, Variable Life, Long Term Care, Small Case 401(k) and Variable Annuities
- Diversified product and distribution platform, including Independent Agents, our own JHFN captive agency business, financial planners, banks and stockbrokers
- Well-regarded John Hancock brand
- Product innovation
- Superior execution

Percentage of earnings is calculated based on average over last 4 years. Earnings data prior to 2007 is on a pre-investment pooling basis.

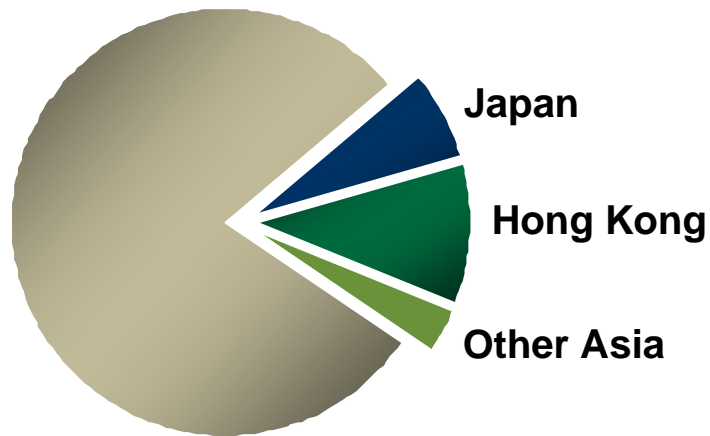
¹ The U.S. Variable Products group includes Variable Annuities, Mutual Funds and Retirement Plan Services.





Asia & Japan

21% of Total Earnings



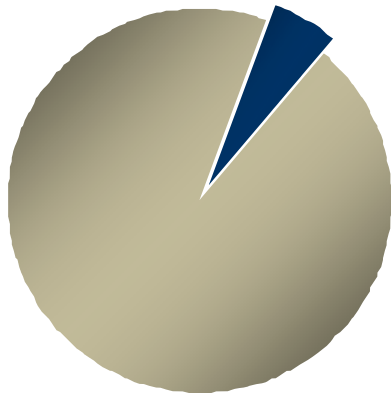
- Operations in 10 countries and territories: Japan, Hong Kong, Indonesia, China, Singapore, Vietnam, Philippines, Malaysia, Taiwan, Thailand
- Strong market positions in Life, Annuity, Group and Wealth Management products
- Significant footprint and growth platform
- Expanding product lines throughout Asia, especially Wealth
- Largely career agency, but distribution channels increasingly diversified to include Independent Agencies, Banks and Other distributors

Percentage of earnings is calculated based on average over last 4 years. Earnings data prior to 2007 is on a pre-investment pooling basis.



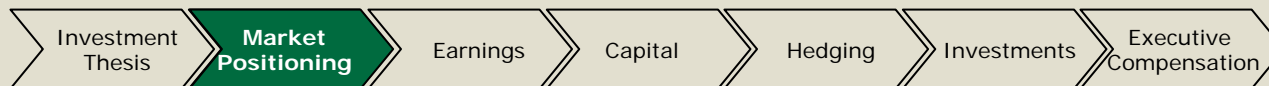
Reinsurance

5% of Total Earnings



- Niche businesses include Life, P&C, and International Group Program
- Opportunistic deployment of capital
- Non-correlated risk to core businesses
- Focus on the bottom line without having to chase volumes

Percentage of earnings is calculated based on average over last 4 years. Earnings data prior to 2007 is on a pre-investment pooling basis.





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Normalized Earnings

Expectations:

- Estimated range of \$750-850 million after-tax per quarter for remainder of 2009 and 2010
- Implies estimated near-term normalized ROE of 12%, with higher long-term target

Includes:

- Expected earnings from operations, including new business strain, based on current AUM and currency levels and 2% per quarter equity market appreciation
- Expected return on surplus investments

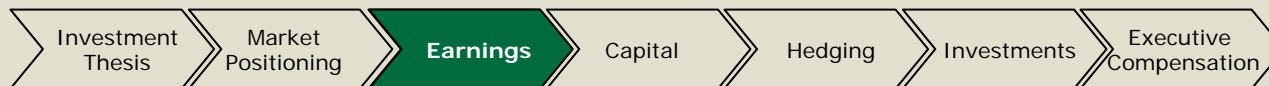
Excludes:

- Market impact on segregated fund guarantees
- Non-recurring market and investment-related gains/losses
- Basis changes and other disclosed non-recurring items (primarily tax related)



Scenarios for Higher/Lower Earnings

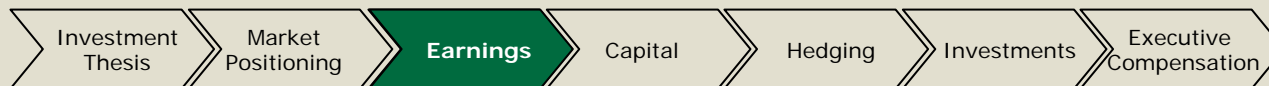
- Underlying business growth, including increasing fee income from growth in assets
- Potential policy-related experience gains/ losses (mortality, lapses)
- Investment and market-related gains/ losses, including:
 - Investment gains over time from investment management performance
 - Potential for stronger/weaker equity market appreciation, including higher realized gains on surplus equity investments
 - Additional benefits/losses from higher/lower interest rates and spreads
 - Difficult to expect spreads getting much tighter
- Higher prices and margins on insurance and wealth management products
- Lower/higher operating expenses
- Accretive acquisitions





Hurdle Rates

- **Near term normalized ROE expectations of 12%**
 - Does not imply lower hurdle rates going forward
- **Continue to generally require 15%+ return on equity employed, or 13% WACC, on products and acquisitions**





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Pursuing Fortress Capital

- Fortress capital provides more flexibility to respond to both risks and opportunities from a continued position of strength
- Companies with strong financial strength ratings and capital ratios will benefit from flight to quality
- The path to achieving fortress capital levels dependent upon:
 - Delivering strong operating earnings
 - Reducing our company's sensitivity to equity guarantees
 - Prudently managing capital and leverage





Retaining More Earnings

- Decision to reduce common shareholders' dividend + Dividend Reinvestment Plan (DRIP) is an effective, non-dilutive means of building capital
- Long-term shareholders expected to benefit as Manulife grows organically and through strategic opportunities
- All major stakeholders will benefit from strong capital ratios and financial strength ratings
- Recognize that additional retained capital has an implicit economic cost
- Hope to be able to raise dividends once normalized earnings expectations begin to increase and equity sensitivity to capital markets has been reduced





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Managing Equity Risk – Hedging

New Business:

- U.S. new business hedged since November 2008
- Canadian GMWB new business hedged since April 1st 2009 and all other products commencing October 2009
- Hedge Japan new business by end of 2009

In-Force Business:

- Hedged \$1.6 billion of Canadian in-force in 1Q09
- Hedged US\$640 million of U.S. and C\$2.3 billion of Canadian in-force business in 2Q09
- In total, C\$14.5 billion of Guaranteed Value being hedged with corresponding C\$1.5 billion of Net Amount at Risk, which would have otherwise been amounts 'in-the-money'



Managing Equity Risk – Product Design

- **Withdraw or modify products with rich features**
 - Several products were withdrawn
 - Bonuses and reset frequencies were reduced on U.S. withdrawal benefits
 - Fees increased on GMWB in Canada and the U.S.
 - Canadian products de-risked
- **Change fund offerings to reduce risk and improve hedge effectiveness**
 - Reduce equity component, increase index component and reduce components that are difficult to hedge
- **Introduce new VA products**
 - Introduced new AnnuityNote in the U.S.
 - Simplified design, fewer features and indexed investment fund for efficient hedging

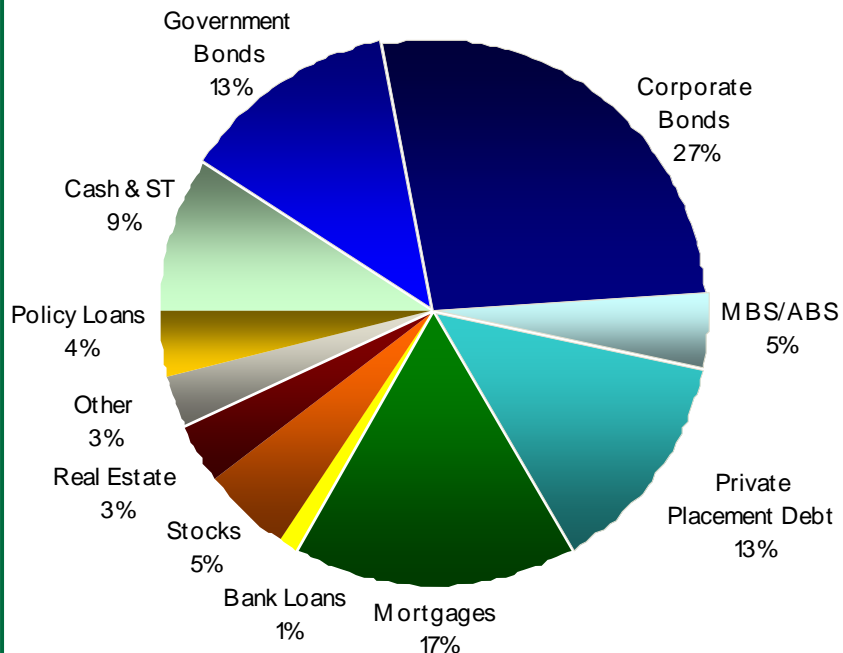


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High Quality Investment Portfolio

Total Invested Assets (C\$188.3 billion)



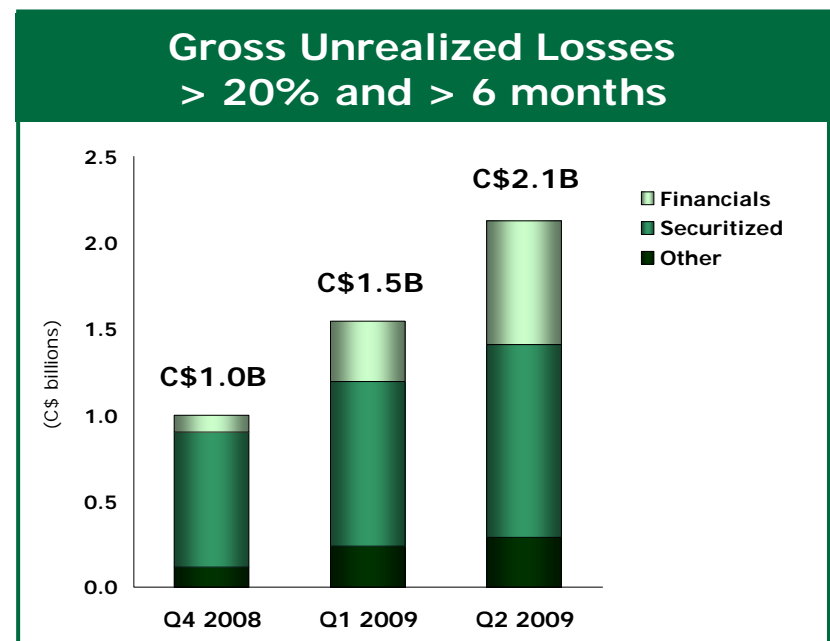
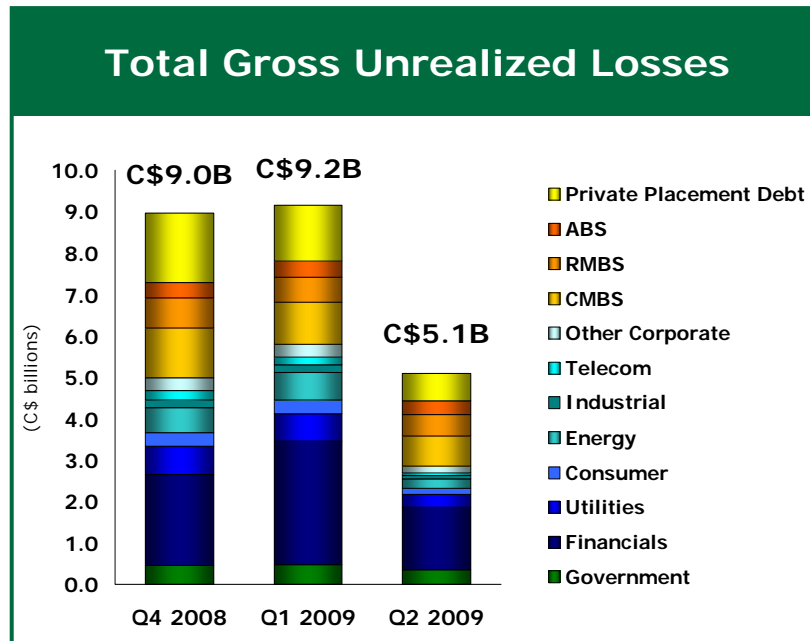
As at June 30, 2009, Carrying Value.

- **Investment philosophy core differentiator**
- **Diversified, high quality portfolio:**
 - 58% in high quality Public & Private Bonds
 - 17% in high quality Mortgages
 - 13% in Cash & Policy Loans
- **Well positioned for current downturn:**
 - 94% of Bonds are Investment Grade and highly diversified by geography and sector
 - 93% of CMBS rated AAA with 90% originated in 2005 or prior
 - Commercial Mortgages have low Loan-to-Values ~ 62% and high Debt Service Coverage ~1.6x
 - Unlevered Commercial Real Estate with 92% occupancy and 5.6 years average lease term
- **Limited exposure to:**
 - RMBS
 - Monoline wrapped bonds
 - European bank hybrids
- **No exposure to:**
 - Hedge funds
 - Synthetic credit



Gross Unrealized Losses: Relatively Small and Improving

- Total gross unrealized losses declined 45% sequentially to C\$5.1 billion in 2Q09
 - Improvement in gross unrealized losses due to general spread narrowing
 - Represent 5% of Fixed Income portfolio
- Unrealized losses for Fixed Income portfolio trading at less than 80% of cost for greater than 6 months are approximately C\$2.1 billion
 - Increase from 1Q09 primarily due to aging
 - Comprised of 53% securitized assets and 34% financials



As at June 30, 2009.



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Aligned Executive Compensation

- Strong Pay for Performance Culture
 - Executive compensation payouts as per plan design
 - 70 – 80% of Pay at Risk is tied to share price
 - Executive Compensation payouts as intended
 - ZERO annual bonuses for senior management in 2008
 - Performance Share Units from 2006 paid out 50% less than prior year
 - Performance Share Units from 2007 and 2008 effectively worthless
 - Stock options underwater for 7 of the past 8 years
 - Going forward – further alignment at the top of the house
 - Clawback and share retention requirements for the Top 3
 - Balanced Score Card for Annual Bonus, including risk and capital elements and performance conditions
 - Tougher hurdles for senior management payouts
- **Management is highly aligned with shareholders**



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Manulife Well Positioned to Prosper

- Manulife has proven to be reliable, strong and trustworthy in the most adverse circumstances, and will benefit from flight to quality
- Expect to benefit from anticipated industry consolidation
- Companies will adjust products to generate higher profit margins with lower risk
- Anticipate rating agencies and regulators will require higher levels of capital, which will favor stronger, more conservative companies
- Manulife will benefit as stock markets grow and interest rates return to more normal levels
- Manulife will continue to address customer needs, with a view to deliver growth in both absolute terms and market share



Question & Answer Session



Note to Users

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 financial measures are not defined terms under GAAP and, therefore, are unlikely to be comparable to similar terms used by other issuers. Non-GAAP measures include normalized earnings, return on common shareholders' equity, premiums and deposits, funds under management and capital. Normalized Earnings (described in slide 19), which constitutes forward-looking information, is useful to investors given the current economic conditions including the volatility of equity markets, interest rates and other factors (see "Caution Regarding Forward-Looking Statements"). Return on 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 the top line growth. 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 the 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. For further information about our use of non-GAAP financial measures, see "Performance and Non-GAAP Measures" in the Management's Discussion and Analysis in our most recent annual and interim reports.

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