



Fourth Quarter 2008 Financial & Operating Results

February 12, 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 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”, “suspect”, “outlook”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “forecast”, “objective” and “continue” (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. 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, investment losses and defaults, movements in credit spreads, market liquidity and creditworthiness of guarantors and counterparties), level of competition and consolidation, changes in laws and regulations, currency rates and Company liquidity, accuracy of information received from counterparties and the ability of counterparties to meet their obligations, accuracy of accounting policies and actuarial methods used by the Company, ability to maintain the Company’s reputation, legal and regulatory proceedings, the disruption of or changes to key elements of the Company’s or to public infrastructure systems, the ability to attract and retain key executives, environmental concerns, the ability to complete acquisitions and execute strategic plans, and the ability to adapt products and services to the changing market. 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 Report, and elsewhere in our filings with Canadian and U.S. securities regulators. We do not undertake to update any forward-looking statements.



CEO's Remarks

Dominic D'Alessandro
President & Chief Executive Officer



2008 Financial Highlights

(C\$ millions, except per share data)	2008	Y/Y
Shareholders' Earnings	\$517	-88%
Fully Diluted Earnings per Share	\$0.32	-88%
Return on Equity ¹	2.0%	-16.4%
Insurance Sales	\$2,386	+4%
Wealth Management Sales	\$43,540	-1%
New Business Embedded Value	\$2,260	+10%

¹ ROE excludes AOCI from shareholders' equity.



2008 Operating Highlights

- **Turbulent global markets and challenging conditions**
 - Financial sector crisis resulted in unprecedented failures and government bailouts
 - Sharp decline in global equity markets and interest rates
 - MFC was not immune, but acted swiftly

- **Strong capital position despite sharp declines in equity markets**
 - Bolstered capital with \$2.0B term loan and \$2.3B equity issue
 - MLI MCCR of 233% well above internal targets and regulatory requirement
 - JHLICO RBC estimated at 400% well above 200% regulatory target

- **Investment portfolio well positioned for challenging credit cycle**
 - Improved credit quality in anticipation of downturn
 - Disciplined and prudent investment approach avoided complexity and chasing yield
 - Limited exposure to notable items

- **Global franchises strong despite unprecedented market conditions**
 - Maintained or increased leading market shares in core markets
 - Continued expansion of distribution capabilities
 - Diversified product offerings meeting the changing needs of consumers



CFO's Remarks

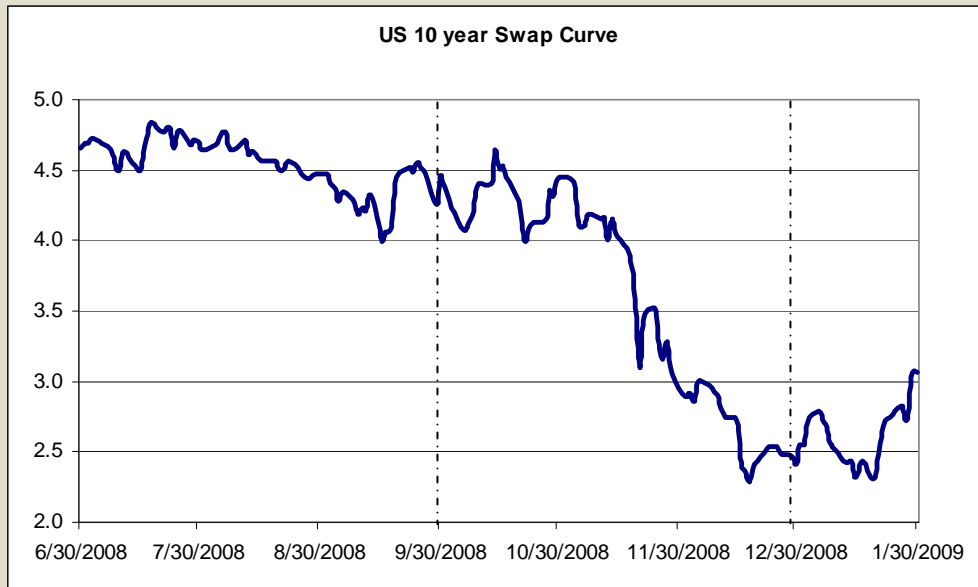
Peter Rubenovitch
Senior Executive Vice President &
Chief Financial Officer



2008 Fourth Quarter Results

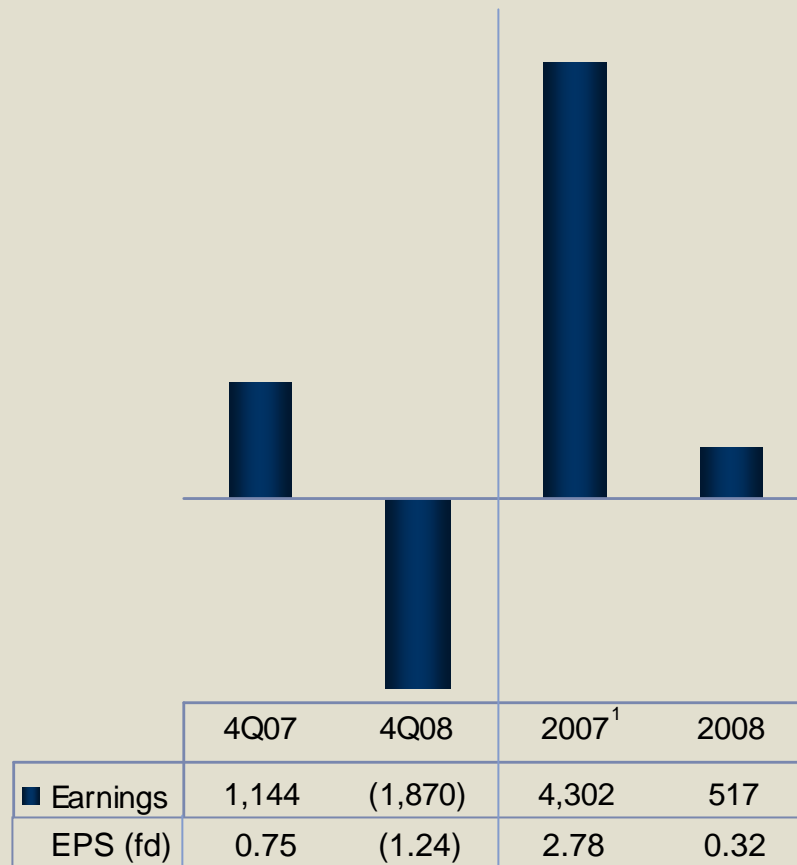
As reported (Feb 12, 2009)	(1,870)
As estimated (Dec 2, 2008)	(1,500)
Difference	(370)

A primary reason for the difference in our reported result is the sharp drop during the quarter in the swap interest rates which are used to value our segregated fund guarantee liabilities.



C\$ Millions

Shareholders' Earnings



Lower Shareholders' earnings due to

- Sharp declines in global equity markets and swap interest rates
- Accruals for credit losses and downgrades
- + Changes in actuarial methods & assumptions

C\$ millions, except per share data

¹ As a result of the new investment accounting standards which became effective January 1, 2007, the Company realigned its assets, resulting in a one-time charge to earnings of \$69 in Q1 2007. Excluding this charge, 2007 shareholders' earnings were \$4,371 and diluted EPS was \$2.83.



Notable Items

Notable items impacting 4Q08 Earnings:

Segregated Fund and other equity items	(\$2,920)
Credit impairments & downgrades	(128)
Changes in actuarial methods & assumptions	321
Tax related provisions for leveraged lease investments	(181)
Tax related gains arising from Canadian tax changes	<u>181</u>
Total	(\$2,727)

All items are on a post tax basis, in C\$ Millions

Equity Market Impact on Earnings

Equity Markets	30-Sept-08	31-Dec-08	<i>Change</i>
S&P TSX	11,753	8,988	<i>-23.5%</i>
S&P 500	1,165	903	<i>-22.5%</i>
Hang Seng	18,016	14,387	<i>-20.1%</i>
Nikkei 225	11,260	8,860	<i>-21.3%</i>

Impact on 4Q08 Earnings (C\$ millions):

Segregated Fund Guarantees

▪ Decline in equity markets	\$1,805
▪ Drop in swap interest rates	602

Equities supporting general account liabilities 196

Variable Life Reserves 100

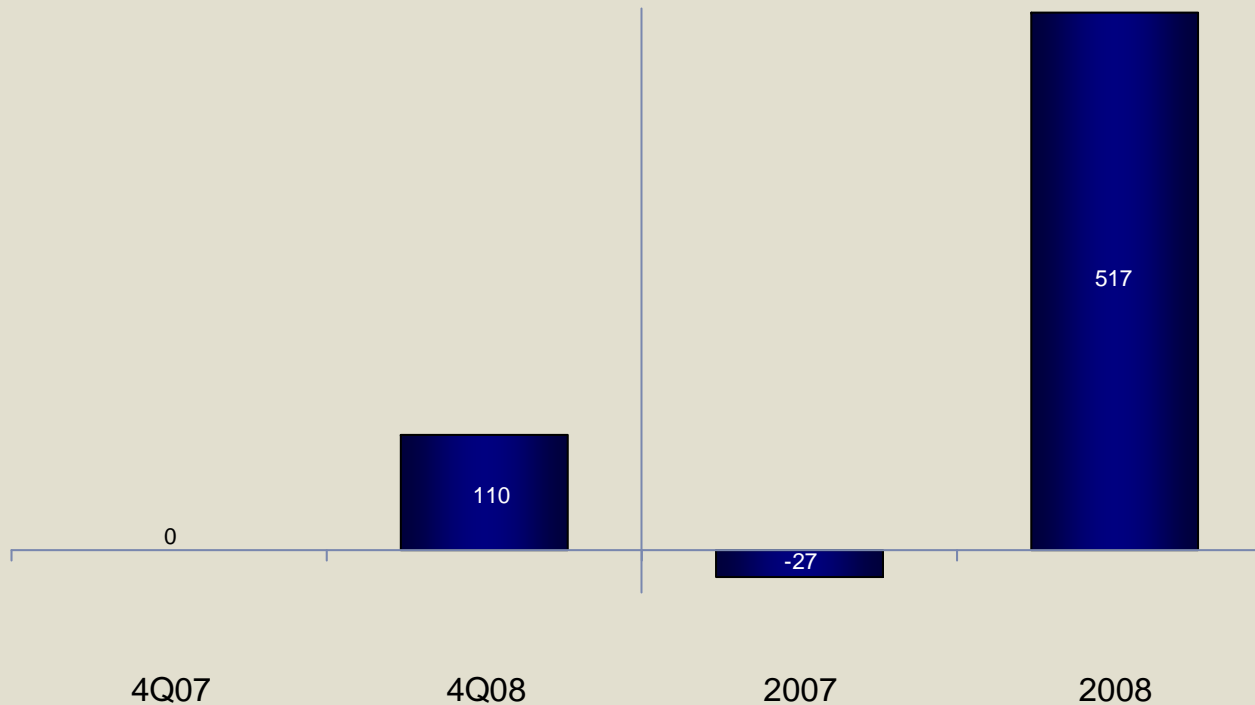
Fee Income 59

Surplus segment equity impairments 158

Total Impact \$2,920

Credit Provisions & Impairments

Pre-Tax Net Credit Impairments (Recoveries)



Net Provisions & Impairments on Non-Par Loans, Bonds, Derivatives and Other
C\$ Millions

Valuation Basis Changes

Assumption	Reserve Impact (Increase) Release	
	4Q08	FY2008
Mortality / Morbidity	728	647
Lapses & Other Policyholder Behaviour	(700)	(699)
Expense	568	570
Investment Returns	(182)	(164)
Other Valuation Model Refinements Assumption Updates	92	128
Net release of policy liabilities¹	506	482
Post tax shareholders' earnings impact	321	284

C\$ Millions

¹ Includes Participating Policyholders' amounts



Level of PfADs

General Account & Seg Funds



■ Margins (PfAD)	30.7	33.2	44.8
■ Best Estimate	265.7	259.4	258.1
Total Actuarial Liabilities & Seg Funds	296.4	292.6	302.9
PfAD as % of Total Policy Liabilities	10.4%	11.3%	14.8%

C\$ Billions

Source of Earnings

	4Q07	4Q08	2007	2008
Expected Profit on In-Force	808	804	3,249	3,220
Impact of New Business	(92)	(37)	(286)	(326)
Experience Gains (Loss)	313	(3,747)	1,453	(3,351)
Mgmt Actions & Chgs in Assumptions	116	480	(7)	500
Earnings on Surplus Funds	296	(101)	1,283	562
Other	(13)	4	(13)	(8)
Income (Loss) Before Taxes	1,428	(2,597)	5,679	597
Income Taxes	(284)	727	(1,377)	(80)
Shareholders' Net Income (Loss)	1,144	(1,870)	4,302	517

C\$ Millions



Segregated Fund Guarantees Reserves & Capital

	(C\$ Millions)
Fund Value Net of amounts reinsured	74,422
Amount at Risk Excess of guaranteed values over fund values, net of amounts reinsured	26,809
Expected Profit PV of fees minus PV of costs based on average of all scenarios (CTE0)	135
Balance Sheet Reserves PV of costs minus PV of fees based on average of worst 35% of all scenarios (CTE65)	5,783
Total Reserve + 200% of Required Capital Balance sheet reserves plus 200% of MCCSR Required Capital	10,681

- Coverage of 40% of current amount at risk
- Assets supporting total reserves plus 200% of required capital exceed expected result by over \$10 billion
- Entire balance sheet reserve is a margin (PfAD) given expected result



Segregated Fund Guarantees Reserves & Capital – Recent Developments

- OSFI revision to MCCSR rules for segregated fund capital
 - Historically set at fixed CTE(95)
 - Now based on expected payment date:
 - due in 1 year or less = CTE(98)
 - due between 1 and 5 years = CTE(95)
 - due after 5 years = CTE(90)

- Revisions to adopt more realistic model assumptions for segregated fund capital
 - Revised policyholder behavior assumptions
 - Revised discount rates

- Revisions to discount rates to be applied to segregated fund reserves in first quarter of 2009
 - Not expected to reduce reserves held initially, but will increase reported CTE levels (year end CTE65 would be above CTE70)



Regulatory Capital Recent Developments

- New Term Loan

- \$2 billion loan with five year term
- Financed by leading Canadian banks
- Repayable at any time, without penalty
- Floating rate of 3 month BAs + 380bps

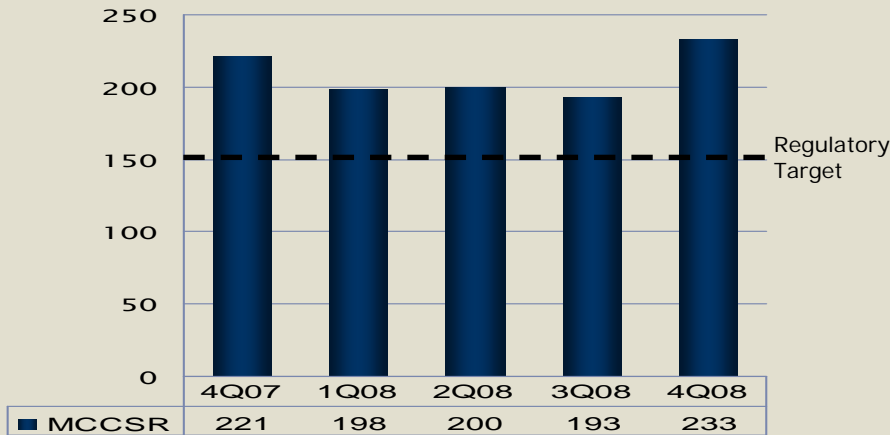
- New Equity Issue

- \$2.275 billion of new common equity
 - \$1.125 billion via private placement to eight existing investors
 - \$1.150 billion via 'bought deal' public offering



Regulatory Capital Current Position

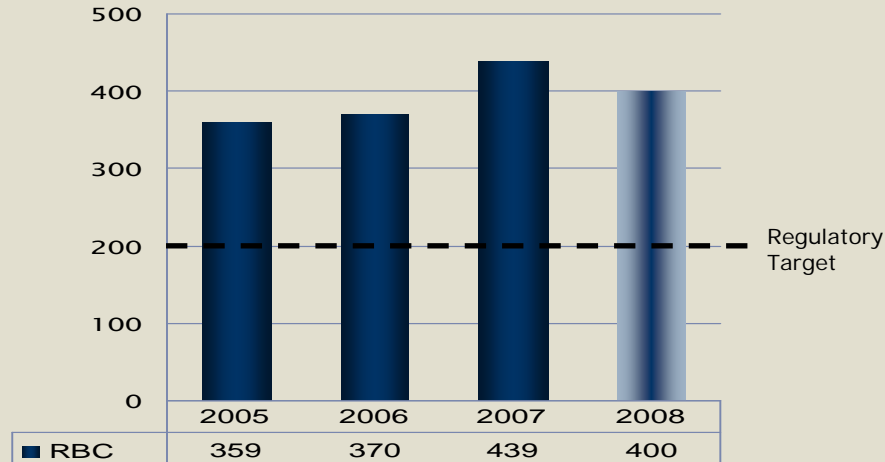
MCCSR – Manufacturers Life Ins Co



- Year end capital ratios for MLI and JHLICO are well above internal and regulatory targets

- MLI increase in 4Q08 reflects new capital raised, partially offset by sharp declines in global equity markets

RBC – John Hancock Life Ins Co



- JHLICO capital ratio not finalized but estimated 4Q08 position to be approximately 400%



Sensitivity of Capital & Earnings

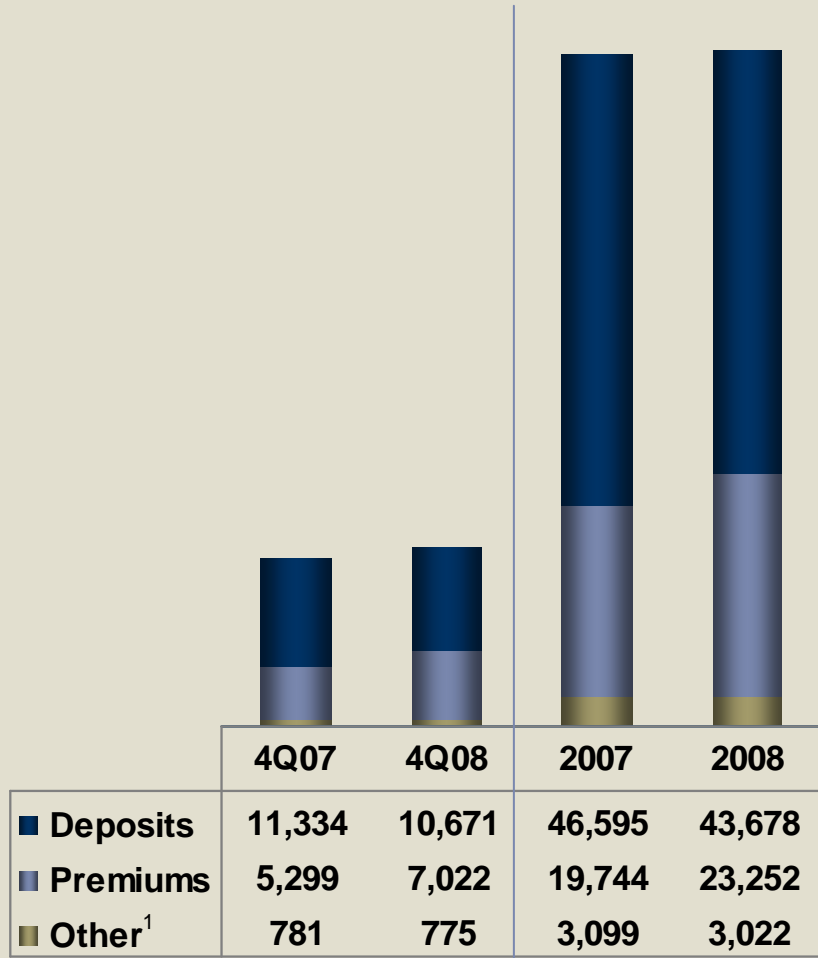
Consolidated MLI MCCSR Ratio:

4Q08 As Reported	233%
Impact of 10% equity market correction	~20 Pts

MFC Earnings:

Impact of 10% equity market correction	~(\$1.6 billion)
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Premiums & Deposits



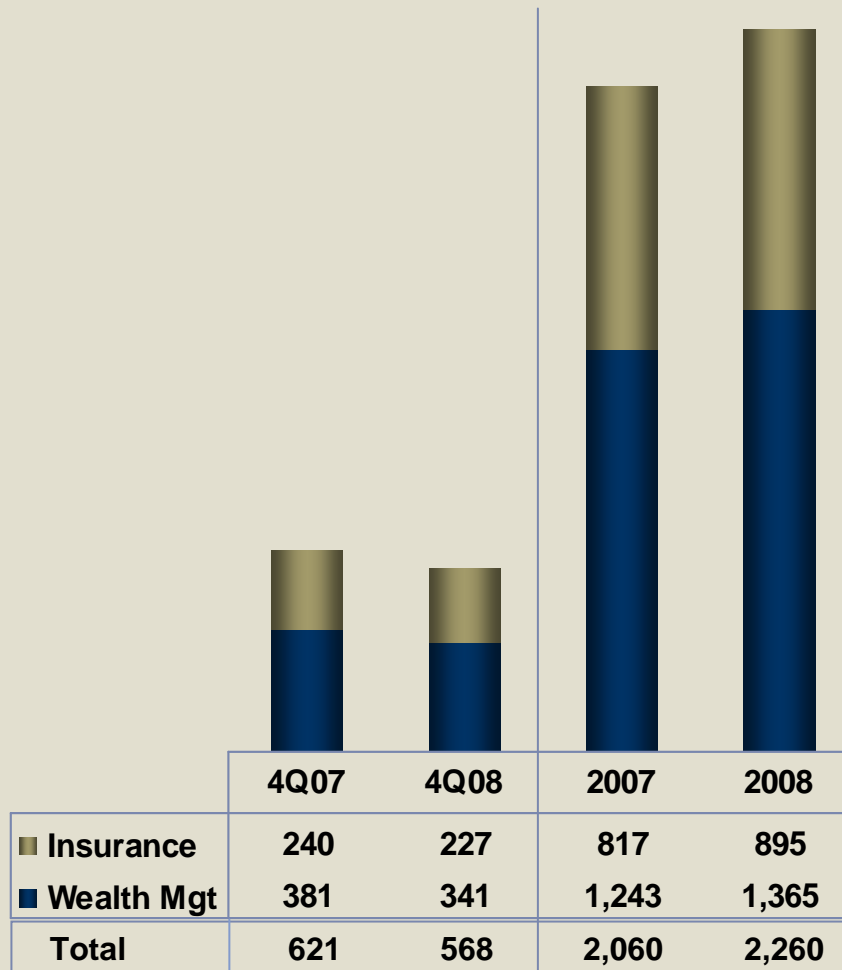
P&D in line with prior year

- + Record life insurance and strong fixed wealth product sales
- Lower variable wealth deposits

C\$ Millions

¹Other includes ASO Premium Equivalents and Other

New Business Embedded Value



Record full year NBEV, up 10% versus 2007

- + Insurance up 10%
- + Wealth Management up 10%

C\$ Millions

Embedded Value

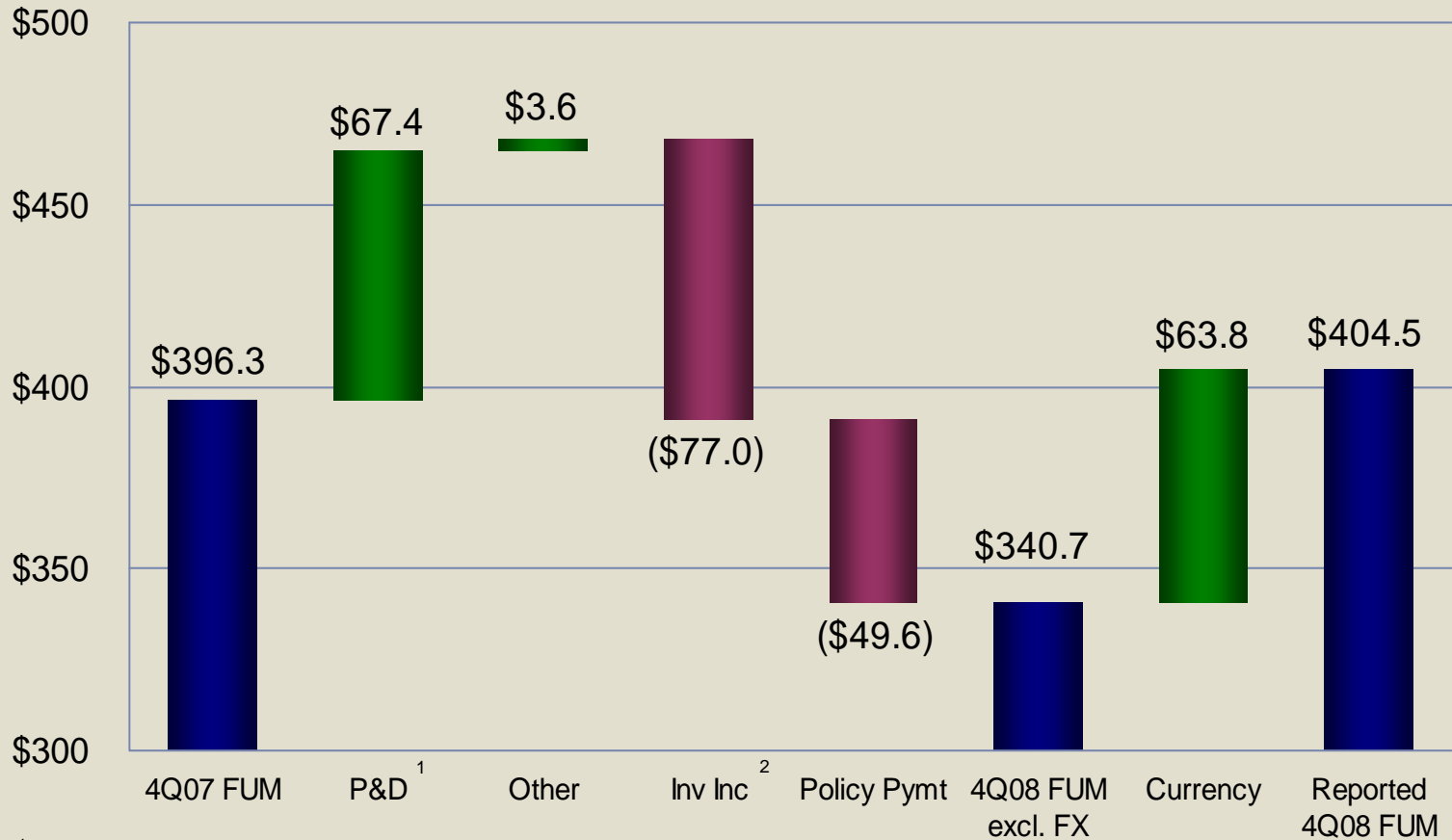
	<i>Total</i>	<i>Per Share</i>
EV as at January 1, 2008	32,799	\$21.85
Interest on EV	2,560	
New Business	2,260	
Experience Variances and Changes in Actuarial Assumptions	(4,583)	
Operational Embedded Value	33,036	\$22.01
Change in Operational EV (from year start)	1%	1%
Discount Rate Changes	6,493	
Currency	6,303	
Shareholder Dividends	(1,494)	
Other Capital Movements	1,845	
EV as at December 31, 2008	46,183	\$28.68
Change in Embedded Value	41%	31%

C\$ millions, except per share data



Funds Under Management *Year over Year Movement*

C\$ Billions



¹P&D excludes ASO premium equivalents

²Investment income includes OCI on AFS securities and cash flow hedges



Divisional Summary As Reported

Divisional earnings as reported:

	4Q08	2008
U.S. Insurance (US\$)	30	757
U.S. WM (US\$)	(1,085)	(694)
Canada (C\$)	(13)	656
Asia & Japan (US\$)	(363)	243
Reinsurance (US\$)	(11)	154
Corporate & Other (C\$)	(125)	(328)
Total Company (C\$)	(1,870)	517

\$ Millions



Divisional Summary Excluding Notable Items

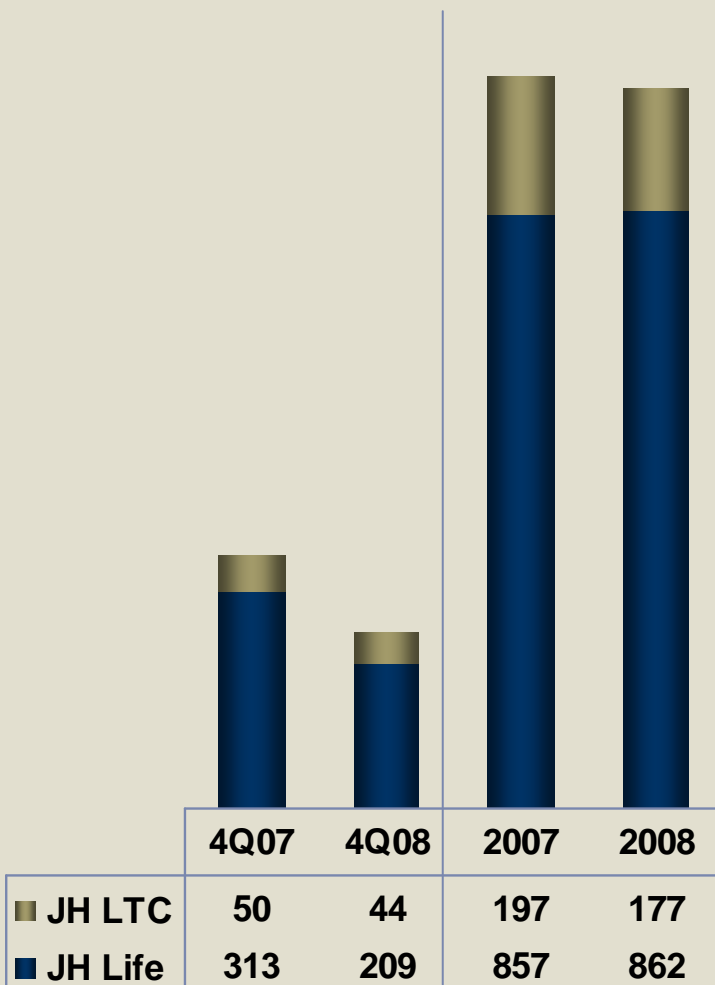
Divisional earnings differential excluding investment & market related experience:

	4Q08 vs. 4Q07	2008 vs. 2007
U.S. Insurance (US\$)	4	52
U.S. WM (US\$)	(9)	(33)
Canada (C\$)	8	0
Asia & Japan (US\$)	28	119
Reinsurance (US\$)	(2)	35

\$ Millions



U.S. Insurance Sales



US\$ Millions

Sales represent new annualized premiums.

Record 2008 Life sales of US\$862 million

- + #1 sales rank for 5 consecutive quarters
- + Strong sales across product portfolio

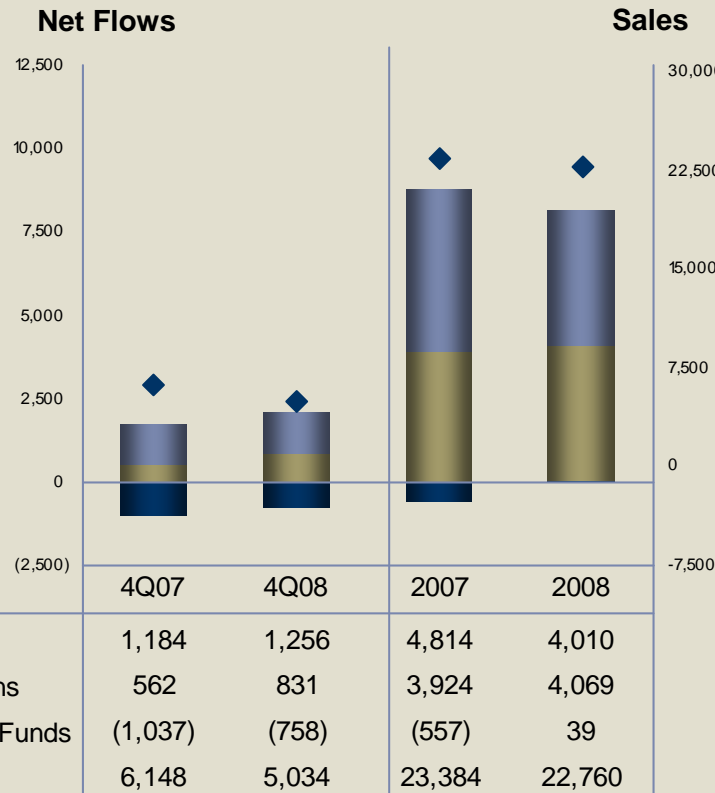
LTC sales of US\$177 million

- + Strong Group sales
- Lower Retail sales due to market conditions and recent price increases



U.S. Wealth Management Sales & Net Flows

Variable Products Group



Net flows of US\$8.1 billion

- + Group transfer volumes remain strong
- + Strong mutual fund sales partially offset by increased redemptions
- Variable annuity sales down but in line with industry trends

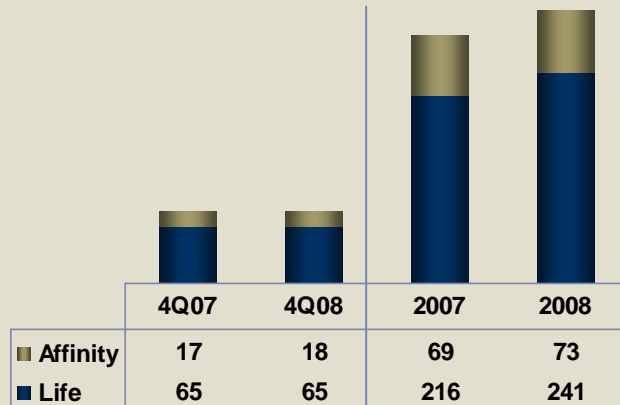
US\$ Millions

Net flows include premiums and deposits less withdrawals



Canada Sales

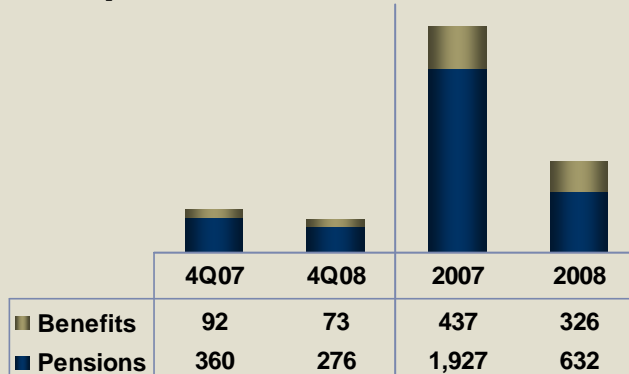
Individual Insurance



C\$ Millions

- Insurance sales up 12%, with strong results in all product lines
- Affinity sales up 6%, driven by growth in Mortgage Creditor and Travel businesses

Group Businesses



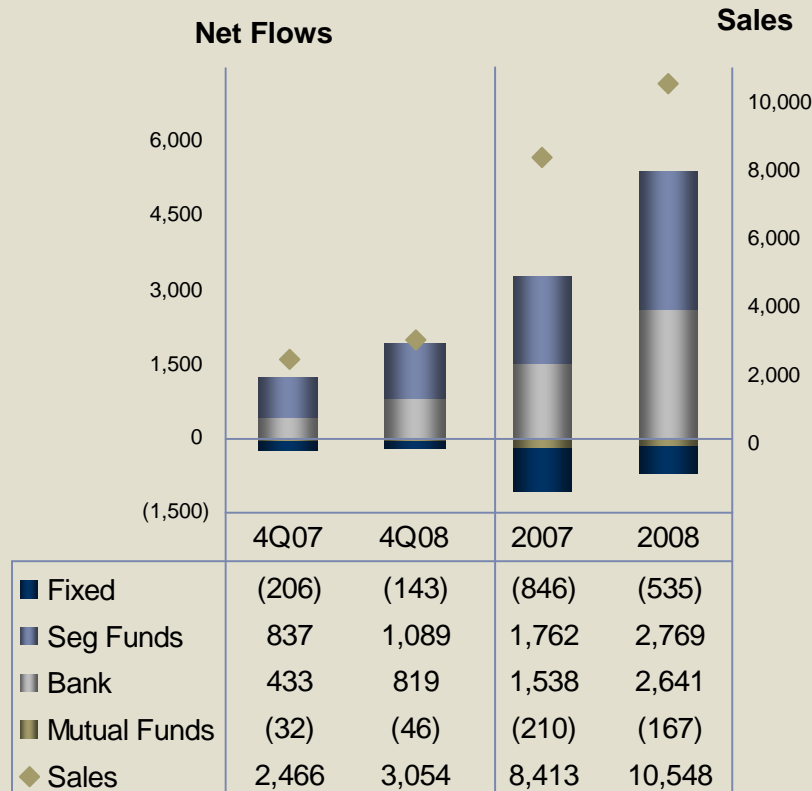
C\$ Millions

- Group Benefits sales of \$326 million
- Group Pensions sales of \$632 million

Sales: Group Benefits: new annualized premiums ("NAP") and single premium sales including ASO premium equivalents, Ind. Insurance: NAP, Group Savings and Retirement Solutions: NAP and single premium sales.

Canada Sales & Net Flows

Individual Wealth Management



C\$ Millions

Net flows are based on premiums and deposits less withdrawals except for Manulife Bank which is based on combined change in Mortgages and Bank Loans

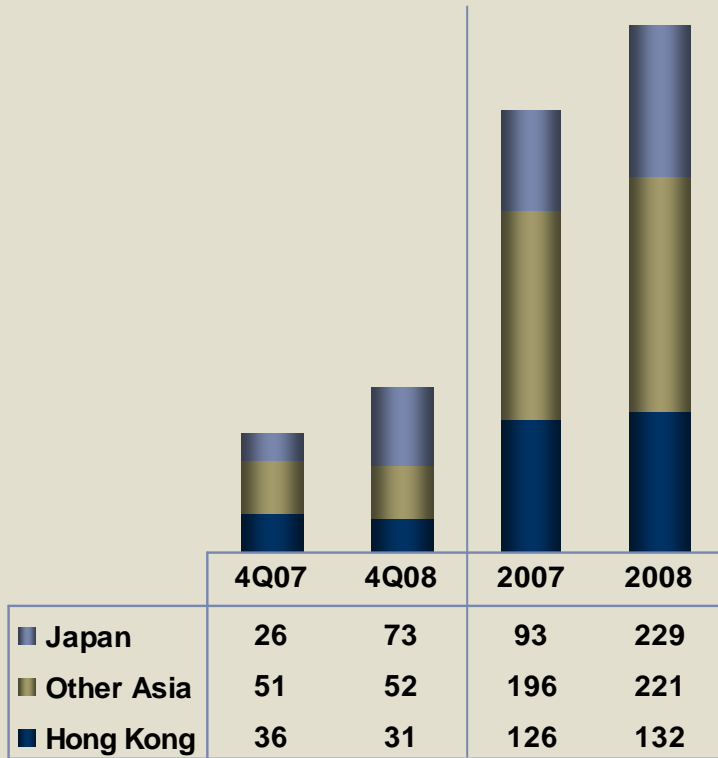
Sales of \$10.5 billion, up 25% with net flows of \$4.7 billion, up \$2.5 billion

- + Record Bank loan volumes driven by ManulifeOne
- + Strong Seg Fund sales
- + Higher Fixed Products sales



Asia and Japan Sales

Insurance



US\$ millions

Insurance sales based on new annualized premiums

Sales of US\$582 million, up 40% over 2007

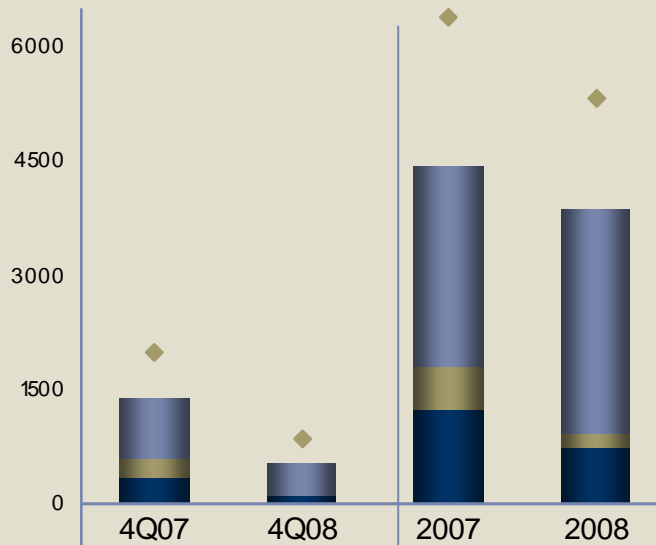
- + Japan sales more than doubled prior year, driven by new products and distribution
- + Other Asia sales up 13%, driven by strong sales in China and Singapore
- + Hong Kong sales up 5%, attributable to product enhancements



Asia and Japan Sales & Net Flows

Wealth Management

Sales & Net Flows



■ Japan	771	432	2,594	2,946
■ Other Asia	243	(15)	603	162
■ Hong Kong	362	109	1,226	759
◆ Sales	1,998	848	6,399	5,325

US\$ millions

Net flows based on premiums and deposits less withdrawals

Net flows of US\$3.9 billion

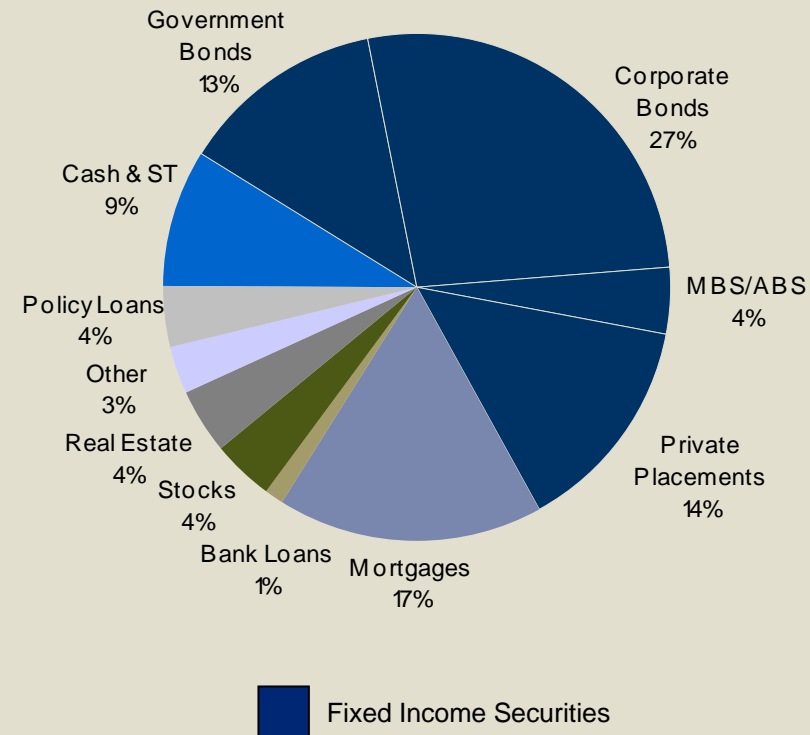
- Hong Kong and Other Asia sales and net flows lower due to equity market volatility
- + Japan net flows up 14%, despite slower sales in 2H08



Diversified High Quality Asset Mix

- Diversified, high quality portfolio
 - 13% in Cash & Policy Loans
 - 18% in high grade Mortgages & Bank Loans
 - 58% in high quality Bonds & Privates
 - 95% of Bonds are Investment Grade and highly diversified by geography and sector
- Gross unrealized losses on fixed income securities is 8% of total fixed Income securities
- Fixed income securities trading below 80% of cost for more than 6 months is less than 1% of total fixed income securities
- UK Bank Hybrid securities holdings of \$750 million
- Commercial mortgages in arrears limited to less than \$35 million

Total Invested Assets
C\$187.5 billion



All data based on Carrying Value as at December 31, 2008 in C\$

Minimal Impact from “In the News” Items

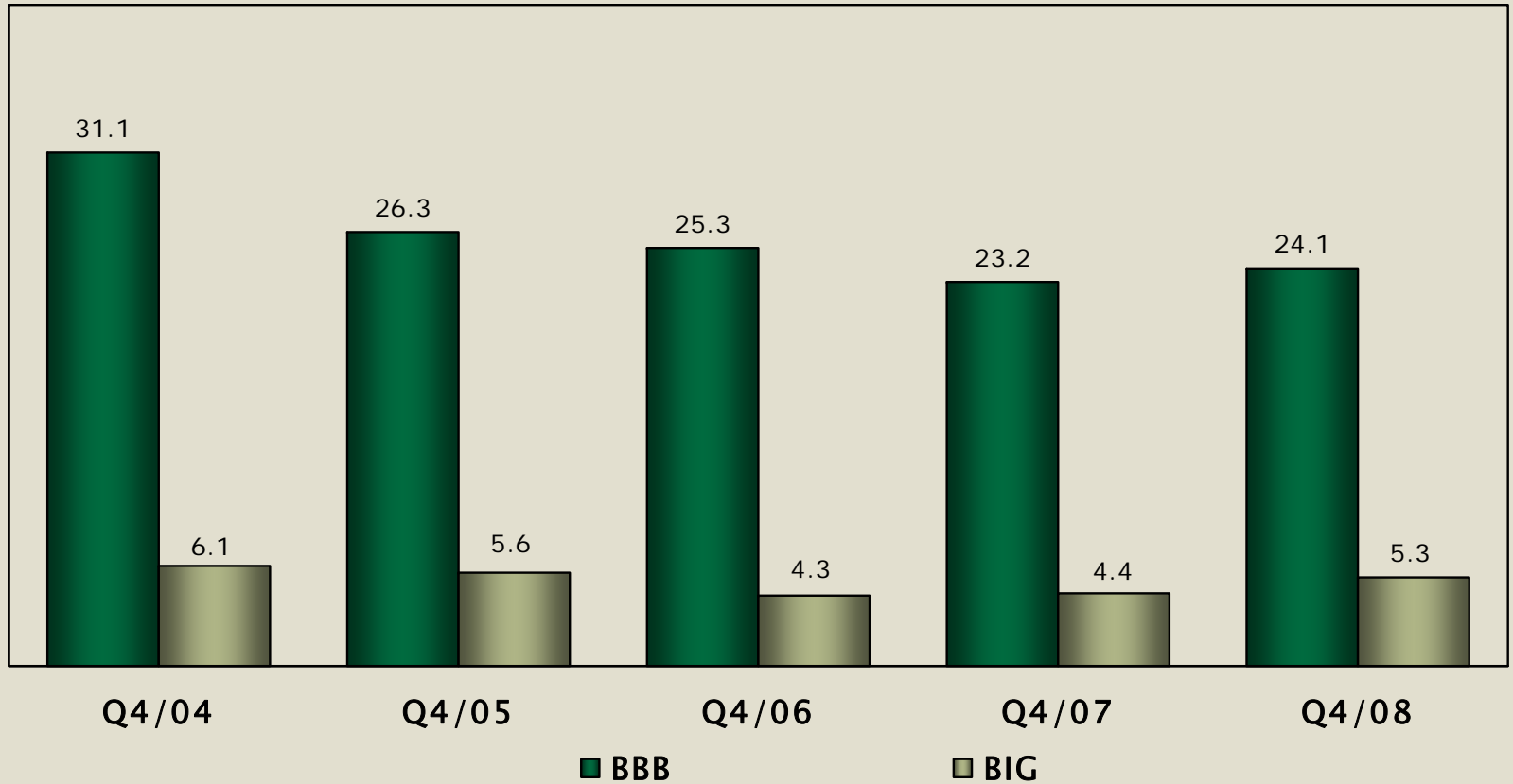
Type	Market Value	Amortized Cost	Comments
Asset Backed Securities (ABS)	\$2.0B	\$2.1B	92% rated AA or higher; no sub-prime exposures
Securities Lending	\$1.2B	\$1.2B	Over collateralized, backed by highest quality, liquid collateral
Monoline Insurers	\$1.0B In wrapped bonds	\$1.2B In wrapped bonds	Nominal exposure to downgrades as do not rely on monoline wraps
Residential Mortgage Backed Securities (RMBS)	\$819m (\$408m Sub-prime; \$154m Alt-A)	\$1.5B (\$747m Sub-prime; \$287m Alt-A)	81% rated A or higher 83% originated in 2005 or prior
Collateralized Debt Obligations (CDO)	\$231m	\$460m	None have subprime mortgages
UK Bank Hybrids	\$356m	\$750m	RBS ~ 40%; Barclays ~ 35% Shareholder portion ~ 65%
European Bank Hybrids	\$111m	\$200m	Max single name limit ~ 20% Shareholder portion ~ 60%
Hedge Funds	None	None	No exposure
Credit Default Swaps (CDS) written	None	None	Never wrote Credit Default Swap (CDS) protection

All data as at December 31, 2008 in C\$



Bond Portfolio High Credit Quality

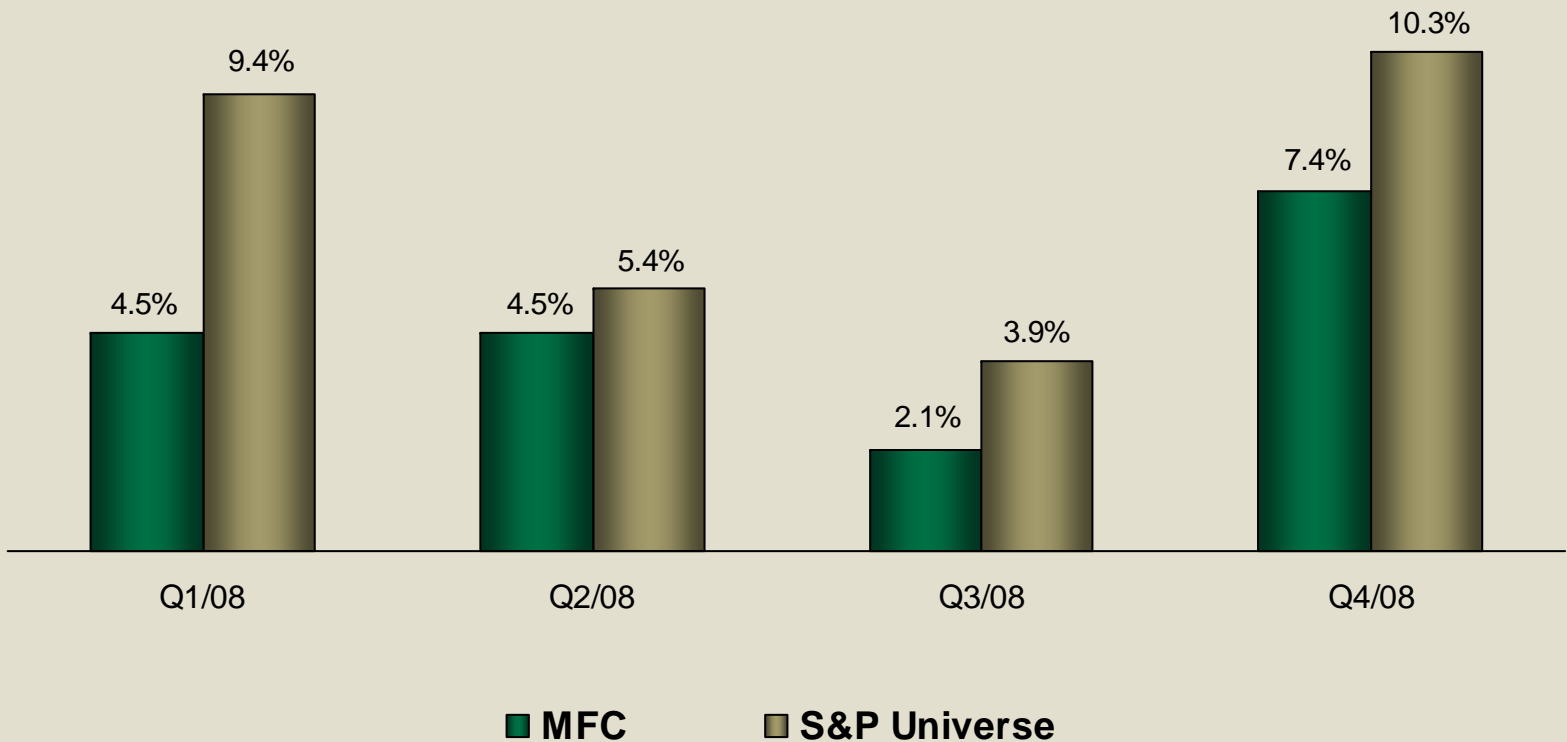
Percentage of Total Bond Portfolio





Bond Portfolio Performing Better Relative to Market

Downgrades as % of Total Issuers



Unrealized Losses – Fixed Income

Unrealized Losses on Fixed Income Securities	Total	AFS	FVO	Loans
Gross Unrealized Losses	\$9.0B	\$1.1B	\$6.2B	\$1.7B
Less: Gross Unrealized Gains	3.8B	1.1B	2.5B	0.2B
Net Unrealized Loss	\$5.2B	\$0.0B	\$3.7B	\$1.5B
Fixed Income Securities (Amortized Cost)	\$112.6B	\$12.7B	\$74.2B	\$25.7B
Gross Unrealized Loss as a % of Total Fixed Income Securities	8.0%	8.7%	8.4%	6.6%
Gross Unrealized Loss on Securities trading below 80% of acquisition cost for more than 6 months	\$998M	\$185M	\$785M	\$27M

All data as at December 31, 2008 in C\$



Unrealized Losses - Equities

Unrealized Losses on Equities	AFS
Gross Unrealized Losses	\$828M
Less: Gross Unrealized Gains	77M
Net Unrealized Loss	\$751M
Total Equity Portfolio (Cost)	\$3,585M
Gross Unrealized Loss as a % of Total AFS Equity Portfolio	23.1%
Gross Unrealized Loss on Securities trading below 80% of acquisition cost for more than 6 months	\$49M

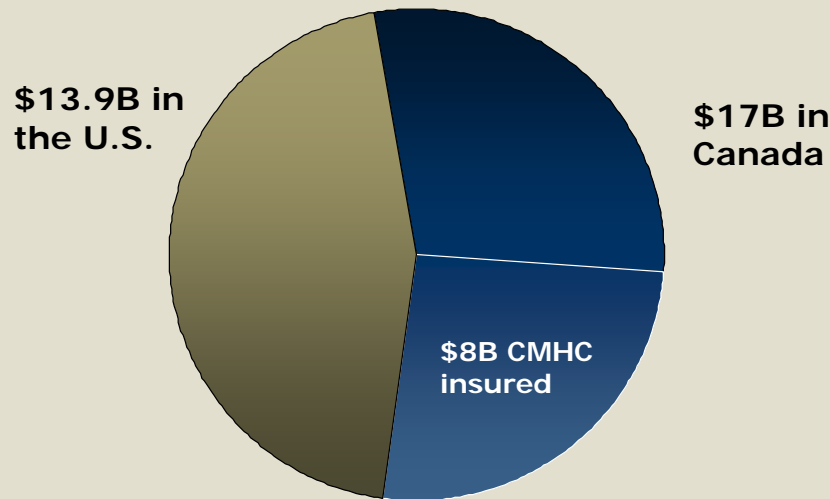
All data as at December 31, 2008 in C\$



Mortgage Portfolio

C\$30.9 billion, representing 16.5% of Total Invested Assets

Mortgage Portfolio by Geography



Commercial Loan book of \$21.7B is extremely high quality:

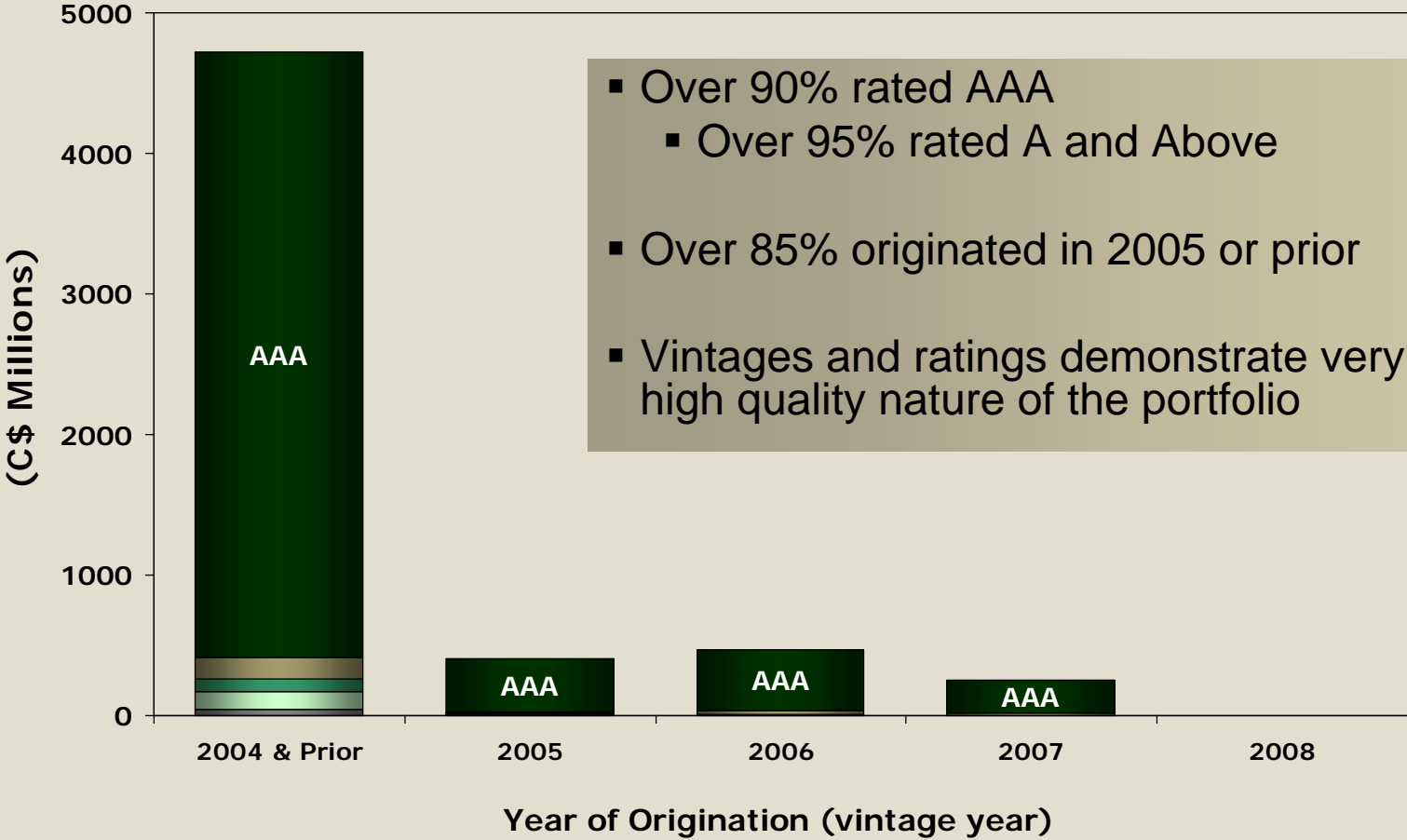
- Low loan-to-value ratios (Canada 61.7%, US 62.1%)
- High debt service coverage ratios (Canada 1.61x, US 1.62x)
- Conservative underwriting and selective sector mix
- Minimal in arrears:
 - Canada: \$1.8 million (2 loans which are CMHC insured)
 - US: \$32 million (4 loans)

All data based on Carrying Value quoted as at December 31, 2008 in C\$



CMBS Portfolio

C\$5.9 billion, representing 3.1% of Total Invested Assets



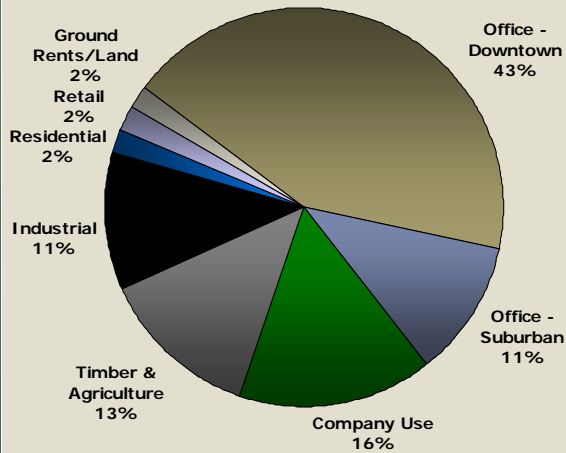
All data based on Carrying Value quoted as at December 31, 2008



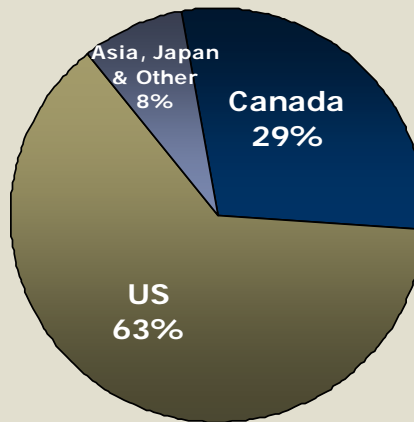
Real Estate Portfolio

C\$7.3 billion, representing 3.9% of Total Invested Assets

By Type



By Geography



Commercial Real Estate

	Carrying Value	Occupancy Rates
Toronto	1,198	96%
Washington	887	99%
Boston	759	96%
Chicago	744	83%
Los Angeles	690	93%
Atlanta	595	91%
Calgary / Edmonton	225	100%
Ottawa / Montreal	219	90%
Vancouver	160	100%

- Virtually no leverage
- Average occupancy rate of 93%
- Average lease term of 5.6 years

All data based on Principal Balance as at December 31, 2008 in C\$



In Conclusion

- 2008 earnings impacted by sharp decline in equity markets and interest rates as well as elevated credit losses
- Strong sales and leading market positions across core markets
- Record new business embedded value
- High quality investment portfolio
- Strong capital position



Question and 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 measures include return on common shareholders' equity, premiums and deposits, funds under management and new business embedded value. 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 implementation of the new accounting standards for financial instruments resulted in unrealized gains and losses on AFS securities and cash flow hedges, which do not have an impact on reported income for the period, being reflected in a new component of shareholders' equity. Accordingly, the Company calculates return on equity using average common shareholders' equity excluding accumulated other comprehensive income on AFS securities and on cash flow hedges. Non-GAAP financial measures are not defined terms under GAAP and, therefore, are unlikely to be comparable to similar terms used by other issuers.

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