

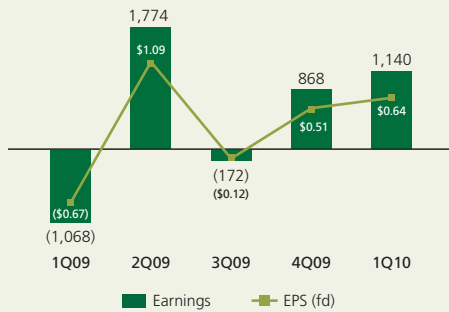


## Financial Highlights

### Quarter Highlights

- Net income in excess of \$1.1 billion
- Strong capital levels – MLI MCCR of 250% at quarter end
- Solid growth in high return businesses – continued focus on strong margin products and services
- Strong year over year sales growth along with a change in mix to higher margin products resulted in a substantial increase in new business embedded value
- Asia insurance sales increased 35%, mutual fund sales in U.S. and Canada increased 105% and 267% respectively
- Continued to improve equity risk profile through expanded hedging of variable product guarantees
- Strong investment credit experience relative to market conditions

### Shareholders' Earnings



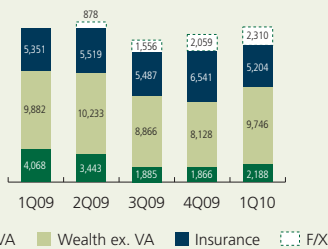
- Positive equity market performance in the quarter resulted in net gains of \$351 million
- Impact of fixed income investing activities and other net investment related items resulted in net gains of \$195 million
- Provisions on leveraged lease investments, net of other tax items, had a negative impact of \$75 million
- Net policyholder experience resulted in a charge of \$31 million
- The strengthening Canadian dollar from June 30, 2009 reduced earnings by \$42 million

### MLI MCCR%



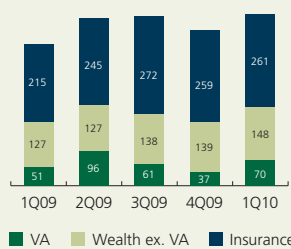
- MLI's consolidated MCCR was 250% and above prior quarter level of 240%
- Q-o-Q increase was attributable to strong net income during the quarter and improving equity markets
- Significant buffer relative to Regulatory Target of 150%
- JHUSA RBC ended the year well above our 300% target

### Premiums & Deposits



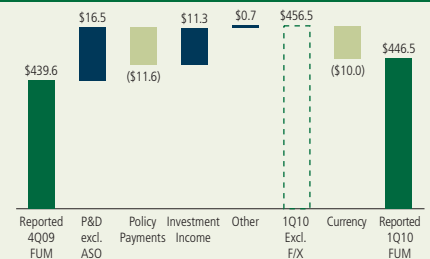
- Premiums and deposits (P&D) increased 1%\* Y-o-Y
- Growth of in-force business increased insurance P&D by 7%\*
- P&D for the wealth businesses excluding Variable Annuities (VA) increased by 13%\* as stronger equity markets contributed to deposit growth in mutual funds and retirement savings, partially offset by lower fixed product sales in the U.S. and Canada
- VA declined 39%\* due to ongoing risk management initiatives

### New Business Embedded Value



- New Business Embedded Value (NBEV) increased by 22% Y-o-Y
- Insurance NBEV increased by 21% Y-o-Y, driven by the increase in sales and actions taken to improve product margins
- Wealth NBEV excluding VA improved by 17% Y-o-Y, consistent with the overall increase in sales
- VA NBEV was up 37% Y-o-Y and was attributable to product changes and higher long term rates on interest rate swaps used in the variable annuity hedging program

### Total Funds Under Management (CSB)



- Total FUM increased by 4%\* Q-o-Q
- The increase was attributable to:
  - Policyholder cash in-flows in excess of out-flows of \$5 billion
  - Investment income of \$11 billion which more than offset unfavourable currency movements of \$10 billion

### Quarter Highlights

#### Y-o-Y

Shareholders' Earnings	\$1,140	NM
Fully Diluted Earnings Per Share	\$0.64	NM
ROE (% annualized)	16.8%	NM
Insurance Sales*	\$594	+20%
Wealth Sales*		
■ Non-Variable Annuities	\$6,912	+21%
■ Variable Annuities	\$2,216	-39%

### Segregated Fund Statistics

Guarantee Value (net of reinsurance and hedging)	\$53,554
Fund Value (net of reinsurance and hedging)	\$47,132
Amount at Risk (net of reinsurance and hedging)	\$8,131
Expected Gain from Guarantees	\$2,391
Balance Sheet Reserves	\$1,125
Reserves + 200% of Required Capital	\$5,496

### Earnings & Capital Sensitivity

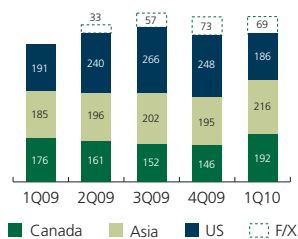
<b>Estimated Impact from Equity Markets</b> (Approx. immediate impact followed by return to long term market assumptions)	+10%	-10%
■ Earnings	+\$900	-\$1,100
■ MCCR	+9 pts	-10 pts
<b>Estimated Impact of Interest Rates</b> (Approx. impact of parallel movement)	+100bps	-100bps
■ Earnings	No material change since 4Q09 sensitivity of: +\$1,600 / -\$2,200	

\* On a constant currency basis.

All figures in C\$M unless otherwise noted.

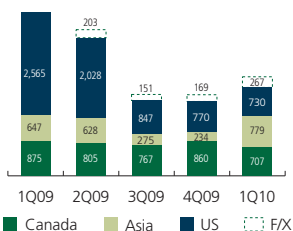
# Operational Highlights

## Higher Insurance Sales



- Insurance sales increased by 20%\* Y-o-Y. Improving economic conditions fueled sales growth across all of our divisions, led by Asia, which grew by 35%\*
- U.S. overall sales increased by 17% Y-o-Y on a U.S. dollar basis. Life sales experienced a 6% Y-o-Y increase, reflecting a gradual economic recovery tempered by actions to increase margins. Long Term Care (LTC) sales grew by 50% Y-o-Y, attributable to increased Federal LTC Insurance Program sales and increased retail sales
- Canada overall sales increased by 9% Y-o-Y with growth across all businesses. Improved consumer confidence drove a 7% rise in individual insurance sales, reflecting strong growth in permanent life product sales and a return to larger case size. Group Benefits had a good start to the year, with strong results in the large case segment up 13% Y-o-Y
- Asia overall sales grew by 35%\* Y-o-Y, bolstered by increases in Hong Kong individual life and Japan which were up 69% and 37%, respectively. Hong Kong sales resulted from a new product launch, more agents, and improved agent productivity. In Japan, term sales doubled prior year levels, corporate owned life and medical sales continued their strong momentum and a new whole life product was launched in 1Q10. In Other Asia, combined China and Taiwan insurance sales were up 45%\* Y-o-Y

## Lower Variable Annuities Sales



- Sales of variable annuities decreased by 39%\* versus the prior year as a result of on-going risk management initiatives across all geographies.
- Sales declines in the U.S. and Canada were partially offset by an increase in Japan, where sales increased in advance of April 1, 2010 tax changes.

## Notable Items Impacting Earnings

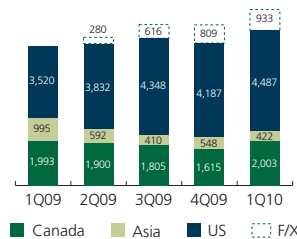
<b>Reported Income</b>	<b>\$1,140</b>
Segregated fund guarantees and other equity items	351
Impact of fixed income investing activities on policy liability valuation and other net investment related items	195
Provisions on leveraged lease investments, net of other tax items	(75)
Net policyholder experience losses	(31)
Currency rates	(42)
<b>Net Impact</b>	<b>\$398</b>
<b>Adjusted earnings from operations</b>	<b>\$742</b>

\* On a constant currency basis

**Investor Relations:** Manulife Financial Corporation  
200 Bloor Street East, Toronto, ON Canada M4W 1E5  
Contact: Amir Gorgi  
Vice President, Investor Relations  
Tel: 416-852-8311

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## Higher Wealth Management Sales excl. Variable Annuities



- Wealth sales excluding VA increased by 21%\* Y-o-Y. Sales of retail variable products and group retirement savings grew by 51% as a result of stronger equity markets and focused marketing and distribution efforts. Results were partially offset by a decline in demand for fixed products
- U.S. overall wealth sales excluding VA increased by 53% on a U.S. dollar basis. The overall increase was due to growth in John Hancock Mutual Funds and Retirement Plan Services which were up over the prior year by 105% and 66%, respectively, more than offsetting a 45% decline in Fixed Products
- Canada overall wealth sales excluding VA increased by 1% Y-o-Y. Manulife Mutual Funds enjoyed one of its best quarters in the last decade as a focused business strategy combined with increasing consumer confidence and equity market improvement, led to an almost four-fold increase in gross sales. Group Savings and Retirement Solutions sales increased by 10%, in part due to successfully leveraging Manulife customer relationships developed by Group Benefits. Fixed rate product sales were down 38% from record levels in 2009. Manulife Bank loan volumes were down 10% reflecting real estate market declines and competitive pressures
- Asia overall wealth sales excluding VA experienced a 51%\* decline Y-o-Y. In 1Q09, sales included a one-time top up of pension funds by the Hong Kong government, and strong money market mutual fund sales in Taiwan. During the quarter, new wealth products were launched in Japan, Malaysia, Indonesia, and Taiwan

## Reducing Equity Risk Exposure

### Significant Progress made on reducing equity risk exposure

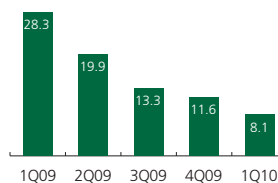
- Equity exposure further reduced due to increased hedging and recovery in global equity markets

### Increased amount of in-force business hedged

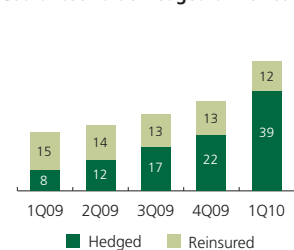
- With favourable equity markets and interest rates, opportunistically hedged an additional \$15.2 billion of guarantee value
- Hedged \$4.2 billion in Canada
- Hedged \$11.0 billion in the U.S.

### Amount at Risk

(in-the-money amounts, C\$B)



### % of Guarantee Value Hedged or Reinsured



- Amount at Risk (in-the-money amounts) of \$8.1 billion quarter end, down 30% from \$11.6 billion at 4Q09
- Hedging or reinsuring 51% of Gross Guarantee Value at 1Q10, up from 35% at 4Q09
- Substantially all new variable annuity business in the U.S., Canada and Japan continues to be hedged

All figures in C\$M unless otherwise noted.

**Media Relations:** Manulife Financial Corporation  
200 Bloor Street East, Toronto, ON Canada M4W 1E5  
Contact: Laurie Lupton  
Assistant Vice President, Corporate Communications  
Tel: 416-852-7792

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