

August 7, 2009

A Message from Manulife Financial President and CEO Donald Guloien on Manulife's Second Quarter Results and Decision to Retain More of our Earnings

On August 6, Manulife Financial reported strong earnings of \$1.77 billion—an increase of 76 per cent over the second quarter of 2008. As expected, our results were strengthened by the recovery in global equity markets which has resulted in our releasing into earnings some of the reserves we had previously set aside to cover segregated fund guarantees. As we have stated in previous quarters, just as our earnings suffered when equity markets declined, they are now improving as equity markets rebound.

While we expect our financial performance will continue to be impacted by equity market volatility in the near to mid-term, a deeper look at our results demonstrate that our business remains strong and stable. For example our insurance sales in Asia were up 24 per cent versus Q2 2008; sales of our fixed products have shot up; and in Canada, Group Savings and Retirement Solutions sales doubled year-over-year. MFC Global Investment Management also recently surpassed \$100 billion in funds under management.

Our capital position is also strong, and we are determined to keep strengthening it. Our high quality investment portfolio is serving us well, reflecting the benefits of our forward-thinking approach to managing credit during the good times. We also continue to make additional progress in de-risking our segregated fund guarantees through hedging, changing product features and rebalancing our overall product mix.

In the context of these strong results, I wanted to address our decision to reduce our common share cash dividend by 50 per cent.

As we have frequently stated, Manulife is focused on building fortress levels of capital which will provide our Company with more flexibility to respond to both risks and opportunities from a continued position of strength. In turbulent times, fortifying capital is what strong, reliable and trustworthy financial-services companies should do.

I want to assure you that our decision to reduce our common share dividend followed a very thorough review of various options to strengthen capital. Ultimately, we determined that retaining more of our earnings is the most effective means of continuing to build our capital levels. While we recognize the importance of the cash dividend to many of our common shareholders, we believe this change will still provide an attractive yield while also benefitting shareholders as we deploy our capital for growth.

Put simply, we are making this important change from a relative position of strength. Moving forward, we expect our actions will benefit shareholders as we strengthen our capital levels and continue to seek out opportunities to grow and strengthen our Company further.

Thank you for your continued confidence in Manulife.

A handwritten signature in black ink, appearing to read 'D. Guloien', with a stylized, cursive script.

Donald A. Guloien
President and Chief Executive Officer