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Manulife Financial: Canadian Division

Across Canada, more people are becoming wealthier and living longer. To meet their growing needs, Manulife Financial's Canadian Division is well positioned to maintain a leadership role in Canadian financial services, reflecting Manulife Financial's overall focus to offer flexible, innovative solutions to customers in all of its various global markets.

Investments in product development, recent acquisitions and expansion of distribution have increased market share across virtually every Manulife product line in Canada. More than one in five Canadians are served by Manulife's leading businesses that provide individual life and health insurance, wealth management, banking, group benefits, group savings plans, plus services to alumni and professional associations across the country.

Manulife's Canadian Division, based in Kitchener-Waterloo, is led by Paul Rooney, President and Chief Executive Officer, Manulife Canada. For the three months ended December 31, 2010, the Division's overall contribution to Manulife Financial represented:

- 35 per cent of net income attributed to shareholders
- 26 per cent of total premiums and deposits
- 24 per cent of funds under management

Competitive Strengths

In the past several years, Canadian Division added blocks of business to its operations through a number of strategic purchases: AIC's retail funds and Berkshire-TWC Financial Group, a national mutual fund and securities dealership; Pottruff & Smith Travel Insurance Brokers Inc., a leading Canadian travel insurance broker; Maritime Life, as part of the merger with John Hancock Financial Services, Inc.; the group life and health business of Zurich Insurance Company of Canada; Zurich's Canadian individual life insurance business; plus the Canadian life and living benefit insurance business of Commercial Union.

In addition to bringing high-quality business and significant numbers of new clients to Manulife, these acquisitions have added to our product shelf, expanded our systems capabilities and also created economies of scale of significant value to our customers and shareholders.

Innovative product development: Creative solutions to fulfill changing consumer needs are central to Manulife's strategy for success. Canadian Division is known for introducing 'industry firsts' to the financial services marketplace to help Canadians reach their goals.

- We understand how market cycles can impact clients' retirement savings. That's why Manulife Investments introduced the Guaranteed Minimum Withdrawal Benefit, a new product category to Canada, in late 2006. Manulife GIF Select featuring IncomePlus can help provide predictable, sustainable and potentially increasing retirement income for

life. GIF Select was enhanced in October 2009 with the launch of three new series: InvestmentPlus, IncomePlus (version 2) and EstatePlus, which respectively protect investors' accumulation, retirement income and estate planning needs.

- Manulife's innovative approach to product development led to UltraVision, its newest universal life insurance. UltraVision offers both insurance protection and tax advantaged investing but unlike other UL products, Manulife manages the insurance so clients can focus on investing. With UltraVision, clients choose how much they want to deposit into the policy and the amount of that deposit determines how much insurance they get. And rather than charging a premium to pay for the insurance, clients are given a guaranteed spread rate that's deducted from the posted rate of return for each investment account.
- Group Retirement Solutions plays a leading role in the area of plan member education. Investment Basics - an award-winning education resource - uses an appealing multi-media format to introduce key investment concepts. Another award winner - the new member enrolment kit - combines the best practices of design and behavioural finance to guide members through a few easy steps and get them into their plans.
- By creating smart and innovative banking and debt management solutions, Manulife Bank offers a number of savings and loan products for retirement, investments and day-to-day finances. Manulife One, Canada's first all-in-one account, combines client borrowings, savings and income into one account and can help clients repay debt more quickly and save more than with traditional mortgage products.
- Canadian Division became one of the country's largest providers of living benefits as a result of acquiring Maritime Life. Together with our industry leading position in individual health and dental insurance, Manulife's Canadian Division is also a major player in the markets for Long Term Care, Disability Insurance, Critical Illness Insurance and Travel Insurance.
- Group Benefits offers plans to complement and supplement provincial health plans, Workers' Compensation CPP/QPP, and other programs. It is one of the country's top providers of coverage for businesses of all sizes, from two employees to Canada's largest employers. Group Benefits provides a broad range of products and services, including health and dental care, emergency travel assistance, absence management, short and long-term disability, group critical illness, out-of-country benefits, life insurance and accidental death and dismemberment coverage. In 2009, Group Benefits launched Personal Benefits, providing portable coverage for Life and Critical Illness that's billed directly to plan members.

Multiple distribution channels: Canadians want easier access to how they purchase their financial products. Continued growth in our distribution system across Canada has improved service and made it easier for customers and advisors to do business with Manulife.

- Manulife's leadership role within the industry is strengthened through expanded distribution partnerships. Whether choosing to contract directly through our Independent Advisor Channel or via a Managing General Agency relationship in our Corporate Accounts Channel, multiple distribution channels make it easier for advisors to do business with us. Our National Accounts channel supports significant members of the Investment Industry Regulatory Organization of Canada (IIROC).
- Affinity Markets specializes in marketing life and health insurance products through alternative distribution channels, such as direct mail, telephone, e-marketing and

response advertising. Working with sponsor organizations as well as direct to consumer, these channels are supported by custom-designed websites for customers to review the benefits available, calculate their insurance needs and apply for coverage online quickly and conveniently.

Technological advancements: Automation of many administrative functions continues to be a strategic priority for Manulife. Through enhanced technological services, our customers now conduct business faster and more easily, while our producers have achieved increased productivity with their clients.

- Repsource – a fully bilingual, secure advisor website – has more than 39,000 registered users who can access consolidated client and product information, conduct online inquiries, produce online product illustrations, and keep abreast of Company and industry news. Developed with user needs in mind, its ongoing enhancements include improved navigation, and a continuous move towards more online transaction capabilities that truly make Repsource a 'Do Business' site.
- Group Benefits hosts websites dedicated to the unique needs of plan administrators, sponsors, members and advisors. The plan administrator website gives users a robust selection of self-service options to help better manage their benefits plan, including enrolment of members, updating ongoing salary and employment details, and access to plan reporting that can be invaluable in their roles. Through the member site, employees can access personalized information about their coverage and claims, submit claims, purchase Personal Benefits, review claims history, and arrange to receive direct deposit for claims reimbursements. They also have access to extensive resources to promote health. Plan advisors can access a dedicated, secure site for tools and information that will assist them in supporting their clients as well as keeping abreast of product, legislative, and industry developments.
- Plan Sponsors across Canada use state-of-the-art technology developed by Group Retirement Solutions to better engage their plan members and more easily manage their group savings plans. Leading examples of our technology solutions are the unique Steps retirement program and the Plan Sponsor secure site, which includes the Plan Governance Support Centre and online reporting.

Committed to Product Excellence

Canadian Division's businesses offer a range of products and services for individuals and groups across the country:

Individual Insurance: The depth of our product portfolio allows us to craft customized insurance solutions to meet our clients' unique needs. From the simplest term policy to more sophisticated whole life and universal life plans, we provide answers to the full range of life insurance needs, including financial protection, wealth creation, estate preservation, business continuity and taxation. Our comprehensive suite of Living Benefits products, which includes critical illness, long term care, and disability insurance, addresses Canadians' needs for health care, as well as for asset and income protection.

Affinity Markets: Manulife Financial's Affinity Markets is a leading provider of a broad range of life, health, disability and travel insurance products. These products are marketed through a variety of distribution channels to members and customers of more than 300 sponsors including associations, alumni and retiree organizations, retailers and financial institutions. Affinity designs and distributes simple and attractive products that are easy to understand and easy to buy.

Manulife Group Benefits: More than 16,000 Canadian businesses have entrusted their employee benefit programs to Manulife Group Benefits. We provide a broad range of benefits plans that demonstrates our flexibility in providing the solution that best suits plan sponsors' needs. From simple yet comprehensive plans that are perfect for small but growing companies, to customized plans for some of Canada's largest firms, we can deliver a benefits package that gives employers of any size a competitive advantage.

Working together with other lines of business in the Canadian Division, Group Benefits also offers access to a range of business, banking, and individual insurance and wealth management services to help plan sponsors achieve their other professional and personal goals.

Group Retirement Solutions: With industry-leading, simple and effective services, Group Retirement Solutions helps companies manage programs for Canadian businesses and their employees. Innovative resources including the Plan Governance Support Centre, the Steps Retirement Program[®], and award-winning plan member statements ease administration for plan sponsors and engage plan member to participate actively in their programs.

Manulife Investments: An extensive range of products and services are offered by Manulife Investments to meet Canadians' wealth management needs. Our investment funds, including segregated fund and mutual fund offerings, are managed by some of the top portfolio managers in North America and around the world. Our guaranteed products include a wide range of annuities and insured GICs. All of our products are designed with flexible options to meet the wide-ranging needs of Canadian investors. Manulife Investments' dedication to industry-leading service is backed by Level 4 Certification in the National Quality Institute's Progressive Excellence Program and its achievement of the Canada Awards of Excellence, Gold recognition.

Manulife Bank: With more than \$16.7 billion in assets under management as at September 30, 2010, Manulife Bank is the first bank to competitively operate through independent financial advisors and banking consultants. In addition to Canada's first all-in-one account, Manulife One, the bank provides products to households and businesses to help integrate their banking with their overall financial plan. Other products include high interest deposit accounts, GICs, RRSPs, lines of credit and investment loans.

Manulife Securities: Established in 1994, Manulife Securities is one of Canada's largest mutual fund dealers, working with more than 1,400 financial professionals nationwide. Manulife Securities offers investment funds from more than 70 different fund families as well as access to stocks, bonds, private wealth management services and other financial services.

For more information, please contact:

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