

Seizing the Future Scotia Capital Financial Summit 2011



Donald A. Guloien
President & Chief Executive Officer
Toronto – September 8, 2011



Caution Regarding Forward-Looking Statements

This presentation 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. The forward-looking statements in this presentation include, but are not limited to, statements with respect to our 2015 management objectives for earnings and return on equity and management objectives with respect to hedging equity markets and interest rate risks. The forward-looking statements in this presentation 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", "expect", "estimate", "anticipate", "believe", "plan", "objective", "goal", "seek", "aim" 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 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, including in the case of our 2015 management objectives for earnings and return on equity, the assumptions described under "Key Planning Assumptions and Uncertainties" in our 2010 Annual Report 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: the factors identified in "Key Planning Assumptions and Uncertainties" in our 2010 Annual Report; general business and economic conditions (including but not limited to performance and volatility of equity markets, interest rate fluctuations and movements in credit and swap spreads, currency rates, investment losses and defaults, market liquidity and creditworthiness of guarantors, reinsurers and counterparties); changes in laws and regulations; changes in accounting standards; our ability to execute strategic plans and changes to strategic plans; downgrades in our financial strength or credit ratings; our ability to maintain our reputation; impairments of goodwill or intangible assets or the establishment of valuation allowances against future tax assets; the accuracy of estimates relating to long-term morbidity, mortality and policyholder behavior; the accuracy of other estimates used in applying accounting policies and actuarial methods; our ability to source appropriate non-fixed income assets to back our long dated liabilities; our ability to implement effective hedging strategies and unforeseen consequences arising from such strategies; level of competition and consolidation; our ability to market and distribute products through current and future distribution channels; unforeseen liabilities or asset impairments arising from acquisitions and dispositions of businesses; the realization of losses arising from the sale of investments classified as available for sale; our liquidity, including the availability of financing to satisfy existing financial liabilities on their expected maturity dates when required; obligations to pledge additional collateral; the availability of letters of credit to provide capital management flexibility; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; the availability, affordability and adequacy of reinsurance; legal and regulatory proceedings, including tax audits, tax litigation or similar proceedings; our ability to adapt products and services to the changing market; our ability to attract and retain key executives, employees and agents; the appropriate use and interpretation of complex models or deficiencies in models used; political, legal, operational and other risks associated with our non-North American operations; acquisitions and our ability to complete acquisitions including the availability of equity and debt financing for this purpose; the disruption of or changes to key elements of the Company's or public infrastructure systems; environmental concerns; and our ability to protect our intellectual property and exposure to claims of infringement. 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 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.

Seizing the future



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Key actions have made us exceptionally strong

- ✓ Strengthened reserves
- ✓ Raised capital
- ✓ Dramatically increased hedging
- ✓ Reduced the risk profile of new business
- ✓ Strengthened and supported Risk Management
- ✓ Continued strong asset performance

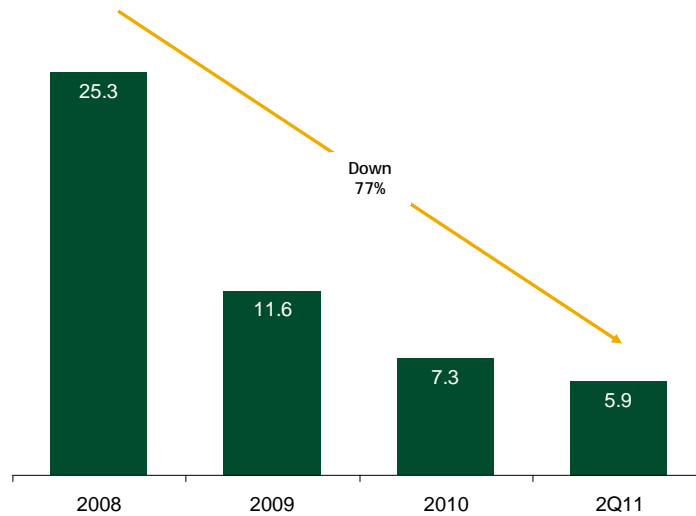
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Dramatically reduced the Variable Annuity net amount at risk

In-the-Money Amount at Risk¹
(C\$ billions)



¹ In-the-Money at risk is the excess of guarantee values over fund values on all policies where the guarantee value exceeds the fund value.

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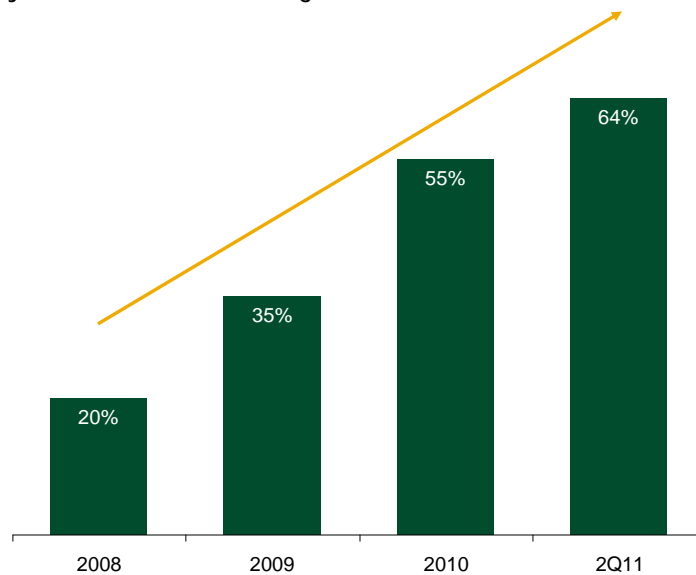
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Increased Variable Annuity guarantee value hedged or reinsured

Variable Annuity Guarantee Value Hedged or Reinsured
(%)



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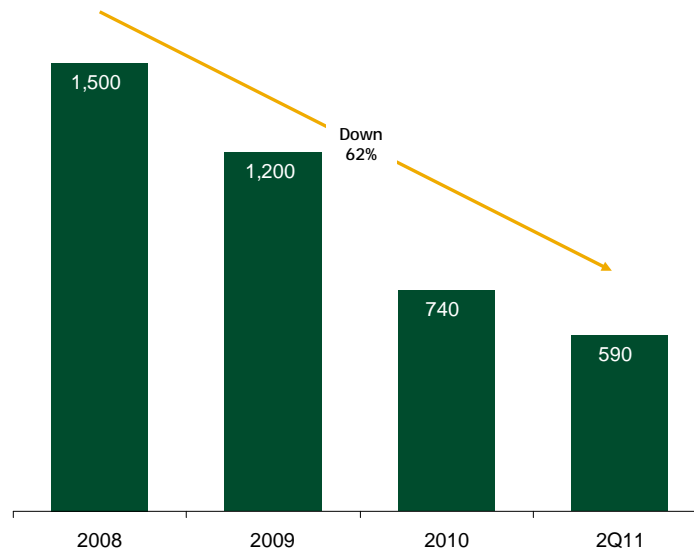
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Achieved 88% of our 2014 goal for equity market risk reduction...

Earnings Sensitivity to a 10% Equity Market Decline
(C\$ millions)



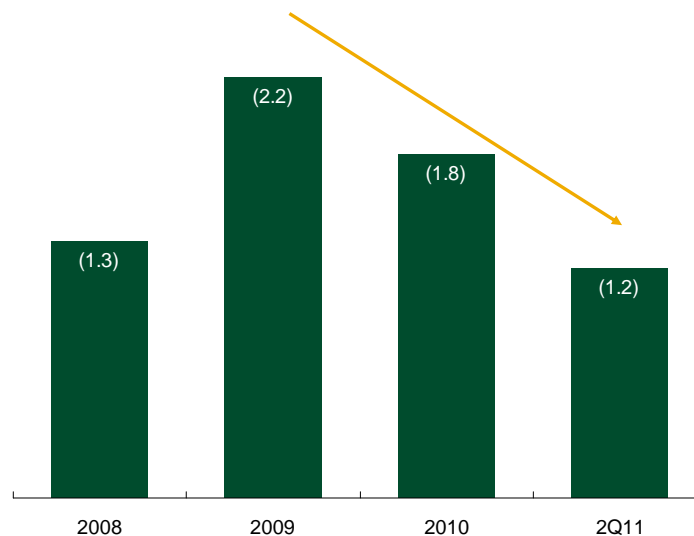
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... and 90% of our 2014 goal for interest rate risk reduction

Interest Rate Sensitivity to 100 bps Interest Rate Decline
(C\$ billions)



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Addressed our risk issues

- Implementing macro hedging resulted in accelerated equity risk reduction and partially offsets remaining Variable Annuity net amount at risk of \$5.9 billion
- Hedging not perfect, but even during volatile markets working as expected, or better
- Getting ahead of schedule on hedging has dampened the impact of lower equity markets and interest rates on earnings and capital
- Focusing on our core business thanks to our progress on risk reduction
- Accounting and regulatory risks remain significant

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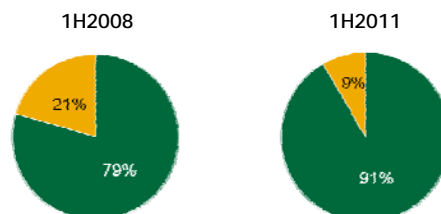
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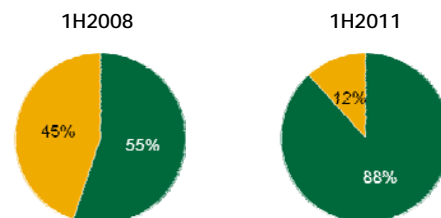
Focused on growing the right products

- To reposition our business:
 - Lower risk
 - Higher return
 - Less capital intensive
- Re-pricing and re-designed products:
 - Variable Annuities
 - Life Insurance with guarantees
 - Long Term Care new and in-force price increases
- Re-aligned our distribution:
 - Reassigned wholesaling forces
 - Worked closely with distribution partners to ensure a smooth transition
- Changed product mix:
 - Selling more targeted products combined with a more diversified sales mix
 - Growing sales in Asia

Insurance Sales¹



Wealth Sales¹



■ Targeted Growth Products ■ Products Not Targeted for Growth

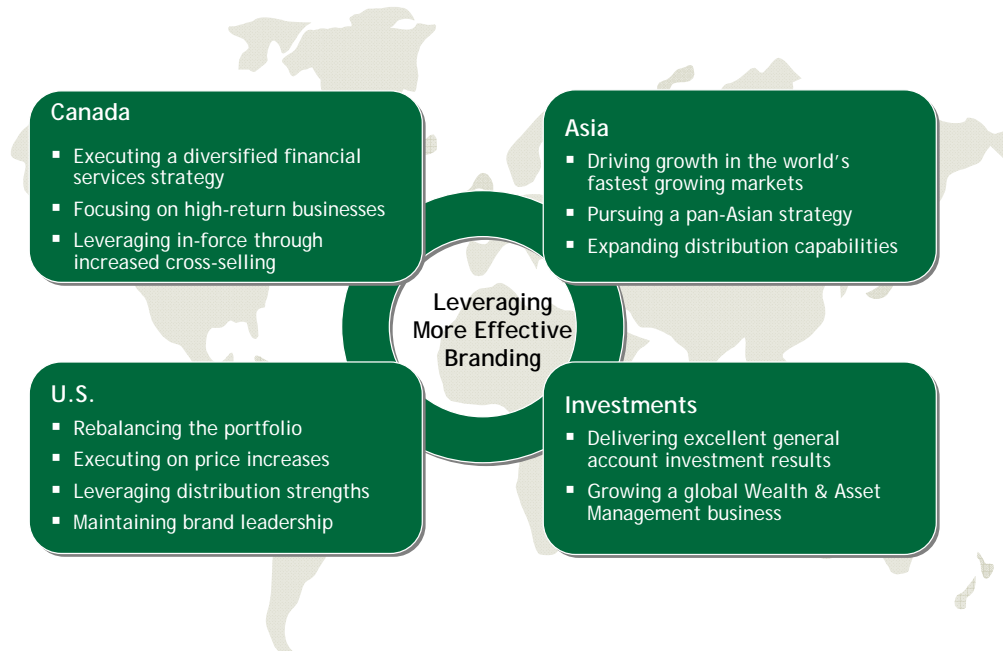
¹ Non-GAAP measure; see "Note to Users – Performance and Non-GAAP Measures" below.

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Pursuing unique growth strategies globally



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Gaining momentum: Asia



Expanding distribution capabilities:

- Bancassurance deals signed
- Contracted agents increased by 16% YTD
- China expansion continues – now in 48 cities

Achieving targeted sales growth^{1,2}:

- Record insurance sales – increased 35% YTD
- Increasing wealth management sales – up 81% YTD

Receiving strong regional contributions:

- Record insurance sales in Philippines and Vietnam
- Solid insurance sales performance in Indonesia
- Hong Kong wealth sales up 46% YTD
- Manulife TEDA is a major addition to our platform of 9 asset management companies in Asia

¹Non-GAAP measure; see "Note to Users – Performance and Non-GAAP Measures" below.; ²Sales growth stated on a constant currency basis.
Note: As of June 30, 2011, comparisons are 1H11 vs. 1H10.

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Gaining momentum: Canada



Generating record mutual fund sales¹:

- Second fastest growing complex in Canada²
- Launched 11 new funds/classes
- Expanding distribution with Full Service Brokers

Leveraging Variable Annuity expertise to meet clients' needs:

- InvestmentPlus sales up 36%

Continuing to grow Manulife Bank:

- Increased distribution penetration and productivity
- Expanded product and service offering
- Loan volumes up 15%

Demonstrating leadership in insurance:

- Launched Synergy, first of its kind in Canada
- Delivered strong sales growth in Affinity

¹ Non-GAAP measure; see "Note to Users – Performance and Non-GAAP Measures" below.; ²Based on 2Q11 YTD AUM results reported by the Investment Funds Institute of Canada (IFIC). Note: As of June 30, 2011, comparisons are 1H11 vs. 1H10.

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Gaining momentum: U.S.


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Repositioning of product portfolio largely completed:

- Re-priced and re-designed for lower interest rates
- Realigned distribution to sell targeted products
- 78% of Life sales YTD from targeted growth products vs. 47%

Continuing to see progress on Long Term Care in-force price increases:

- Approvals from 20 states for the retail business

Generating strong Mutual Funds sales¹:

- Net sales² of \$3.1 billion YTD, up 61%
- Net sales ranking improved to #4 YTD from #6²
- Diversified growth – top 3 selling funds were 35% of YTD sales vs. 76% in 2006
- Enhancing distribution by increasing the sales force and deepening existing relationships

Leading position in:

- Lifestyle/Lifecycle assets³ with record AUM of US\$75.3 billion
- 401(k) with 1.7 million participants and over 44,000 plans

¹ Non-GAAP measure; see "Note to Users – Performance and Non-GAAP Measures" below.; ²Net sales and ranking as reported by Strategic Insight. Market ranking includes long-term, open-end mutual funds within the non-proprietary channel and fund of funds, but excludes 529 share classes; ³Strategic Insight as of June 30, 2011, includes lifestyle and lifecycle mutual fund assets, and fund-of-funds variable product assets.
Note: As of June 30, 2011, comparisons are 1H11 vs. 1H10, unless stated otherwise.

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Gaining momentum: Investments

Generating strong General Account investment results:

- Executing on a long-tailed investment strategy in alternative assets
- Pursuing prudent Asset Liability Management practices
- Avoiding risk concentrations with a diversified, high quality portfolio
- Achieving excellent credit experience

Strategy has helped avoid major credit accidents including to:

- Canadian non-bank asset backed commercial paper and structured investment vehicles
- Greece, Italy, Ireland, Portugal and Spain
- Securities lending
- Sub-prime, or low-quality mortgage backed securities
- Monoline insurers

Effectively and efficiently executing equity and interest rate hedging program

More active role in Asset Liability Management

Growing Wealth & Asset Management business globally:

- Achieved record Funds under Management¹ of \$481 billion
- Record mutual fund sales in Canada
- Strong mutual fund net sales growth in the U.S.

¹ Non-GAAP measure; see "Note to Users – Performance and Non-GAAP Measures" below.
Note: As of June 30, 2011.

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Case study: Wealth & Asset Management's Strategic Fixed Income offering

Recognized as a leading investment strategy:

- JH Strategic Income Opportunities Fund ranked #1 global bond fund by Bloomberg¹
- JH Strategic Income Fund won 2011 US Lipper Award
- Manulife Strategic Income Fund won 2011 Canada Lipper award

Available for sale internationally:

- U.S., Canada, Japan, Hong Kong and Singapore

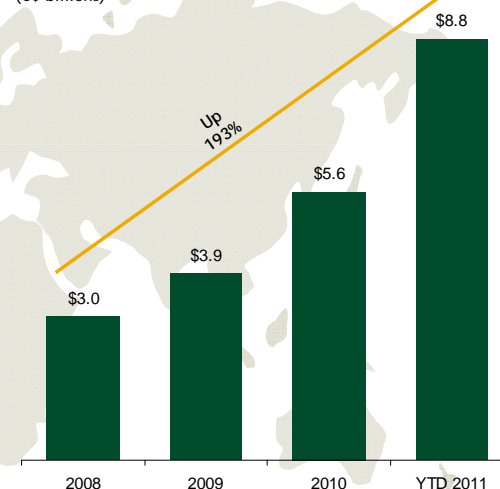
Strategy sold in multiple forms:

- Mutual funds, segregated funds, closed-end funds and institutional pooled funds

Further success YTD 2011:

- North American retail fund net sales: \$1,009 million
- Awarded four institutional mandates: \$790 million
- Launch of new closed end fund: \$100 million

Strategic Fixed Income Assets Under Management
(C\$ billions)



¹ Source: Bloomberg Markets Magazine, August 30, 2011.

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- Asset management companies in 9 of our 10 Asian territories
- The Pooled Retirement Pension Plan opportunity, where our market leadership in Defined Contribution Plans is an advantage
- Extending our leadership in small plan 401(k) market¹ through a product solution designed to address larger plan needs
- Opportunity to capitalize on Mandatory Provident Fund market growth in Hong Kong
- Private pensions in China
- Chinese Government considering opening up mutual funds sales to life insurance agents
- Limited exposure to Europe will create a comparative advantage, and provide opportunities

¹ Source: LIMRA 401k benchmark scorecard, 1Q11.

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Seizing the future: Continuing to deliver on objectives

**C\$4 billion
Net income
by 2015**

- Despite current markets, remain committed to this objective

**Maintain strong
capital/ financial
strength**

- MLI MCCSR of 241% at 2Q11
- Far less equity and interest rate risk
- Hedging not perfect, but even during volatile markets working as expected, or better

**13% ROE
by 2015**

- Achieved healthier business mix, re-pricing, and growth of Asia are major contributors
- Remain committed to this objective

Manage risk

- \$14 billion of equity hedges now in place
- Achieved 88% and 90% of our 2014 goals for equity market and interest rate sensitivity reduction

**Offer value to
clients**

- 27 new products & services around the globe
- 4 Lipper awards in Canada and 6 in the U.S.
- Best Insurance Company of the Year at ASEAN Business Awards 2011
- Quality of products reinforced through Branding

Note: this slide to be read with the "Caution Regarding Forward-Looking Statements" on slide 2.

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Questions & Answers



Appendix

- Strengthened Reserves
- Raised Capital
- Increased Hedging Activities
- De-Risked Product Mix
- Elevated Risk Management
- Continued Strong Asset Performance



Strengthened reserves and balance sheet

- Reserves (Liabilities) were increased by \$6.1 billion after-tax over 2009-2010 as a result of lower interest rates, reviews of in-force business experience and other factors
- Although reserve strengthening of this magnitude would normally reduce capital, the next slide demonstrates that capital we raised during this period more than offset these actions and resulted in a stronger MCCR ratio

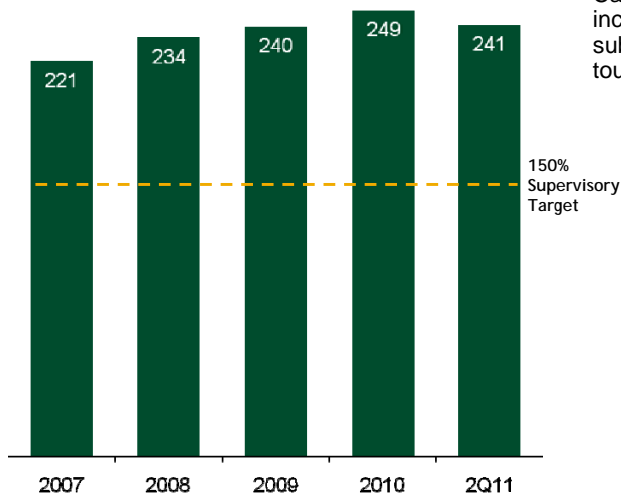
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Strong MLI MCCR ratio despite tougher regulatory standards

Minimum Continuing Capital and Surplus Requirements ("MCCR") Ratio (MLI) (%)



- We have a very high 241% Capital Ratio. The Canadian standard, unlike other jurisdictions, includes virtually all of our operating subsidiaries, and has become progressively tougher

Note that on a basis consistent with 2008, MLI's Q2 2011 MCCR ratio would be 278%¹

¹ US Sub re-organization¹ in 2009 (27 points), IFRS Phase I (4 points) and changes to asset risk capital transfer under affiliate reinsurance treaties (6 points), have negatively impacted MLI's MCCR Ratio by 37 points in total.

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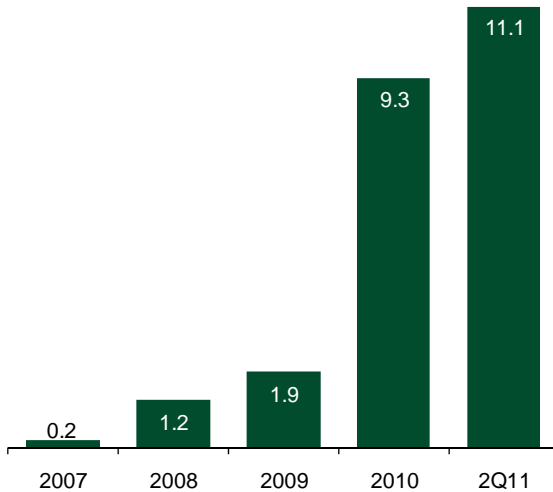
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Shorted over \$11 bn notional of equity futures at 2Q11 as part of risk management initiatives

Notional Value of Equity Futures¹
(C\$ billions)

← Approximately \$14 billion as of August 31, 2011

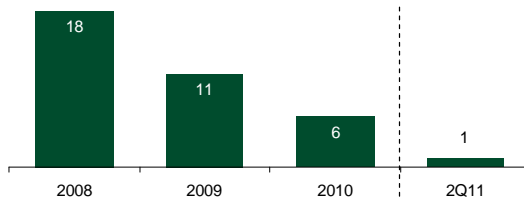


- If markets fell 50%, these hedges would generate over C\$5.5 billion of settlements
- We get no explicit capital credit for hedging activities

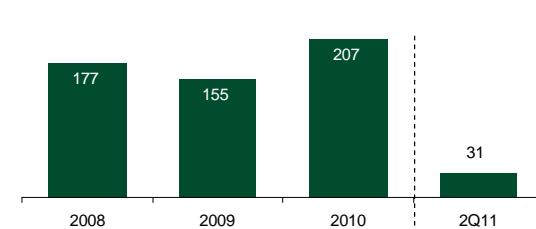
¹ Totals include the notional value of equity futures associated with the Dynamic Hedging and Macro Hedging programs.

Significant reduction to the risk profile of our product offerings

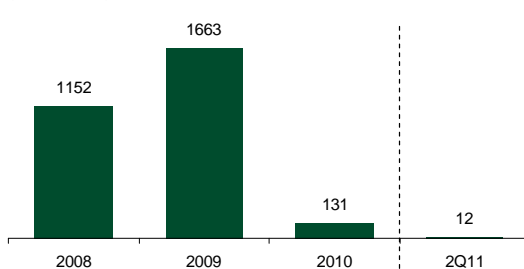
Variable Annuity Sales¹, excluding InvestmentPlus in Canada
(C\$ billions)



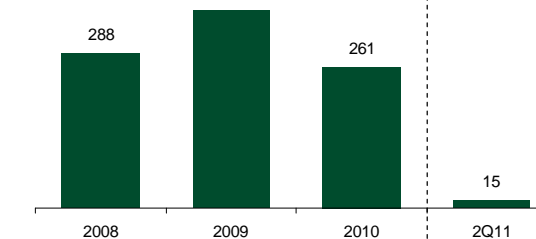
Long Term Care Sales
(US\$ millions)



Book Value Fixed Deferred Annuity Sales
(US\$ millions)



Universal Life with No-Lapse Guarantees and Guaranteed Non-Par Whole Life
(US\$ millions)



¹ Non-GAAP measure; see "Note to Users – Performance and Non-GAAP Measures" below. InvestmentPlus is an alternative to mutual funds for some customers and offers a 75% minimum death benefit guarantee and a 75% maturity benefit guarantee at age 100. Because of the low risk nature of the guarantees this product is in the products targeted for growth category.

Elevated levels of risk management

- The Board of Directors is very focused on risk management, in particular on the management of equity and interest rate risk, and on risk governance
- The Board established a dedicated Risk Management Committee¹ in February 2010, and since inception, it has covered a broad range of risk oversight topics
- Added former deputy Chief Risk Officer of a Multinational Bank, and former head of OSFI to Board and Risk Management Committee
- The current Group Risk Management complement has doubled since 2007 from 100 to 239 staff in 2011
- Rahim Hirji appointed as Chief Risk Officer in August 2011

¹ Prior to the dedicated Risk Management Committee this oversight was previously combined with the Audit Committee of the Board.

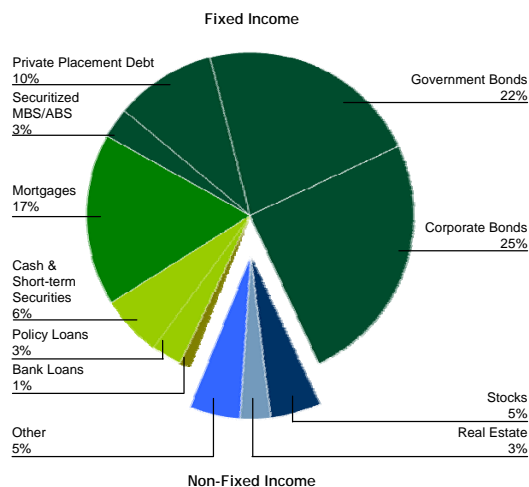
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Diversified high quality asset mix helps avoid risk concentrations

Total Invested Assets
(C\$202.3 billion)



Diversified, high quality portfolio:

- 87% of the total portfolio is Fixed Income, of which 96% is Investment Grade
- 13% Non-Fixed Income, well diversified by asset class and geography; stocks and real estate largely unlevered with only modest leverage used in other classes such as infrastructure and private equity

Limited Net Exposure¹ to Greece, Italy, Ireland, Portugal and Spain:

- No sovereign or financial sector exposure to Greece or Portugal
- Banks and financials (C\$151 million)
- Sovereign debt (C\$80 million)

Carrying Value as at June 30, 2011.

¹ Net Exposure excludes par and pass-through and reflects the impact of downgrades on reserves.

Note: *MBS* refers to Mortgage-backed Securities, *ABS* refers to Asset-backed Securities.

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Strong asset management has allowed us to avoid major credit accidents consistently

We did **not** buy:

- Canadian non-bank Asset Backed Commercial Paper (ABCP)
- Structured Investment Vehicles (SIVs)
- Risky assets for money market funds
- Low quality securitizations of Subprime Residential Mortgage Backed Securities (RMBS)
- Low quality securitizations of Commercial Mortgage Backed Securities (CMBS)
- Collateralized Debt Obligations (CDOs) of Subprime loans
- Common stock or preferred stock of either Fannie Mae or Freddie Mac, despite large equity holdings

We also did **not**:

- Expose the company to Monoline Insurers
- Add credit risk through securities lending program

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. A financial measure is considered a non-GAAP measure for Canadian securities law purposes if it is presented other than in accordance with generally accepted accounting principles used for the Company's audited historical financial statements which is prior Canadian GAAP for 2010 and earlier and IFRS for 2011 and beyond. Non-GAAP measures include: Constant Currency Basis; Capital, Sales; and Funds under Management. Non-GAAP financial measures are not defined terms under GAAP and, therefore, are unlikely to be comparable to similar terms used by other issuers. Therefore, they should not be considered in isolation or as a substitute for any other financial information prepared in accordance with GAAP. The Company also uses financial performance measures that are prepared on a constant currency basis, which exclude the impact of currency fluctuations and which are non-GAAP measures. Amounts stated on a constant currency basis in this presentation are calculated, as appropriate, using the income statement and balance sheet exchange rates effective for the first and second quarter of 2010. The definition we use for 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. Capital is calculated as the sum of: (i) total equity excluding AOCI on cash flow hedges; (ii) non-controlling interest in subsidiaries; and (iii) liabilities for preferred shares and qualifying capital instruments. Sales are measured according to product type. (i) For total individual insurance, sales include 100 per cent of new annualized premiums and 10 per cent of both excess and single premiums. For individual insurance, new annualized premiums reflect the annualized premium expected in the first year of a policy that requires premium payments for more than one year. Sales are reported gross before the impact of reinsurance. Single premium is the lump sum premium from the sale of a single premium product, e.g. travel insurance. (ii) For group insurance, sales include new annualized premiums and administrative services only premium equivalents on new cases, as well as the addition of new coverages and amendments to contracts, excluding rate increases. (iii) For individual wealth management contracts, all new deposits are reported as sales. This includes individual annuities, both fixed and variable; variable annuity products; mutual funds; college savings 529 plans; and authorized bank loans and mortgages. (iv) For group pensions/retirement savings, sales of new regular premiums and deposits reflect an estimate of expected deposits in the first year of the plan with the Company. Single premium sales reflect the assets transferred from the previous plan provider. Sales include the impact of the addition of a new division or of a new product to an existing client. Total sales include both new regular and single premiums and deposits. 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. For further information regarding these subjects, see our press release announcing our 2011 second quarter results.

Investor Relations Contacts

Anthony G. Ostler, SVP, Investor Relations
anthony_ostler@manulife.com
(416) 926-5471

Jason Lemieux, AVP, Investor Relations
jason_lemieux@manulife.com
(416) 852-9290

Robert Veloso, AVP, Investor Relations
robert_veloso@manulife.com
(416) 852-8982