Manulife Financial
For your future™

Fourth Quarter 2010

Financial & Operating Results

February 10, 2011

Legal Disclaimer

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 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", "intend", "estimate", "believe", "plan", "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 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, 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 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 behaviour; the accuracy of other estimates used in applying accounting policies and actuarial methods; 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; our ability to implement effective hedging strategies and unforeseen consequences arising from such strategies; our ability to source appropriate non-fixed income assets to back our long dated liabilities; 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.

Scheduled Speakers

Donald Guloien
President & Chief Executive Officer

Michael Bell
Senior Executive Vice President & Chief Financial Officer

CEO's Remarks

Donald Guloien
President & Chief Executive Officer

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MFC's Strategy Delivers Significant Sales Growth…

- **Delivering on business strategy**:
  - Fourth quarter sales[1] of insurance products targeted for growth were up 34% compared to fourth quarter 2009
  - Fourth quarter sales of wealth products targeted for growth were up 28% compared to fourth quarter 2009
  - Fourth quarter insurance sales in Asia were up 56% compared to 4Q09. This reflects the focus of growing through diversification of products and channels in our emerging markets and in our larger markets of Japan and Hong Kong
  - Sales in Canada reflected the value of our diversified franchise. Strong fourth quarter momentum contributed to record sales in individual life and travel insurance, and record deposits in Manulife Mutual Funds. Manulife Bank posted an 18 per cent increase in fourth quarter new loan volumes over 2009
  - U.S. Division demonstrated solid progress in repositioning the U.S. insurance business and growing the wealth business. John Hancock Mutual Funds achieved record sales levels of US$9.7 billion, 48 per cent higher than the previous year. John Hancock Retirement Plan Services ended the year with full year sales of US$5.1 billion, up 16 per cent from 2009. Total wealth funds under management reached a record level at US$188 billion
  - Total funds under management[1] increased $35 billion from 2009 to reach $475 billion

[1] Non-GAAP measure. See "Notes to Users - Performance and Non-GAAP Measures" below.

… and Reduced Risk Profile and Stronger Capital Levels

- **Ahead of plan in reducing earnings sensitivity[1] to equity markets and interest rates**. Achieved a 43% and 18% decline in equity market and interest rate sensitivity relative to third quarter 2010, respectively
- **Strong capital levels**, with MLI MCCSR up 15 points in the quarter to 249%, accompanied by a lower risk profile going forward
- **Record quarterly net income** of $1,794 million supported by favourable equity markets and higher interest rates. Full year net loss was $391 million due to the goodwill impairment and strengthening of reserves in the third quarter
- **Fourth quarter net income excluding the direct impact of equity markets and interest rates**[2] was $933 million. A gain of $184 million related to the dynamically hedged variable annuity business was not considered a "direct" impact of equity markets and interest rates and therefore was included in the $933 million

[1] Earnings sensitivity to equity markets is defined by the impact of a 10 per cent decline in the market value of equity funds on the net income attributed to shareholders. Earnings sensitivity to interest rates is defined by the impact of a one per cent parallel decline in interest rates on the net income attributed to shareholders.
[2] Non-GAAP measure. See "Notes to Users - Performance and Non-GAAP Measures" below.

CFO's Remarks

Michael Bell

Senior Executive Vice President & Chief Financial Officer

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Substantial Progress on Strategic Priorities in 2010

- Significant growth in our targeted higher return businesses
  - Consistent with our strategy
- Significant reduction in our earnings sensitivity to equity markets and interest rates - ahead of our original timetable
- Strong capital levels with MLI MCCSR of 249%, which represents substantial cushion particularly given reduced equity market and interest rate sensitivity
- Record quarterly earnings driven by favourable equity markets and higher interest rates

4Q10 Net Income, including Notable Items

(C$ millions, post-tax)	4Q10
Reported Net Income attributed to shareholders (Canadian GAAP basis)	**$1,794**
Less the direct impact of higher equity markets and higher interest rates on:	
VA guarantee liabilities that are not dynamically hedged	274
General fund equity investments supporting policy liabilities and on fee income	117
Macro equity hedges, excluding expected cost[1]	(48)
Fixed income re-investment assumptions used in the determination of policy liabilities	516
Net Gain on sale of available-for-sale bonds	2
Total direct impact of equity markets and interest rates	**861**
Net income excluding the direct impact of equity markets and interest rates[2]:	**$933**
Less other notable items:	
Gains on variable annuity business that is dynamically hedged[1]	184
Other favourable investment experience	61
Tax related gains on closed tax years	103
Net policyholder experience gains	36
Change in accounting policy for deferred acquisition costs in the Hong Kong pension business	(39)
Refinements in actuarial methods and assumptions	(54)
Changes in currency rates (adjusted earnings from operations is based on June 30, 2009 rates)	(50)
Total other notable items	**$241**
Adjusted Earnings from Operations[1,2]	**$692**

[1] For footnote information, see page 3 of press release announcing our 2010 fourth quarter results.
[2] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

Balanced Contribution from All 3 Major Reporting Divisions in 2010

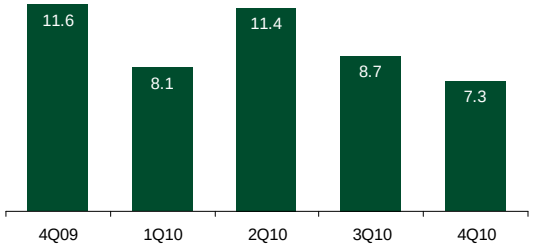
(C$ millions, post-tax) **For the Year ended December 31, 2010**	Adjusted Earnings from Operations[1]	Net Income/ (Loss)
Asia Division	$719	$623
Canadian Division	718	950
U.S. Division	781	759
Reinsurance, Corporate and Other, excluding items below	468	388
Subtotal	**$2,686**	**$2,720**
Changes in actuarial methods and assumptions and goodwill impairment	n/a	(3,111)
Currency Adjustment[2]	185	n/a
Total	**$2,871**	**$(391)**

[1] Non-GAAP measure. See "Performance and Non-GAAP Measures" on page 41 of press release announcing our 2010 fourth quarter results.
[2] Impact of changes in currency rates from June 30, 2009 when adjusted earnings from operations was defined.

- Excluding the strengthening of actuarial liabilities and the charge for goodwill impairment, $2.7 billion in after-tax earnings in 2010
- Adjusted Earnings from Operations and net income were balanced across all major reporting divisions
- Diversified source of earnings a benefit to Manulife

Continued Progress on Managing Exposures to Variable Annuity Product Guarantees

Net Exposure Amount at Risk[1] (See below)
(C$ billions)



As at December 31 (C$ billions)	Guarantee Value 2009	Guarantee Value 2010	Amount at Risk (in-the-money guarantees) 2009	Amount at Risk (in-the-money guarantees) 2010
Gross Exposure	110.6	110.8	17.1	13.0
Reinsured	14.0	12.0	3.8	2.7
Hedged	24.9	49.3	1.8	3.1
Net Exposure[1]	71.8	49.4	11.6	7.3

- **Modestly increased dynamic VA hedging by adding $800 million of in-force variable annuity guaranteed value**
  - Put hedges in place for substantially all new variable annuity business when sold
- **Dynamically hedging or reinsuring[1] 55% of Gross Guarantee Value at 4Q10**
- **Subsequent to year-end, approximately $8.5 billion of additional in-force VA guaranteed value has been dynamically hedged**
  - On a pro-forma basis, approximately 63% of Gross Guaranteed Value estimated to be hedged or reinsured

[1] Please note the Company's disclosures which describe risk factors for hedging and reinsurance strategies.

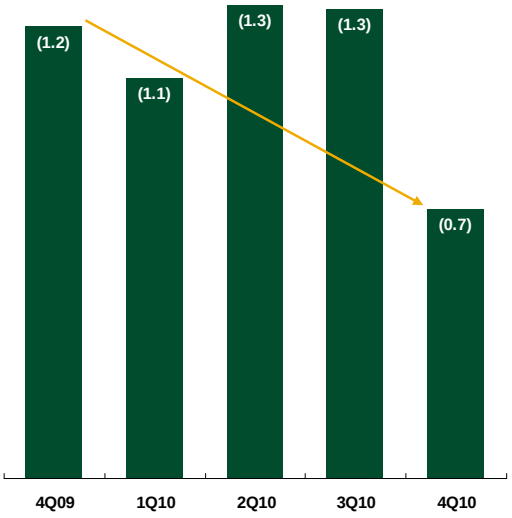
Initiated Macro Equity Risk Hedging in Last Four Months to Supplement Dynamic VA Hedging

- Initiated our macro hedging strategy – sold short approximately $5 billion of equity future contracts in November-December 2010
- Total company short equity futures position at December 31 more than **doubled** relative to September 30, 2010
- Total 4Q10 charges related to macro equity hedges were $82 million (after-tax):
  - $34 million related to estimated expected cost of the macro equity hedges
  - $48 million was in excess of what was expected for quarterly equity market returns due to favourable equity market performance
- The expected annual cost for 2011 is approximately $400 million (after-tax) based on level of macro hedges as at 4Q10 and long term equity market return assumption
  - Additional dynamic hedging since year-end 2010 expected to reduce 2011 earnings by an additional amount of approximately $55 million (after-tax) in 2011
  - Impact on earnings will vary according to overall pace and approach of hedging and prevailing market conditions (equity, interest rates) at the time of hedging
  - Placeholder for the expected incremental cost of hedging in our financial model supporting 2015 management objectives remains appropriate: $400 million (after-tax)

Increased Hedging Contributed to a Significant Reduction in Equity Market Sensitivity

Equity Market Sensitivity

(C$ billions, earnings sensitivity to 10% public equity decline)



Net Income Sensitivity

(C$ Millions)		3Q10	4Q10
Estimated Net Income sensitivity to a 10% equity market decline	Before hedging	$(1,700)	$(1,480)
	After hedging offset	(1,290)	(740)
Percentage of underlying earnings sensitivity hedged[1]		24%	50%

- **Goal of executing additional hedges so that underlying earnings sensitivity to equity market movements is hedged:**
  - 60% by the end of 2012
  - 75% by the end of 2014

MLI's MCCSR Sensitivity

		3Q10	4Q10
Approximate impact of an equity market movement	Increase 10%	+ 7 pts	+ 7 pts
	Decrease 10%	(12) pts	(7) pts
	Decrease 20%	---	(16) pts
	Decrease 30%	---	(27) pts

[1] Earnings sensitivity to equity markets is defined by the impact of a 10 per cent decline in the market value of equity funds on the net income attributed to shareholders.

Experienced Favourable Equity Market and VA Hedging Impacts on 4Q10 Earnings

Equity Markets	30-Sep-10	31-Dec-10	*Change*
S&P 500	1,141	1,258	*+ 10.2%*
TOPIX	830	899	*+ 8.4%*
S&P/TSX	12,369	13,443	*+ 8.7 %*

Source: Bloomberg. Change in Index values, excludes dividends.

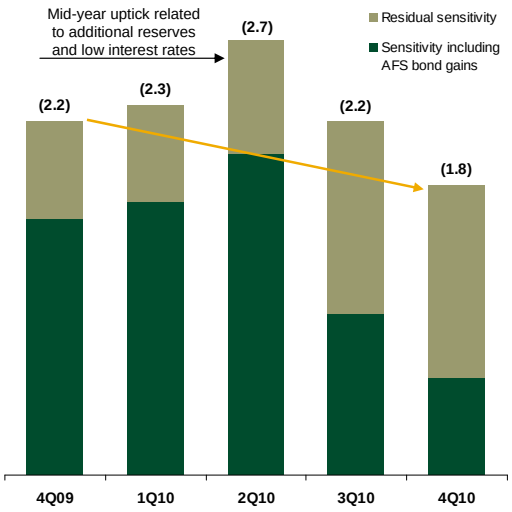
Estimated Impact on 4Q10 Earnings	(C$ millions)
Variable annuity guarantee business that is not dynamically hedged[1]	$274
General fund equity investments supporting policy liabilities and impact on fee income	117
Gains on the VA business that is dynamically hedged excluding interest rate impact[2]	98
Macro equity hedges, excluding expected cost[3]	(48)
Net Estimated Impact	**$441**

[1] Related primarily to the sensitivity of CGAAP reserve vs. estimated economic sensitivity of best estimate cash flows. Majority of underlying funds invested in equities.
[2] Gains on the VA business that is dynamically hedged totaled $184 million in the quarter; $98 million was related to equity, and the remaining $86 million was related to interest rates.
[3] Estimated expected cost of hedging of $34 million (after-tax) is included in Adjusted Earnings from Operations.

Considerable Progress in Reducing Interest Rate Sensitivity

Interest Rate Sensitivity

(C$ billions, earnings sensitivity to 1% decline in interest rates)



Net Income Sensitivity

(C$ Millions)		3Q10	4Q10
Estimated impact of a 1% parallel decline in interest rates on net income	Excluding AFS bond gains	$(2,200)	$(1,800)
	Including AFS bond gains	(1,000)	(600)
Reduction of interest rate sensitivity from 3Q10		--	18%

- **Goal to reduce interest rate sensitivity relative to 3Q10 by:**
  - 25% (to ~$1.65 billion) by the end of 2012
  - 50% (to ~$1.1 billion) by the end of 2014

MLI's MCCSR Sensitivity

		3Q10	4Q10
Approximate impact of a 1% parallel change in interest rates, excluding AFS bond gain/loss	Increase	+ 21 pts	+ 19 pts
	Decrease	(26) pts	(23) pts
Approximate impact of a 1% parallel change in interest rates, including AFS bond gain/loss	Increase	---	+ 12 pts
	Decrease	---	(14) pts

[1] Earnings sensitivity to interest rates is defined by the impact of a one per cent parallel decline in interest rates on the net income attributed to shareholders.

Corporate and Swap Spreads also Impact Interest Rates Sensitivities

Approximate Sensitivity[1,2] (C$ Millions)	December 31, 2009		December 31, 2010	
	Increase	Decrease	Increase	Decrease
100 bps change in treasury yield	+1,600	(2,200)	+1,500	(1,800)
50 bps change in corporate spreads[3]	+800	(1,000)	+400	(500)
20 bps change in swap spreads	(100)	+100	(200)	+200

- Interest rates and corporate spreads across the curve in the U.S., Canada and Asia influence policy liabilities
- No simple formula can estimate results accurately, due to:
  - Management actions to reduce interest rate exposure
  - Changes to yield curve (including twists)
  - Interaction of various factors which impact results

[1] The impacts on earnings are based on a starting point and business mix in place at that date and assume that all other variables stay constant. Actual results can differ materially from these estimates for a variety of reasons, including management actions, the interaction between multiple factors, changes in actuarial assumptions, changes in business mix, effective tax rates, currency and other market variables.
[2] Refer to Risk Management section of Management's Discussion and Analysis.
[3] Beginning 3Q10, corporate spreads are assumed to grade to the long term average over five years.

Experienced a Material Favourable Interest Rate Impact on 4Q10 Earnings

- During the quarter, treasury rates (+) and swap spreads increased (-), while corporate bond spreads contracted (-)
  - U.S. treasury rates increased the most, less so for government bonds in Canada and Japan
- Interest rate sensitivities reduced by management actions taken in 4Q10:
  - Bond portfolio duration was lengthened in some of the most interest sensitive liability segments
- Management goal is to continue to further reduce sensitivities in the future

Estimated Impact on 4Q10 Earnings	(C$ millions)
Fixed income re-investment assumptions used in the determination of policy liabilities	$516
Net gain on sale of AFS bonds	2
Gains on the VA business that is dynamically hedged	86
Net Estimated Impact	**$604**

Market Driven Experience Gains Drive Large Increase in 4Q10 Source of Earnings[1]

(C$ Millions)	4Q09	1Q10	2Q10	3Q10	4Q10
Expected Profit on In-Force	838	810	801	877	892
Impact of New Business	(119)	(142)	(158)	(130)	(145)
Experience Gains (Losses)[2]	439	555	(4,155)	861	1,417
Mgmt Actions & Chgs in Assumptions	(232)	(20)	94	(3,119)	(140)
Earnings on Surplus Funds	15	151	61	140	78
Other	63	(7)	8	(13)	33
Income Before Taxes	**1,004**	**1,347**	**(3,349)**	**(1,384)**	**2,135**
Income Taxes	(136)	(207)	971	437	(341)
Shareholders' Net Income	**868**	**1,140**	**(2,378)**	**(947)**	**1,794**
Currency Adjusted Expected Profit on In-force	*838*	*826*	*836*	*880*	*911*

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.
[2] Per OSFI instructions, the Source of Earnings amounts denominated in foreign currencies are translated at the prior quarter's balance sheet rate.
[3] Experience Gains (Losses) include the adjustments to arrive at the related income statement rate.

- **Expected profit on in-force** up across most businesses due to higher funds under management, partially offset by increased costs of VA hedging program versus 4Q09 hedging costs
- **New Business strain** increased primarily due to distribution investments in Asia together with lower interest rates and updated valuation assumptions. Strain also increased in Canada due to strong individual insurance sales and low interest rates. U.S. Insurance new business strain improved significantly year over year due to price increases and lower sales of no lapse guarantee Life products
- **Experience gains** in 4Q10 primarily reflect the impact of higher interest rates and equity markets
- **Management actions** in 4Q10 largely comprise the expected cost of macro hedges together with Q4 refinements to actuarial methods and assumptions
- The improvement in **earnings on surplus** relative to 4Q09 reflects higher AFS equity gains and lower OTTI provisions

Balanced Results by Division
(Earnings Excluding Market & Investment Results)[1]

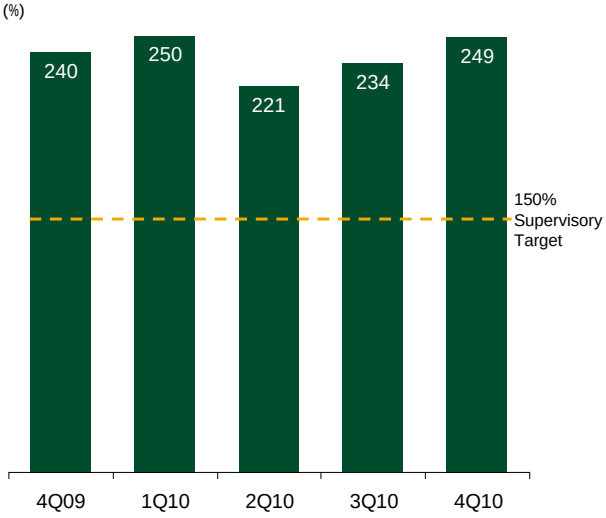
(in millions)	4Q09	1Q10	2Q10	3Q10	4Q10
Asia Division (US$)	228	228	257	219	149
Canadian Division (C$)	331	217	241	258	329
U.S. Division (US$)	185	196	196	315	306
Reinsurance Division (US$)	84	47	57	27	66
Corporate & Other[2] (C$)	(290)	(113)	(111)	23	(115)
Earnings excl. investment & market results[1,2] (C$)	**570**	**594**	**658**	**863**	**742**
Adjustments (C$)	149	148	-	(84)	(50)
Adjusted Earnings from Operations[1] (C$)	**719**	**742**	**658**	**779**	**692**

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below; Refer to Performance by Division section of Management's Discussion and Analysis.
[2] Excludes goodwill impairment charge and changes to actuarial methods and assumptions.

- **Asia:** Significant growth in in-force earnings was more than offset by DAC adjustment for Hong Kong MPF, increased distribution expenses and updated new business valuation assumptions
- **Canada:** In-line with prior year as positive earnings momentum in wealth management businesses, including Manulife Bank, offset by higher new business strain (lower interest rates and strong sales) and higher hedging costs
- **U.S. Division:** Increase driven by substantial improvement in new business strain and improved policyholder experience in U.S. Insurance, partially offset by higher hedging costs
- **Corporate:** Difference primarily explained by expected macro hedge costs in Q4/10 and changes in Ontario tax rates in Q4/09

Regulatory Capital Position Strengthened in 4Q10

Minimum Continuing Capital and Surplus Requirements Ratio (MLI)



- **Strong 4Q10 MCCSR ratio of 249%, up 15 points from 3Q10**
- **With reduced equity market and interest rate sensitivities, 249% represents an increased buffer relative to market performance risks**
- **Significant buffer relative to Supervisory Target of 150%**
- **Expected impact of IFRS adoption on MCCSR:**
  - Phase-in provision over eight quarters, expected to result in approximately four point decline in 1Q11
  - Estimated to decrease MCCSR by up to eight points for the year ended 2012

MLI refers to The Manufacturers Life Insurance Company

Diverse Product Portfolio with Multiple Businesses Targeted for Growth

U.S Insurance	U.S Wealth Management	Canada	Asia & Japan	Reinsurance
JH Life Variable Universal Life Universal Life w/o No-Lapse **Guaranteed Universal Life** Term Life COLI	**JH Wealth Asset Management** Defined Contribution Mutual Funds Privately Managed Accounts College Savings	**Individual Insurance** Universal Life Whole Life Term Life Living Benefits Affinity Markets	**Hong Kong** Individual Insurance Group Life and Health Group Pensions Mutual Funds	**Life & Non-Life** Life Property and Casualty International Group Program: Group Life and Health Group Pensions
	JH Fixed Products Payout Annuities Spread-based Products Fee-based Products **Fixed Deferred Annuities**	**Individual Wealth Management** Annuities Fixed Rate Products **Segregated Funds** Manulife Bank Mutual Funds	**China, Taiwan, ASEAN** Individual Insurance Group Life and Health Group Pensions **Variable Annuities** Mutual Funds	
JH Long-Term Care	**JH Variable Annuities**	**Group Businesses** Group Life and Health Group Savings and Retirement Solutions	**Japan** Individual Insurance Fixed Annuities **Variable Annuities**	

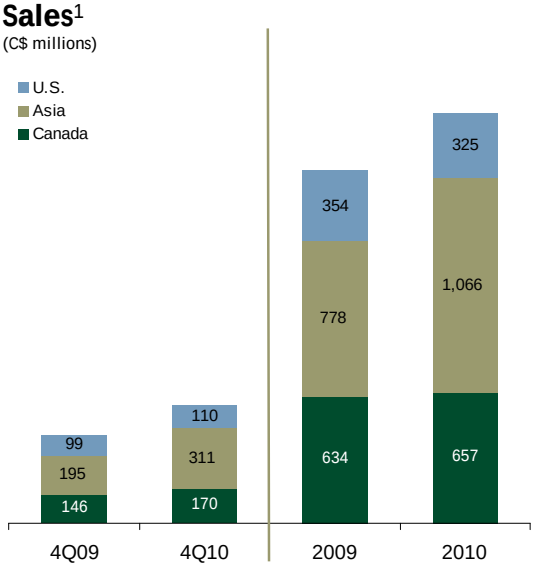
Legend

Products Targeted for Growth

Products Not Targeted for Growth

Strong Insurance Sales
(Products Targeted for Growth)

Sales[1]
(C$ millions)



2010 Insurance sales (products targeted for growth) were $2 billion, up 20%[2] versus 2009:

- Growth across most business units
- Asia Insurance sales up 43%[2]
- Strong Canadian Individual Insurance sales
- Shifting U.S. Life sales to products with less interest rate risk

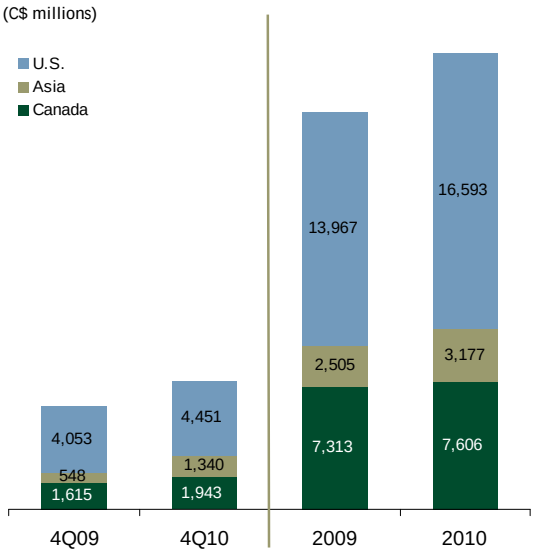
4Q10 Insurance sales (products targeted for growth) were $591 million, up 34%[2] versus 4Q09:

- Growth across all business units
- Asian insurance sales up 56%[2]
- Strong Canada Insurance sales
- New UL products in the U.S. continue to gain traction

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below. Insurance sales consist of recurring premiums and 10% of both excess and single premiums with the exception of Canada Group Benefits which is measured by new annualized premiums and single premium sales, including ASO premium equivalents.
[2] Sales growth stated on a constant currency basis, a Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

Substantial Wealth Management Sales
(Products Targeted for Growth)

Sales[1]
(C$ millions)



2010 Wealth sales (products targeted for growth) were $27.4 billion, up 23%[2] versus 2009:

- + Growth across all 3 divisions
- + New wealth products in Asia
- + Canada mutual fund sales more than doubled
- + U.S. mutual fund sales

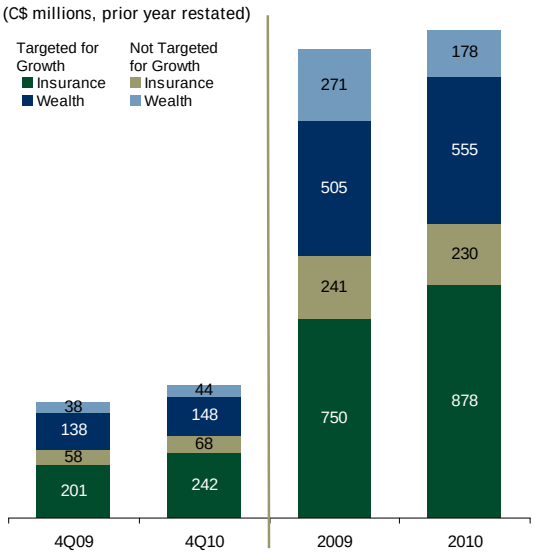
4Q10 Wealth sales (products targeted for growth) were $7.7 billion, up 28%[2] over 4Q09:

- + Hong Kong wealth sales
- + Canadian mutual fund sales
- + U.S. mutual fund sales
- + Manulife TEDA contributed US$435 million in Asia

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.
[2] Sales growth stated on a constant currency basis a Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

Strong Sales Driving New Business Embedded Value[1]

New Business Embedded Value
(C$ millions, prior year restated)



2010 New Business Embedded Value, up 4% from prior year:

- + Targeted for growth insurance and wealth products up 17% and 10%, respectively
- + Not targeted for growth insurance and wealth products down 5% and 34%, respectively

4Q10 NBEV for insurance (products targeted for growth) up 20% from 4Q09:

- + Strong growth in Asia
- - Higher acquisition costs

4Q10 NBEV for wealth (products targeted for growth) up 7% from 4Q09:

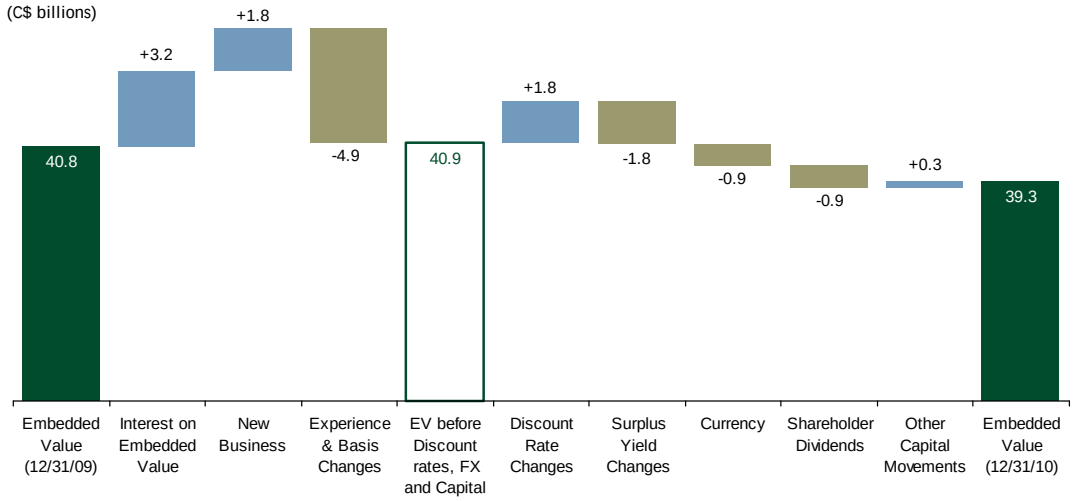
- + Strong sales growth across geographies
- - Stronger Canadian dollar, higher acquisition costs and lower investment yield

4Q10 NBEV for insurance and wealth (products not targeted for growth) increased 17% and 16%, respectively:

- Consistent with actions taken to improve ROE

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

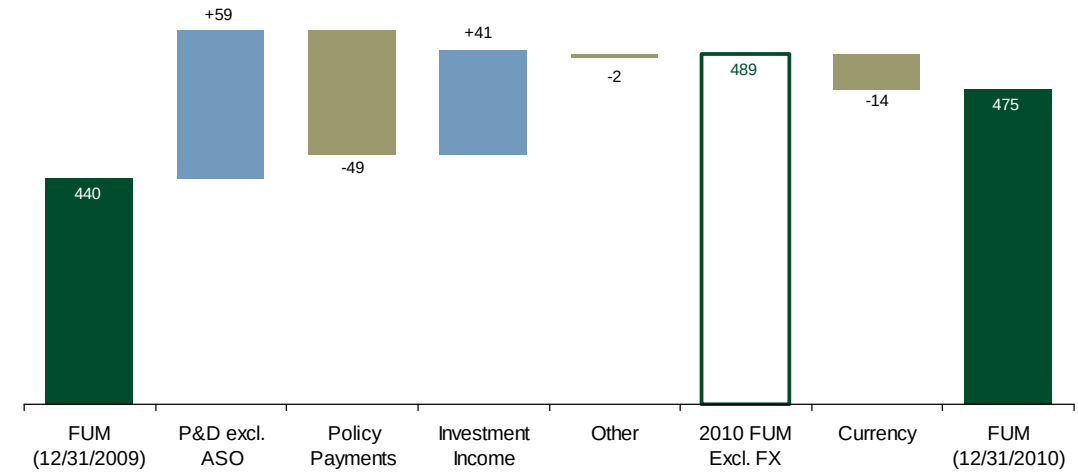
Decreased In-Force Embedded Value[1] Primarily Due to Assumption Updates Effected in 3Q10



In-Force Embedded Value[1]/Share of $22.11, down 5% from December 31, 2009

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

Higher Funds Under Management[1] Benefit From Net Cash Flows and Net Investment Income

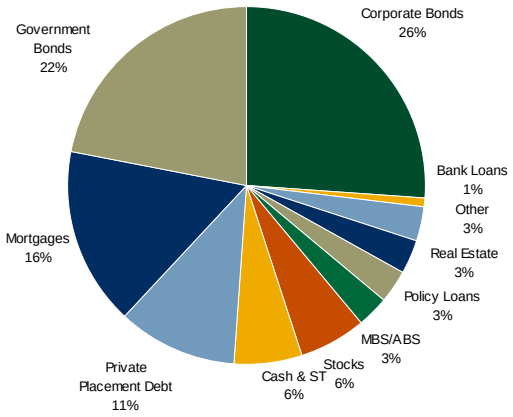


[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

Diversified High Quality Asset Mix

Total Invested Assets

(C$199.4 billion)



As at December 31, 2010. Carrying Value

Diversified, high quality portfolio:

- 9% in Cash & Policy Loans
- 16% in high quality Mortgages
- 62% in high quality Public & Private Bonds
- 95% of Bonds are Investment Grade and highly diversified by geography and sector
- 87% of CMBS rated AAA with 88% originated in 2005 or prior
- Commercial Mortgages have low Loan-to-Values ~ 64% and high Debt Service Coverage ~1.5x
- Unlevered Commercial Real Estate with 93.3% occupancy and 5.7 years average lease term

Limited Net Exposure[1] to:

- RMBS (C$569M)
- Monoline wrapped bonds (C$527M)
- European bank hybrids (C$239M)
- Sovereign debt of "PIIGS" nations (C$77M)

[1]Net Exposure excludes par and pass-through and reflects the impact of downgrades on reserves.
Note: "CMBS" refers to Commercial Mortgage-backed Securities, "RMBS" refers to Residential Mortgage-backed Securities, and "PIIGS" refers to the nations of Portugal, Italy, Ireland, Greece and Spain.

Summary

- Substantial progress made delivering upon our business strategy
- Ahead of original timetable in reducing earnings sensitivity to equity markets and interest rates
- Strong capital levels – MLI MCCSR of 249%
- Record quarterly net income – supported by favourable markets

Key Questions

- Estimated IFRS Impacts
- Expected Cost of Equity Hedging in 2011
- Status of LTC In-Force Price Increases

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Question & Answer Session

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Appendices

- Sales by Division Supplement
- Credit Experience

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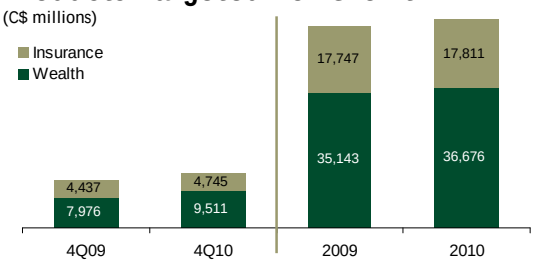
Premiums and Deposits[1]

Products Targeted For Growth



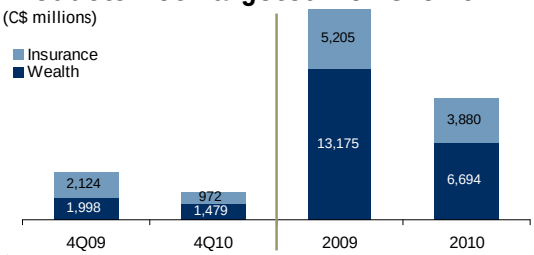
4Q10 Insurance products targeted for growth P&D up 8%[2] over 4Q09

+ Strong growth in Asia

4Q10 Wealth products targeted for growth P&D up 23%[2] over 4Q09

+ Mutual Funds
- Fixed Products

Products Not Targeted For Growth



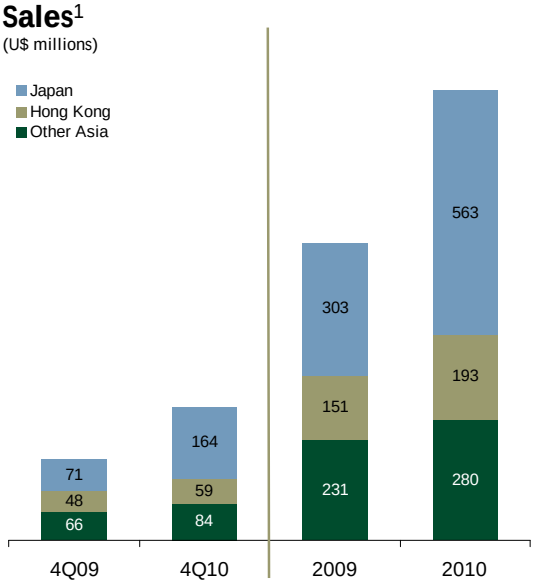
4Q10 Insurance and Wealth P&D (products not targeted for growth) down 52%[2] and 25%[2], respectively from 4Q09

- Consistent with actions taken globally to reposition products to improve ROE and rebalance risk

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.
[2] P&D growth stated on a constant currency basis, a Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

Asia Insurance
(Products Targeted For Growth)

Sales[1]
(U$ millions)



4Q10 Japan Insurance sales of US$164 million, up 113%[2] over 4Q09

- + Sales more than doubled 4Q09 on continued success of new product launch across all channels

4Q10 Hong Kong Insurance sales of US$59 million, up 23%[2] relative to 4Q09

- + Driven by success of new product earlier in the year

4Q10 Other Asia Insurance sales of US$84 million, up 22%[2] compared to 4Q09

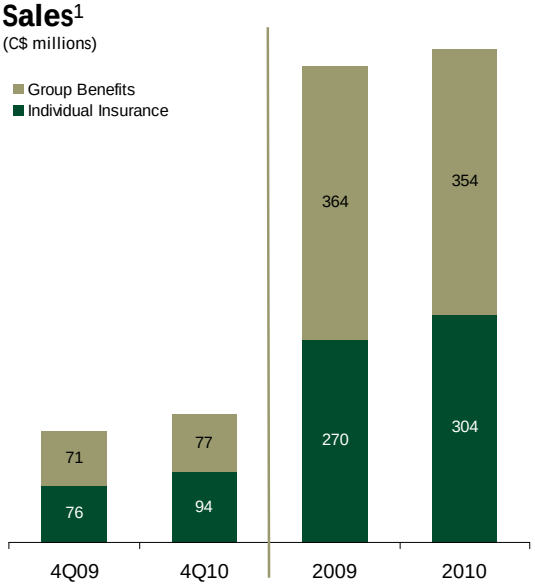
- + ASEAN – Expansion of agency distribution
- + China & Taiwan - Expansion of agency distribution and new product launched earlier in the year
- - Partially offset by lower sales in Singapore due to loss of distribution agreement

Note: Insurance sales consist of recurring premiums and 10% of both excess and single premiums.

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.
[2] Sales growth stated on a constant currency basis, a Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

Canada Insurance
(Products Targeted For Growth)

Sales[1]
(C$ millions)



4Q10 Individual Insurance sales of $94 million, up 24% over 4Q09

- + Strong UL sales ahead of announced price increases in December

4Q10 Group Benefits sales of $77 million, up 8% over 4Q09

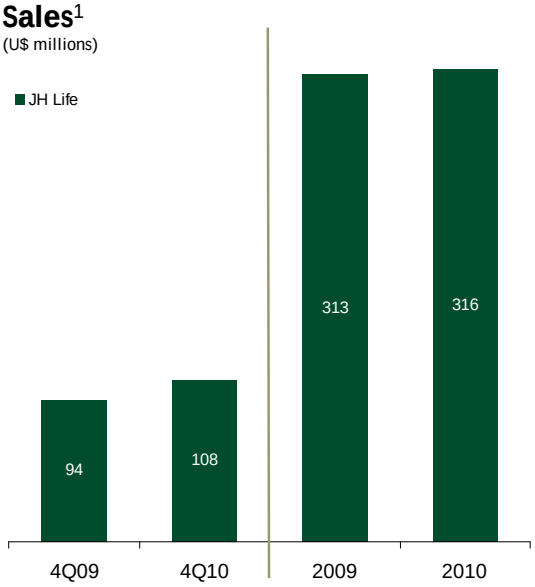
- + Good performance in Mid-size segment
- - Normal volatility in Large Case segment

Note: Insurance sales consist of recurring premiums and 10% of both excess and single premiums with the exception of Group Benefits which is measured by new annualized premiums and single premium sales, including ASO premium equivalents.

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

U.S. Insurance
(Products Targeted For Growth)

Sales[1]
(U$ millions)



4Q10 JH Life sales, excluding Products Not Targeted for Growth, were US$108 million, up 15% over 4Q09

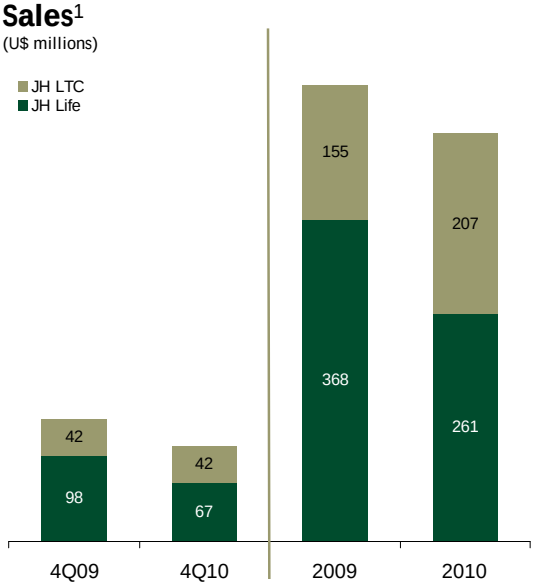
- + Continues traction with new UL products with improved risk characteristics
- + COLI/BOLI sales

Note: Insurance sales consist of recurring premiums and 10% of both excess and single premiums.

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

U.S. Insurance
(Products Not Targeted For Growth)

Sales[1]
(U$ millions)



4Q10 sales of universal life with no-lapse guarantees and guaranteed non-par whole life products were $67 million, down 32% from 4Q09

- - Consistent with actions taken globally to reposition products to improve ROE and rebalance risk

4Q10 LTC sales of $42 million, in-line with 4Q09

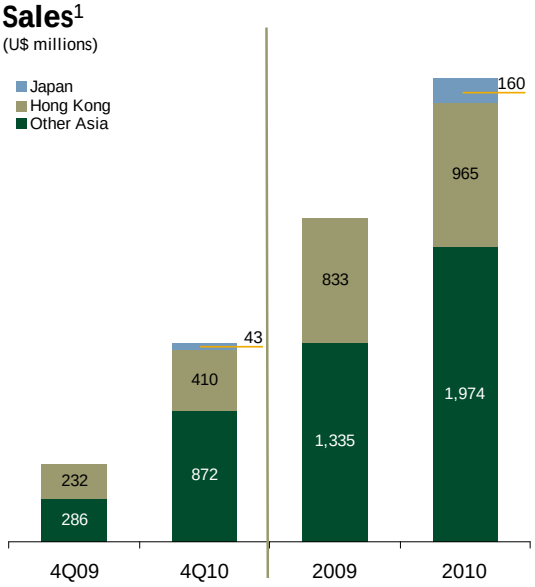
- + Group sales increased as RFP pipeline in depleted
- + Retail sales down in response to price increases earlier in the year

Note: Insurance sales consist of recurring premiums and 10% of both excess and single premiums.

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

Asia Wealth Management
(Products Targeted For Growth)

Sales[1]
(U$ millions)



Hong Kong 4Q10 sales of US$410 million, up 77%[2] versus 4Q09
- + Driven by increasing consumer confidence in equity markets

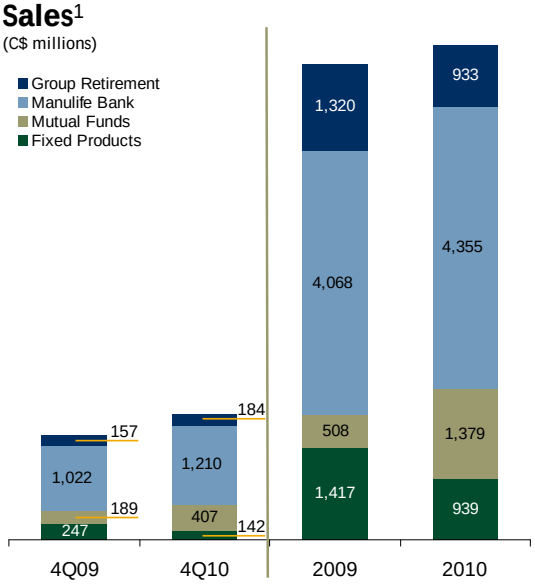
Other Asia 4Q10 sales of US$872 million, up 192%[2] versus 4Q09
- + Manulife TEDA contributed US$435million
- + Indonesia sales doubled 4Q09
- + Record sales in the Philippines

4Q10 Japan sales of US$43 million
- + Multi-currency fixed annuity product launched earlier in the year and broader distribution

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.
[2] Sales growth stated on a constant currency basis, a Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

Canada Wealth Management
(Products Targeted For Growth)

Sales[1]
(C$ millions)



Mutual Fund 4Q10 deposits of $407 million, up 115% over 4Q09
- + Record sales with an increase in market share

Fixed Products 4Q10 sales of $142 million, down 43% versus 4Q09
- - Reflecting low interest rate environment and higher rates offered by competitors

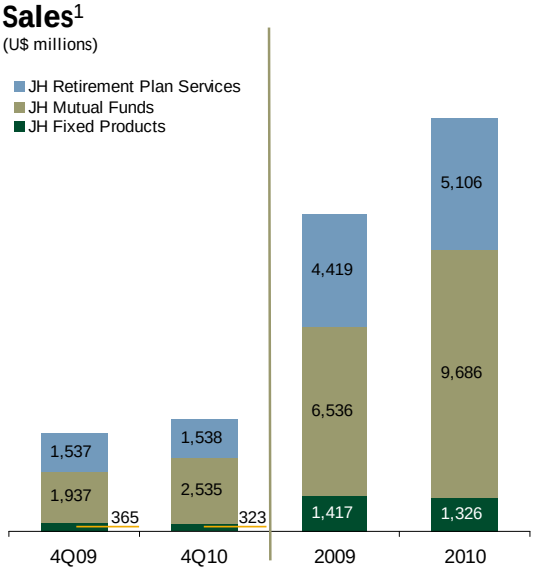
Manulife Bank 4Q10 volumes of $1,210 million, up 18% over 4Q09
- + Reflecting impact of consumer advertising campaign and rising consumer confidence

Group Retirement Services 4Q10 sales of $184 million, up 17% over 4Q09
- + Increased new business market share

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

U.S. Wealth Management
(Products Targeted For Growth)

Sales[1]
(U$ millions)



4Q10 Mutual Fund sales of US$2.5 billion, up 31% over 4Q09
- + Record full year sales of US$9.7 billion
- + Competitive fund performance on broad fund offering (portfolio of 21 Four- or Five-Star funds*)

Retirement Plan Services sales of US$1.5 billion in 4Q10
- + 2nd highest quarterly sales since 2007

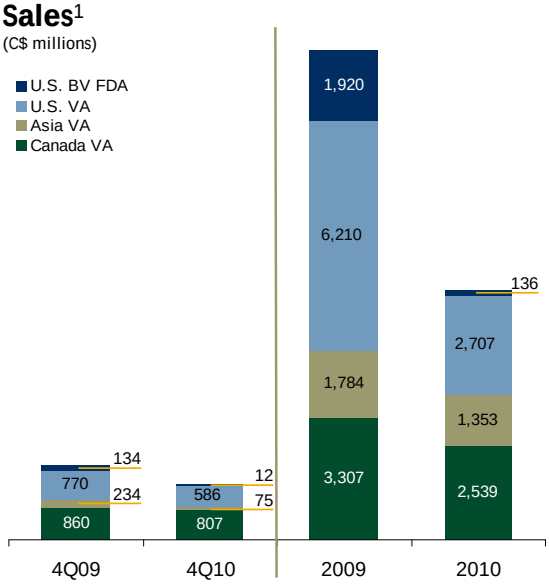
4Q10 Fixed Products sales, excluding Book Value Fixed Deferred Annuities, of US$323 million, down 12% vs. 4Q09
- - De-risking initiatives and low interest rate environment

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

* For each fund with at least a 3-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return that accounts for variation in a fund's monthly performance (including effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category, the next 22.5%, 35%, 22.5% and bottom 10% receive 5, 4, 3, 2 or 1 star respectively. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics. Past performance is no guarantee of future results. The overall rating includes the effects of sales charges, loads and redemption fees, while the load-waived does not. Load-waived rating for Class A shares should only be considered by investors who are not subject to a front-end sales charge.

Wealth Management
(Products Not Targeted For Growth)

Sales[1]
(C$ millions)



4Q10 variable annuity sales of $1.5 billion, down 20%[2] vs. 4Q09
- - Consistent with actions taken globally to reposition products to improve ROE and rebalance risk

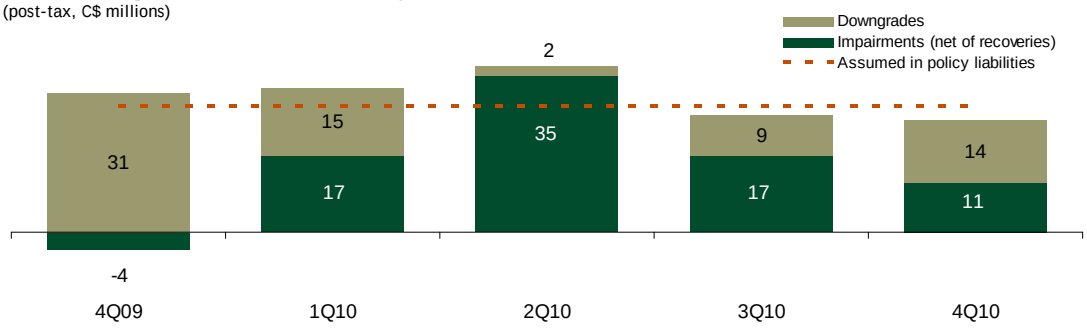
4Q10 book value fixed deferred annuity sales of $12 million down 90%[2] versus 4Q09
- - Consistent with actions taken globally to reposition products to improve ROE and rebalance risk

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.
[2] Sales growth stated on a constant currency basis, a Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

Credit Experience (net of recoveries) Remains Strong

Credit Impairments & Downgrades*

(post-tax, C$ millions)



* On Non-Par holdings only and excludes the expected amount assumed in the valuation of policy liabilities of approximately $28 million after-tax.

Impact on 4Q10 Net Income (C$ millions):	Pre-tax	Post-tax
Credit impairments (net of recoveries)	$18	$11
Credit downgrades	$21	$14
Total Impact	**$39**	**$25**

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Note to Users

Earnings Excluding Market and Investment Results by Division

Asia Division (US$ millions)	4Q09	1Q10	2Q10	3Q10	4Q10
Reported Earnings	274	412	(693)	546	335
Market & Investment Results	45	184	(950)	327	186
Earnings excluding market and investment results	**229**	**228**	**257**	**219**	**149**

Canadian Division (C$ millions)	4Q09	1Q10	2Q10	3Q10	4Q10
Reported Earnings	384	301	(344)	358	635
Market & Investment Results	53	84	(585)	100	306
Earnings excluding market and investment results	**331**	**217**	**241**	**258**	**329**

U.S. Division (US$ millions)	4Q09	1Q10	2Q10	3Q10	4Q10
Reported Earnings	524	462	(1,191)	527	943
Market & Investment Results	339	266	(1,387)	212	637
Earnings excluding market and investment results	**185**	**196**	**196**	**315**	**306**

Reinsurance Division (US$ millions)	4Q09	1Q10	2Q10	3Q10	4Q10
Reported Earnings	87	51	4	35	88
Market & Investment Results	3	4	(53)	8	22
Earnings excluding market and investment results	**84**	**47**	**57**	**27**	**66**

Corporate Division & Other (C$ millions)	4Q09	1Q10	2Q10	3Q10	4Q10
Reported Earnings	(453)	(123)	(104)	(2,454)	(225)
Market & Investment Results	(16)	(10)	(20)	593	(56)
Actuarial Basis Changes	(147)	-	13	(2,031)	(54)
Goodwill Writedown	-	-	-	(1,039)	-
Earnings excluding market and investment results, actuarial basis changes and goodwill writedown	**(290)**	**(113)**	**(111)**	**23**	**(115)**

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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: Adjusted Earnings from Operations; Net Income Excluding the Direct Impact of Equity Markets and Interest Rates; Earnings Excluding Market and Investment Results; Constant Currency Basis; Premiums and Deposits; Premiums and Premium Equivalents; Funds under Management; Sales; New Business Embedded Value; In-Force Embedded Value; and Shareholders' Economic Value. 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. Net income excluding the direct impact of equity markets and interest rates is a non-GAAP profitability measure. It shows what the net income attributed to shareholders would have been assuming that existing hedges are unchanged and that interest and equity markets performed as assumed in our policy valuation. We consider the gains or losses on the variable annuity business that is dynamically hedged to be an indirect impact, not a direct impact, of changes in equity markets and interest rates. Earnings excluding market and investment results is based on net income attributed to shareholders, excluding net experience gains or losses as a result of equity, interest rate, credit and other non fixed income returns differing from our best estimate policy liability assumptions. Earnings excluding market and investment results is different from adjusted earnings from operations, as described in the Company's Quarterly Report to Shareholders for the quarter ended September 30, 2010. The Company believes earnings excluding market and investment results is useful to investors given the current economic conditions including the volatility of equity markets, interest rates and other factors because it excludes the impact of this volatility. 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. Quarterly 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 fourth quarter of 2009. Premiums and deposits is a measure of top line growth. The Company calculates premiums and deposits as the aggregate of (i) premiums and premium equivalents (see below), (ii) segregated fund deposits, excluding seed money, (iii) mutual fund deposits, (iv) deposits into institutional advisory accounts, and (v) other deposits in other managed funds. Premiums and premium equivalents are part of premiums and deposits. The Company calculates premiums and premium equivalents as the aggregate of (i) general fund premiums net of reinsurance, reported as premiums on the Consolidated Statement of Operations, (ii) premium equivalents for administration only group benefit contracts and (iii) premiums in the Canadian Group Benefit's reinsurance ceded agreement. 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. 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. New business embedded value ("NBEV") is the change in shareholders' economic value as a result of sales in the period. NBEV is calculated as the present value of expected future earnings after the cost of capital on new business using future mortality, morbidity, policyholder behavior assumptions, expense and investment assumptions used in the pricing of the products sold. The investment assumptions for long duration products are based on the long-term investment assumptions typically determined during the annual planning cycle. For variable annuity products, the interest rates used in the calculation of NBEV are based on the interest rates at the time the business is issued. The principal economic assumptions used in the NBEV calculations in 2010 were based on January 1, 2010 markets. In-force embedded value is calculated as tangible shareholders' equity plus the value of in-force business, where the value of in-force business is the present value of expected future earnings on in-force business less the present value cost of holding capital required to support the in-force business. In-force embedded value is a measure of the shareholder value embedded in the current balance sheet of the Company, excluding any value associated with future new business. The change in In-force embedded value between reporting periods, excluding changes due to discount rates, foreign exchange rates and capital, is used as a measure of the value created by the year's operations. Impact on shareholders' economic value is one of the measures we use to describe the potential impact of changes in equity markets and interest rates. Our method of calculating the impact on shareholders' economic value is set out in the relevant sections of the presentation where the impact is disclosed. For further information regarding these subjects, see our press release announcing our 2010 fourth quarter results.

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