

2008 Public Accountability Statement



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Manulife Financial’s 2008 Public Accountability Statement is produced and filed as the consolidated public accountability statement required for Manulife Financial Corporation, The Manufacturers Life Insurance Company and the following affiliates:

- Manulife Bank of Canada
- Manulife Canada Ltd.
- First North American Insurance Company

All dollar amounts in this statement are in Canadian dollars unless stated otherwise.

Manulife Financial Corporation and its subsidiaries, including The Manufacturers Life Insurance Company, are referred to herein as “Manulife” or the “Company.” This Public Accountability Statement is published for the fiscal year January 1, 2008 to December 31, 2008.

Our Vision and Values

Setting a Direction

Our Vision

Our vision is to be the most professional life insurance company in the world, providing the very best financial protection and investment management services tailored to customers in every market where we do business.

By “professional” we mean being a pre-eminent financial institution, respected for its integrity as well as its demonstrated ability to create value for customers and reward shareholders. We mean being an organization with whom people want to be associated and we mean being the best at what we have chosen to do.

Our Values

In pursuing our vision, management guides Manulife’s operations in accordance with certain core values. Represented by the acronym PRIDE, our values are:

- Professionalism** – To be recognized as having professional standards. Our employees and agents possess superior knowledge and skills that they apply for the benefit of our customers.
- Real Value to Our Customers** – We are here to satisfy our customers. By providing the highest-quality products, services, advice and sustainable value, we ensure that our customers receive excellent solutions that meet their individual needs.

Integrity – All of our dealings are characterized by the highest levels of honesty and fairness. We develop trust by maintaining the highest ethical practices.

Demonstrated Financial Strength – Our customers depend on us to be here in the future to meet our financial promises. We earn their confidence by maintaining uncompromised claims-paying ability, a healthy earnings stream, and superior investment performance results, consistent with a prudent investment management philosophy.

Employer of Choice – Our employees determine our future success. In order to attract and retain the best and the brightest employees, we invest in the development of our human resources and reward superior performance.

Dominic D'Alessandro
President and Chief Executive Officer



Message from the President

The financial turmoil of 2008 underscored the importance of Manulife's mission of providing security and stability to individuals and businesses around the world. This is an undertaking we pursue not only through our products and services, but also through a long-standing tradition of giving back to the communities in which we live and work.

In 2008, Manulife donated more than \$26 million to over 600 non-profit organizations around the world. These financial contributions were augmented by the generous donations our employees made of perhaps their most valuable resource – their time. Employee volunteerism has long been a cornerstone of Manulife's community support initiatives. Last year, 15,600 Manulife employees and distribution partners donated 74,000 volunteer hours to a wide range of charities and causes (an increase of more than 23 per cent from 2007). I want to commend our employees for their dedication and hard work.

Manulife focuses its corporate philanthropy on well-managed, non-profit organizations that support community service, champion youth initiatives and foster health and wellness. For the fifth consecutive year, we participated in Habitat for Humanity, with more than 1,000 of our employees helping to build homes for those in need in Canada, the U.S. and Thailand. For the 23rd consecutive year, John Hancock sponsored the Boston Marathon, with 95 employee runners raising US\$134,000 on behalf of community organizations. In Asia, our employees rallied to assist victims of the devastating Sichuan earthquake, which killed 70,000 people and left nearly 5 million homeless. These are just a few examples of the many organizations and initiatives Manulife supported over this past year.

Recognizing that charities also require people with business skills to help run their organizations, Manulife continued the tradition of lending, through its employees, its expertise to the charitable sector in 2008. More than 100 of our leaders served on charitable boards last year, helping to lead these organizations. While gaining a deeper connection to our communities, these individuals also acquired critical leadership skills that they will apply in their work and lives.

Our Company pursues the highest standards of environmental responsibility. Manulife is a leading provider of financing to the renewable power sector, with dedicated Project Finance Groups in Toronto and Boston. In addition, we remain committed to incorporating the latest environmental technologies and systems into the energy conservation projects for our real estate. Our ambitious and long-standing recycling program successfully diverted 9,225 metric tonnes of office waste (primarily paper, aluminum, metal and glass) from landfill sites in 2008.

This is the last time I will introduce Manulife's Public Accountability Statement as I am retiring in May 2009. Reading the inspiring stories on the following pages, I believe we have ably demonstrated our commitment to the public welfare.

I encourage you to read our statement and explore the many ways our Company, employees and partners have demonstrated their commitment to our communities.

A handwritten signature in green ink that reads "D'Alessandro". The signature is stylized and fluid.

Dominic D'Alessandro
President and Chief Executive Officer

Commitment to Corporate Governance

We Deliver Solid Performance through Sound Practices

Integrity in Business Practice

Manulife has a set of core values that guides our conduct, and one of those values is integrity. Because our business is built on the promises we make to our customers, our reputation for being straight, direct and fair while also providing value is critical to our success. In every place where we operate, we insist that our employees follow our Code of Business Conduct and Ethics. The Code governs our behaviour globally.

Corporate Governance

We are committed to being a leader in corporate governance in Canada, ensuring that our governance policies and practices are consistent with our vision of being the most professional life insurance company in the world.

This commitment starts at the top, with our Board of Directors, who oversee the management of the business and the affairs of the Company. All but one of the directors – President and Chief Executive Officer Dominic D'Alessandro – are independent of management. As well, every Board and Committee meeting includes an in-camera session without management present.

Our leadership in this area has been recognized consistently. In four of the seven years that *The Globe and Mail* has conducted its annual "Board Games" survey, we have ranked first.

We invite you to review our governance program at www.manulife.com/governance, which also includes a link to our most recent proxy circular.

"No company has been more of a fixture at the top of the Board Games chart than insurer Manulife, which has placed first or second in five of the seven years since the survey was created."

*Board Games 2008
The Globe and Mail*

Globe and Mail "Board Games"

97 out of 100

2008 Awards and Recognition

Manulife received many awards in 2008 recognizing the Company for overall excellence, as well as for specific achievements in corporate governance and charitable and community programs. A few examples are listed below. A complete listing can be found at www.manulife.com.

Toronto

Forbes rates Manulife among top global performers

In *Forbes'* annual list of global high performers, Manulife was rated one of the top five insurance companies, standing out from industry peers in terms of growth, return to investors and future prospects.

Kitchener-Waterloo

OIE Award for Financial Innovation

Manulife's guaranteed investment product, IncomePlus®, was recognized at the inaugural 2008 Ontario Innovation Excellence Awards.

Boston

John Hancock Retirement Plan Services receives 2008 Insight Award

John Hancock Retirement Plan Service's "EZ Route," a post-enrolment education program, was named the winner of the 2008 Insight Award for customer advocacy in financial services.

Manila

Manulife Philippines wins Excellence in Education award

Manulife was awarded the 2008 Excellence in Education award by the Life Office Management Association for its ongoing commitment to the professional development of its employees.

Toronto

Manulife leads Canadian companies in annual report of the world's most valuable brands

In the *Brand Finance Global 500*, a report of the world's most valuable brands, Manulife ranked first among the 13 Canadian brands named to the list.



Hong Kong

Manulife named "Caring Company" for seventh consecutive year

For the seventh consecutive year, Manulife was awarded the "Caring Company" title by the Hong Kong Council of Social Service in recognition of the Company's ongoing commitment to sponsoring and taking part in charitable activities in the local community.

Toronto

Manulife's Monthly High Income Fund recognized for excellence in the investment industry at 2008 Lipper Fund Awards

Manulife's Fund placed first in the Canadian Equity Balanced category at the Lipper Fund Awards, which are part of a global program of events held in 21 countries to reward funds that deliver consistently strong risk-adjusted performance.



Photo by Tomaz Adamski –
Exchange Magazine



Hong Kong

Manulife honoured at East Week's Hong Kong Service Awards in insurance category

The Awards pay tribute to services and products that enhance the quality of life for Hong Kong consumers in areas ranging from finance, security, health and education to the environment and urban infrastructure.

Kitchener-Waterloo

Manulife earns second consecutive Excellent rating from DALBAR

Manulife Financial Group Savings and Retirement Solutions once again received an Excellent rating for its year-end plan member statement, according to a study by a leading communications consulting firm.

Boston

John Hancock recognized by American Red Cross for disaster-relief efforts

John Hancock's Community Relations VP Carol Fulp was among 35 Boston businesswomen and community leaders honoured for their work providing disaster relief to Hurricane Katrina victims through the initiative "Boston Women Build in the Bayou."

Hong Kong

Community Chest Awards

Community Chest presented Manulife with two recognition awards – the Challenge Cup for Overall Top Fundraiser and Top Fundraiser of the Hong Kong and Kowloon Walk – for raising HK\$680,000 in the Walk for Millions. This was the seventh consecutive year Manulife has won the Challenge Cup.

Beijing

Manulife-Sinochem receives Canada China Business Council's Outstanding Achievement Award

This accolade is given to companies who have made significant contributions to Canadian-Chinese bilateral relations and business development and is the most prestigious of the Council's awards.

Boston

John Hancock Long-Term Care wins communications award at annual Inspire Awards

Sponsored by the League of American Communications Professionals, these awards recognize outstanding focus on target constituencies, their interests and their need to understand the key messages being communicated.

Hong Kong

Manulife's waste-reduction efforts recognized under Government's environmental excellence program

Manulife was awarded permission to use the prestigious Wastewi\$e label for its successful efforts to prevent waste at the Company over the past year.

Singapore

Manulife Asia Fixed Income Fund managers named among most astute investors

This annual survey by Asset magazine asks sell-side analysts to nominate fund managers they consider to be the most astute investors in eight countries across Asia.



Building Stronger Communities: The Power of our People

Manulife is committed to working with its employees to make the communities where we live and work stronger. Last year, the Company donated \$26 million to assist more than 600 non-profit organizations around the world.

However, donations alone can't fulfill this commitment. The driving force is our employees – just as people are our strongest asset in business, they are also the cornerstone of our community efforts. Last year alone, 15,600 Manulife employees and agents donated 74,000 hours of their time. Our donations and volunteering are focused on three main areas: community service, youth and health care.

Working Together in our Communities

Manulife's corporate philanthropy emphasizes giving back to the communities where we do business and we encourage employees to do the same. Local managers choose the area of focus for philanthropy, identify partners and determine how best to encourage employee involvement.

Our divisions around the world work together wherever possible to find ways to collaborate with local communities, such as supporting the United Way and Habitat for Humanity.

The United Way

Supporting the United Way is one of the most effective ways Manulife helps build stronger communities. Our campaigns are run entirely by volunteers, who do everything from organizing events and collecting donations to encouraging others to get involved. Concurrent campaigns by our Corporate, U.S. and Canadian divisions raised \$4.6 million in 2008, a record for Manulife.

Support for victims of Sichuan earthquake: A global initiative

Manulife's reaction to the earthquake that decimated this region in China was swift and immediate. In a very short timeframe, employees and agents around the world came together to raise more than RMB9.4 million (US\$1.3 million) for disaster relief and rebuilding. RMB4.5 million of this was used to reconstruct five schools for disabled children.



Sponsored Employee Program

Each year, Manulife participates in the United Way's Sponsored Employee Program. For 15 weeks from September to December, selected employees receive their regular salary from Manulife while they work out of United Way offices.

After an intensive one-week training program, they develop fundraising strategies, motivate canvassers, run workplace campaigns and deepen relationships with the non-profit organizations delivering services. In return, sponsored employees see first-hand the positive results of the United Way's work while gaining new skills to take away with them.

Habitat for Humanity

Our employees have been involved with Habitat for Humanity since 2004 and their enthusiasm for getting involved showed no sign of letting up in 2008 as they helped make the dream of home ownership a reality for families in Canada, the U.S. and Thailand.

Once again close to 600 employees took a day off with pay to help build two new homes for local families in Kitchener-Waterloo. Toronto-area employees participated in a Scarborough build this year, helping put up 10 "Energy Star" homes.

As part of a divisional meeting, nearly 40 employees from John Hancock worked on three homes in Riverdale, Illinois and made a contribution to Habitat for Humanity – Chicago South Suburbs. In Thailand, Manulife volunteers helped build five homes in Pathumthani province.

Lending our expertise to charitable boards

Manulife and its employees understand that charities require people with business skills – accounting, legal, marketing, fundraising, human resources and public relations – to help run their organizations. As a result, many of our employees in North America have chosen to take part in formal training programs that prepare them to join boards of non-profit organizations.

Connecting the corporate and charitable sectors, Altruvest Charitable Services addresses this need in Canada, seeking to make charities more efficient by improving their board governance. Manulife supports Altruvest and participates in two of its programs, BoardMatch Fundamentals and BoardMatch Leaders, which provide volunteers with the skills to become board members. Since 2003, 52 Manulife employees have registered in the BoardMatch programs.

In the U.S., John Hancock created BoardLink, an internal program that encourages executives to join non-profit boards.

"Playing a small role in the 2008 United Way Campaign as a sponsored employee taught me two very important lessons in life. First, be thankful for everything you have and secondly, treat your neighbour as you would like to be treated."

Wendy Flores
Executive Assistant
Audit Services



"The Manulife volunteers always come to each site with such wonderful attitudes and lots of energy. Having worked with Manulife for four years now, we recognize many of the returning volunteers and are more than happy to tap into their skill sets."

Janice Tessman
Habitat build supervisor



This program seeks to place managers and executives on the boards of John Hancock's most strategic non-profit partners. To date, more than 30 senior managers and executives have been placed on non-profit boards.

Matching employee contributions

Another way Manulife works with employees to support their communities is by matching their donations.

In Canada, Manulife's Helping Hands program supports our employees' volunteer efforts by providing grants to charities where they volunteer 25 hours or more a year. PowerMatch is another program that supports employees' fundraising efforts. Employees who collect pledges for a registered charity fundraising event can apply for a matching donation. In the United States, John Hancock also has a matching program for employees' charitable donations. As part of these programs, Manulife gave approximately \$1.4 million in 2008.

Employee donations to the United Way campaigns in Canada and the U.S. are also matched.

Working Together for Tomorrow

Manulife believes in investing in the future, both in business and in its charitable efforts, which is why we contribute time and money to many creative projects supporting youth and education around the world.

Providing tools for success

Children need more than schools to achieve their full potential. They need help acquiring a variety of life, academic and professional skills, as well as access to mentors who inspire them.

In 2008, John Hancock and *The Boston Globe* newspaper launched Boston Summer Scholars, a summer jobs initiative for teens in need, providing US\$1 million in funds and in-kind services to support 600 jobs throughout the Boston area. This commitment represented a 150 per cent increase over John Hancock's summer jobs program the previous year. According to the City of Boston, Boston Summer Scholars is the largest corporate supporter of summer jobs in the United States.

"Manulife's volunteer program and the integrity of the Company were the reasons I chose to start a new career here. It's about having a chance to balance my work life with volunteer opportunities and being encouraged to do so at work. I have been extremely fortunate in my life and volunteering at Habitat for Humanity through Manulife gives me a chance to give back to the community."

Shibani Altenstad
Senior Auditor
Corporate Division



Boston Summer Scholars students spent the summer working at John Hancock, *The Globe* and more than 60 non-profit organizations throughout the city. Along with gaining valuable workplace experience, scholars attended weekly life skills workshops at Boston University. Topics included personal finance, writing, interview skills, media awareness and community leadership.

Building on the success of Boston Summer Scholars, our Corporate Division partnered with Youth Employment Services (YES) to create employment opportunities for youth in one of Toronto's most vulnerable communities. The St. James Town Summer Jobs for Youth pilot program helped 42 youths find summer jobs with non-profit organizations. Unlike most summer employment programs for students, this one provided resources that met the unique needs of disadvantaged and vulnerable youth in the community.

With funding by Manulife, YES delivered customized services, offering everything from individualized counselling and coaching to resumé creation, assistance with social insurance number applications, allowances for interview and job-appropriate attire, public transportation and employability workshops. Ongoing support throughout the process helped participants maintain motivation and build self-confidence.

Junior Achievement, a worldwide organization providing educational, business and economics programs for young people, is supported by Manulife in both Canada and Japan. Every year in Canada, Manulife supports Junior Achievement's Economics of Staying in School (ESIS) program through funding and employee volunteerism. Taking a day out of their busy schedules, employees help students understand the relationship between education and the real world by teaching them the impact dropping out of school could have on their lives both economically and personally.

In Japan, we sponsored a nationwide Manulife CAPS Management Contest for Japanese elementary school children through Junior Achievement. More than 150 students in the Tokyo, Osaka and Nagoya regions competed in one-day business simulations creating and operating a virtual hat shop. The winners of local competitions met at Manulife Japan's head office in Tokyo for the national competition. Students gained hands-on experience in team-building, decision-making and the fundamentals of running a business.

"Thank you for coming into our classroom today and teaching us things that we had very little knowledge of before. You have opened my eyes to the world outside of what I know and the way I looked at life yesterday has greatly changed from the way I am looking at life today."

Junior Achievement ESIS student participant



Manulife has also supported the Manulife Centre for Children with Specific Learning Disabilities in Hong Kong since 1999. The Centre helps children who have specific difficulties with word decoding, reading, spelling, writing and arithmetic skills, but who are often unusually gifted in such areas as sports, music or the arts. It has grown to become one of the most influential institutions of its kind, carrying out pioneering work in the field of specific learning disabilities.

"We want to bring out the best in these young people and put them on the path to a fulfilling life utilizing their potential," said Michael Huddart, Manulife's Executive Vice President and Chief Executive Officer for Hong Kong.

Clothing, books and much more

Employees also worked hard to provide clothes, books and other essentials for local children and schools around the world through these and other initiatives:

- Boston employees contributed more than 1,000 toys and US\$2,500 in grocery store gift cards in support of the Martha Elliot Health Center and Children's Hospital Boston during the holidays. In addition, 15 families were "adopted" by employees in Boston and Portsmouth and were provided with a full range of holiday gifts.
- Manulife Hong Kong donated HK\$150,000 to Hong Chi Association's Morninghope School, providing exercise

equipment and health monitoring tools. The Hong Chi Association is the largest non-profit organization in Hong Kong devoted to serving individuals with intellectual disabilities.

- Over the past four years our Corporate Division employees have run a clothing and book drive for Rose Avenue Public School and the residents of St. James Town in Toronto. This year 26 boxes of books and 224 large bags of clothes were donated in our Closet Clean-Out campaign.
- Manulife employees and agents in Indonesia contributed to school libraries and nutrition programs, and donated school bags at schools in Jayapura, Jambi, Semarang, Tangerang, Surabaya and Bogor.
- Through the Manulife Care program in Vietnam, 3,000 Chinese New Year gifts were donated to children in need.
- Our Canadian and Corporate divisions donated a total of \$50,000 to Breakfast for Learning, a national organization in Canada that provides nourishment programs for school-age children.
- In Singapore, the Company held a charity auction for the *Straits Times* School Pocket Money Fund for underprivileged children. Five Olympic Games packages worth S\$50,000 were up for auction.

As part of Manulife's book and clothing drive for Rose Avenue Public School, each student who brought in an old book received a new book from the Manulife donations for their own use. "The idea of trading in an old book for a new one is to expose the kids to the idea that giving is as important to them as receiving," says Chris Hallett of Community Matters, a local St. James Town organization. "The commitment by parents to learning is very strong in this community so the books are very much appreciated and in line with their own thinking for their kids."



Working Together for Health and Wellness

A significant portion of our community giving and volunteer efforts are directed to health-related initiatives that have the potential to improve many lives. Here are a few examples:

- The Peter Munk Cardiac Centre at Toronto General Hospital, which houses the largest cardiac program in Canada, received a significant boost to its Mechanical Heart Program with a donation from Manulife. The Centre is one of the few major heart transplant centres in North America with the critical mass of expertise and resources necessary to affect the way heart failure is treated through the use of artificial hearts and heart transplants.
- At St. Mary's Hospital, Manulife funding has established a special step-down unit within its Coronary Care Unit (CCU). The step-down unit allows cardiac staff to transfer patients from the critical care area of the CCU to an environment where resources better match the less intensive level of care required. This unit operates on a 3-to-1 patient-to-nurse ratio, below the 2-to-1 ratio of the CCU, but well above the typical 5-to-1 ratio found in an in-patient unit.
- Manulife's donation to the Alzheimer Society of British Columbia provides funding for a much-needed education and support program for caregivers of those suffering from Alzheimer's disease and other dementias. With more than 64,000 people in British Columbia affected by Alzheimer's disease and 14,000 new cases diagnosed each year, the number of caregivers living with the stress and uncertainty of caring for their loved ones is also on the increase.
- In the U.S., John Hancock's Long Term Care Insurance business unit has a partnership with the Accelerated Cure Program. This organization's mission is to find a cure for multiple sclerosis through scientific research and increased public awareness. To date, John Hancock has contributed more than US\$200,000, along with pro-bono marketing, public relations and fundraising consulting services. A John Hancock officer sits on the Accelerated Cure Program board and the organization is included in the Boston Marathon fundraising program.
- Through the Operation Santa Claus program, Manulife Hong Kong supported the Lions Kidney Education Centre, which provides low-cost haemodialysis services for those in need, by making a donation to its third dialysis facility in Sham Shui Po. Manulife volunteers also brought seasonal cheer to patients and their families in December with presents, carols and party games.
- Manulife continued to support Operation Smile in Vietnam by donating US\$18,000 to provide free surgery for 100 children and young adults born with facial deformities in Ho Chi Minh City and Dong Nai and Binh Duong provinces.



Walking, running and biking for health

Our employees also ran, walked or biked for health-related charities around the world in 2008, including:

- Manulife Bike & Hike for Heart in Kitchener-Waterloo, benefiting St. Mary's Regional Cardiac Care Centre;
- Manulife Walk for Memories across Ontario in support of the Alzheimer's Society of Ontario;
- Manulife Walk and Fun Run in Ottawa, supporting breast cancer research;
- Ollie Road Race in support of the South Boston Neighborhood House;
- Terry Fox Run in China, Indonesia, Malaysia and Vietnam for cancer research;
- Manulife Waku Waku Charity Run Day for improving child health-care facilities in Japan; and
- Cancer Care Run in Thailand for cancer research.

Blood drives

Manulife runs regular blood drives in its offices in Canada, Hong Kong, Indonesia, Japan and the U.S.

Manulife is officially designated a Caring Company by Imagine Canada.

As a Caring Company we agree to:

- commit a minimum of one per cent of pre-tax domestic profit to support charitable and non-profit organizations measured on a five-year rolling average;
- encourage and facilitate personal giving and the volunteer activities of our employees;
- support and sustain at least one community investment project that is championed by the Chief Executive Officer and that leverages the skills and competencies of the Company to make a difference in the community;
- demonstrate leadership by annually publishing a public report that displays the Caring Company trustmark and describes our community investment and citizenship activities;
- pay membership fees on an annual basis for the period of our commitment; and
- encourage other companies, as appropriate, to pledge to Imagine Canada's Corporate Citizenship Commitment.



"For 50 years, blood donations from Manulife employees have been a significant gift to the patients we serve. But blood is not the only thing they give. Many employees volunteer hours organizing and promoting the clinics within Manulife. Each year, the blood donor committee comes up with creative new ideas to promote these clinics."

Janine Smith

Clinic Recruitment Coordinator

Donor Services, Canadian Blood Services



Manulife Divisions Give Back Locally

Our divisions make a distinct impact by partnering with their communities and leveraging all of their resources, including their highly skilled and generous employees. Here are a few examples of how our divisions give back, and the impact this has on their communities.

Spotlight on Canadian Division

By partnering with organizations that have strong potential for positive and lasting impacts on the lives of Canadians, our Canadian Division and its employees contribute to the health of communities – here are a few examples:

Mental Health Foundation of Nova Scotia (Halifax)

A donation from Manulife to the Mental Health Foundation of Nova Scotia supports the construction of residences for mental health patients transitioning from hospital into the community. Programs and support delivered by professional staff will be aimed at building the confidence and skills these patients need to successfully integrate back into society. Currently many patients are trying to recover in overcrowded, substandard facilities – surroundings that would be considered inadequate for patients who are receiving treatment and recovering from other kinds of illnesses. There is a tremendous gap between the acute care offered to mental health patients in a hospital setting and the support they receive once they are discharged. The donation from Manulife will go a long way to addressing this gap for many of Nova Scotia's mental health patients.

"Manulife's investment will play a part in helping us achieve our vision of making sure the people of Nova Scotia are healthy, especially our youngest Nova Scotians," said Premier Rodney MacDonald. "This is so much more than treating illness. It's about making healthy lifestyles a lifelong commitment for people, providing support for those who need it, and changing the circumstances that cause so much harm."

Montreal Heart Institute

At the Montreal Heart Institute, the adage "an ounce of prevention is worth a pound of cure" is more than just a time-worn saying. The Institute's prevention and rehabilitation centre, called EPIC, is the largest of its kind in Canada. A donation from Manulife to the Montreal Heart Institute will help EPIC carry out its mandate to prevent heart disease and rehabilitate those living with it by contributing to primary and secondary prevention services and research.

Primary prevention services target people who do not have heart disease or cardiac problems, yet wish to maintain or improve their heart health. Secondary prevention services are geared toward preventing complications in those who have experienced heart disease or cardiac problems and provide them with rehabilitation services. The EPIC facility also gives researchers access to the largest fitness centre for coronary patients in Canada, allowing them to conduct clinical research projects in primary and secondary prevention.



Multiple Sclerosis Society of Canada

Manulife joins other leading Canadian businesses, doctors, researchers and individuals across Canada to support the Multiple Sclerosis Society of Canada's *endMS* fundraising campaign. As a leader in MS research, the MS Society is answering the need to enhance MS research in Canada. The *endMS* campaign represents an immediate, dedicated investment, not only in advancing Canada's leadership position in finding a cure, but in capitalizing on this opportunity to emerge even stronger as a community of researchers. The *endMS* campaign will raise \$60 million to recruit, train, support and retain the next generation of MS researchers in Canada, and to accelerate their research activities to find a cure and better treatments for MS. For people living with MS, this campaign enhances the hope that a future free from MS is an achievable goal.

Spotlight on John Hancock

Given the importance of investing in the future, John Hancock increased its support of the community in 2008 particularly for youth and families most in need. John Hancock provided more than US\$11 million to non-profit organizations through grants, sponsorships, matching gifts and in-kind donations.

Our U.S. division also has one of the largest employee volunteer programs in Boston. John Hancock associates contributed more than 10,000 corporate volunteer hours, reading to children and teaching them math, participating in construction projects, packaging food for those in need, mentoring high school students and adopting families for the holidays.

Boston Marathon

For 23 years, John Hancock has proudly sponsored the Boston Marathon. As the Principal Sponsor, we provide financial and technical support vital to the continued success of the world-famous event. Our sponsorship also includes marathon waivers, which we use to support the community through employee participation and local non-profit agencies.

In 2008, 95 employee runners completed the marathon and raised US\$134,000 in support of summer jobs for Boston high school students. In addition, marathoners associated with our 56 non-profit partners raised more than US\$3 million in support of their respective missions.

Promise of America

In 2008, John Hancock honoured Manulife's historic relationship with the state of Michigan by launching the *Promise of America: Explore – Dream – Discover* essay competition in partnership with Mentor Michigan. *Promise of America* was first piloted in Boston public schools in the spring of 2007, and Michigan was then chosen because it was the site of Manulife's first U.S. operations in 1903. The competition required high school students to research and examine the values on which the United States was built while strengthening critical thinking, research and writing skills.



The *Promise of America: Explore – Dream – Discover* competition gave Kerry Martenis, the author of the winning 500-word essay, US\$10,000 to grow in a John Hancock College Savings plan. The initiative also leveraged the Company's affiliation with the Foundation for National Archives in Washington, D.C., as well as with National Archives nationwide, to reinforce the importance of American history. Winning essayist Kerry and her guardian attended the Independence Day celebration in Washington, D.C., with Kerry reading her essay in the Rotunda of the National Archives.

Spotlight on Corporate Division

Our Corporate Division's giving and volunteer programs focus on improving the quality of life for the citizens of Toronto, home to our corporate head office and 3,200 employees. As the following three examples illustrate, our donations and volunteer efforts support organizations and projects that enhance the social, economic and environmental health of the community.

A community's journey

A focal point of our Corporate Division's community efforts is St. James Town and Rose Avenue Public School, located a 10-minute walk from our head office in Toronto. The school lies in the centre of this vulnerable neighbourhood and is considered by many to be the heart of the community.

In celebration of our four-year partnership with the school, Manulife volunteers took part in a project to brighten up the schoolyard. The event culminated in the unveiling of a large mural, "A Community's Journey," depicting the story of this special community's progress.

As part of the community event, Rose Avenue Public School opened a new playground built by the Toronto District School Board and featuring equipment donated by Manulife. The playground was handed over to the children at the event and has quickly become popular with students during breaks and after school.

Bringing the world to Toronto

In 2008, Manulife was a proud supporter of Luminato, one of Toronto's leading arts festivals. In sponsoring the Luminato Volunteer Program, we helped ensure there were enough volunteers trained and ready to welcome and assist the more than one million festival guests.

Manulife also sponsored the Royal Ontario Museum (ROM) exhibit, "Shanghai Kaleidoscope," in Toronto. This important exhibit offered an unprecedented view of one of the world's most dynamic cities, highlighting an emerging generation of artists, architects and fashion designers. As part of the sponsorship, we invited 1,000 students from Rose Avenue Public School to be our guests at the ROM.

"A true community school is supported by parents, staff and other partners. It is through vibrant community partnerships that all stakeholders are able to share their resources and experiences to enrich the learning environment for children."

Marguerite Campbell
Principal, Rose Avenue Public School



Frontier College Homework Club

Toronto-area employees generously gave their time mentoring and tutoring students through the Frontier College Homework Club. Partnering students from Nelson Mandela and Our Lady of Lourdes elementary schools with Manulife employees for weekly sessions, the Homework Club offers mentoring, basic homework help and more challenging lessons for advanced students.

All of the children who volunteered to participate in the program have varied and individual needs. Some require basic help with homework. Others are excellent students and eager for additional lessons. The one-on-one time spent with the kids through this program really makes a difference – a number of students have won academic awards after taking part in the program.

Spotlight on Asia Division

Manulife contributes to a wide variety of projects in the Asian countries and regions where we operate: China, Hong Kong, Indonesia, Japan, Macau, Malaysia, the Philippines, Singapore, Taiwan, Thailand and Vietnam. The Company and its employees and agents in these territories support underprivileged children and the elderly, as well as charitable organizations focused on health, wellness and education. Manulife also contributes to disaster relief when these territories are afflicted.

"It is very rewarding to help the students discover the joy of reading. A student last year said 'I love to read now.' A student this year said, 'Now I have something fun I can do all the time.' When these two students first came to the Homework Club, neither of them read for pleasure. The Homework Club has really made a difference in their lives."

Ardith Quanbury

MIS Specialist

John Hancock Retirement Plan Services

Below are case studies from Hong Kong, China, Japan and Malaysia that illustrate the type of community activities undertaken in the region.

One Dream charity program

Supporting Manulife's Olympic theme of bringing dreams to life, we launched an online charity campaign titled One Dream, inviting the public to submit their own dreams and ideas. Manulife pledged to donate HK\$1 to the Children's Thalassaemia Foundation in Hong Kong for each online submission. By sharing their own dreams and aspirations, every dreamer helped fulfill the dreams of children suffering from this debilitating disease.

Well supported by customers, employees and the public, the campaign raised HK\$72,000. The money will go towards funding medical research, providing support services for patients and their parents and increasing general awareness of the disease.

The Children's Thalassaemia Foundation was set up in 1996 by a group of concerned doctors, parents and generous members of the community. Its goals are to improve clinical care and support medical research into the disease, raise public awareness, extend knowledge of it throughout the local medical fraternity, and provide counselling for patients and their parents.



Pink Revolution

This year Manulife was a Diamond Sponsor of the Pink Revolution, Hong Kong Cancer Fund's (HKCF) annual breast-cancer awareness campaign. In addition to donations, Manulife employees pledged their support by dressing in pink on October 24, 2008 and making a donation to support the charity's free cancer-recovery services.

The HKCF, founded in 1987, is one of Hong Kong's leading cancer-care organizations. From pioneering psycho social support services to providing up-to-the-minute treatment technology, it aims to minimize the impact of the disease and provide free support services to patients and their families. For the past 10 years, we've also supported the Fund's annual fundraising walk, Stride for A Cure.

After disaster strikes: Working together to rebuild communities

In Japan, natural disasters such as earthquakes and typhoons are a regular occurrence. In the days immediately following a disaster, emergency aid pours into the devastated area to assist with immediate survival needs. But as months pass and media attention dies down, external aid wanes and long-term

recovery efforts become the responsibility of the local community on its own.

Central Community Chest of Japan is a national federation of local fundraising groups and Japan's largest fundraising organization. In 2006, Manulife Japan and Central Community Chest of Japan together created a fund to support long-term recovery programs for victims of natural disasters in Japan. To date, Manulife Japan has contributed over 13 million yen in employee and company donations to the fund. With these contributions, Central Community Chest of Japan has solicited proposals from community organizations and funded 19 recovery initiatives carried out by residents of areas struck by these disasters.

This program has served as a win-win model for corporate and non-profit organization partnerships in Japan. Local communities benefit directly from the support, and the positive publicity generated raises awareness of the needs of those communities nationally as well as highlighting the role of local volunteers. Raising Central Community Chest of Japan's profile as a successful organization and Manulife's reputation as a socially responsible corporate citizen also serves as a model for other corporations.

"A lot of our community partners' services are designed for children from underprivileged families. Whenever I visit their homes or centres, I always return feeling young at heart, with a warm glow inside from reflecting on all the things we do to support them – it is a definite bonus that comes with my job."

Helena Lee

Assistant Vice President, Corporate Communications
Hong Kong



Bringing the Olympic spirit to our communities

Much like the Olympic movement, Manulife is committed to the pursuit of excellence and helping people achieve their dreams. As the official worldwide life insurance partner of the Beijing 2008 Olympic Games, our goal was to promote the true spirit of the Olympics, encouraging friendship, sportsmanship and fair play among all.

One of our biggest Olympic community initiatives was the Olympic Smiles program, which focused on bringing the spirit of the Games to children. In Hong Kong, employees delivered Olympic Games mascot toys to the kids of Heep Hong Society's Cheung Ching Early Education and Training Centre at a special ceremony marking our donation that helped set up a musical movement and play therapy room.

Through Olympic Smiles, we also supported the Hong Chi Association by making a donation to its Meal Subsidy Program and distributing Olympic Fuwa mascot toys to the children. The Association is the largest non-profit organization in Hong Kong serving mentally-challenged individuals.

Celebrating Hong Kong's hosting of Olympic equestrian events, Manulife once again sponsored an equestrian summer training program for children, allowing them to experience the joy of this sport first-hand. The outing was organized by the Children's Thalassaemia Foundation.

The Olympic Smiles program will also establish 100 libraries around China designed specifically to encourage disadvantaged children to develop a love of reading.

In Malaysia, Manulife organized a Kids' Olympics, where 120 children from underprivileged homes participated in a special sports carnival.

Supporting athletes

We supported many dedicated athletes who trained long and hard to compete in the Games, as well as contributing to the overall development of sport in Asia.

Thanks to the financial assistance and special training afforded under the Manulife Hong Kong Sports Scholarship Program, 10 sponsored athletes representing different sports qualified to represent Hong Kong at the Beijing Games. Manulife helped them fulfill their Olympic dreams of competing with the best in the world.

Since 1995, Manulife Malaysia has contributed more than RM489,500 to the development of sports in Malaysia and has rewarded more than 265 athletes for their performances at the SEA Games, Asian Games, Commonwealth Games and Olympic Games. In 2008, 15 athletes were rewarded for their outstanding performance in Beijing.



Commitment to Employees

Employees are at the centre of Manulife's success. Manulife prides itself on attracting and retaining exceptional individuals. With their commitment to our Company values and customers, employees make our vision of being the most professional life insurance company in the world a reality. In turn, Manulife invests in the development of its people and rewards superior performance.

The key to attracting and retaining top talent is ensuring that employees enjoy challenging work while reaching their potential and realizing their aspirations. Support for employees includes innovative learning opportunities and continuous learning subsidies; open and constructive communication; recognition programs; and a variety of services such as financial counselling and development seminars. We rigorously maintain safe and accessible workplaces, support diversity and provide opportunities for employee advancement.

Employees benefit from:

- our sustained financial success and industry leadership as one of the top five life insurers in the world;
- our reputation as an employer of choice – Manulife won a number of awards in 2008 for outstanding corporate culture and corporate governance;
- our commitment to innovation through the development of flexible, creative and intelligent solutions backed by unparalleled industry experience and financial strength;

- opportunities to demonstrate initiative and engage in projects and activities that will have a direct impact on the Company's future performance;
- the Company's dedication to bias-free employment practices and to the attraction and retention of employees with diverse backgrounds reflecting the many communities and markets we serve throughout the world;
- the chance to take on new and exciting challenges within one business unit or gain exposure to different parts of the business in other operating units of our multinational company; and
- geographic diversity, with operations in 19 countries and territories worldwide.

Manulife demonstrates its commitment to employee health and wellness through dynamic health-promotion and injury-prevention programs. Individual, group and online support is provided for employees in partnership with community resources and Manulife's dedicated employee and family assistance provider. Some examples of individual support include one-on-one interventions such as ergonomic assessments and health counselling. The group programs cover such diverse areas as stress management, parenting, work-life management, parental return to work and annual flu immunization clinics.



**Best Employers
for New Canadians**

2008

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TRIEC

The Boston Globe
GLOBE100's
**Top Places
to Work '08**



Regular full-time and part-time employees in Canada have the opportunity to participate in a global share ownership program, benefiting directly from the Company's overall success, as well as a group RRSP and pension plan. A variable incentive plan offers a yearly bonus structure to regular full-time employees. Enhancements and changes made to our competitive and flexible benefits plan in 2008 were aimed at providing even more flexibility for our employees.

In addition, employees in Canada have access to free on-site financial planning advice from qualified financial planners; an educational assistance program offering 100 per cent payment of tuition costs for approved career-related courses; and backup and extended daycare services through Manulife's association with a leading child care provider. In 2008, these services were extended to include eldercare and a commuting program called Smart Commute.

Manulife-sponsored Staff Associations operate out of many offices with the goal of promoting camaraderie among employees through the planning and organization of social, cultural and recreational events.

Workforce Data

Manulife is a global employer with operations in 19 countries and territories. As at December 31, 2008, our workforce was distributed as follows:

Employment – Canada

Province	Full-time	Part-time	Total
British Columbia	171	4	175
Alberta	398	18	416
Saskatchewan	78	2	80
Manitoba	44	1	45
Ontario	8,299	464	8,763
Quebec	681	55	736
Nova Scotia	715	19	734
Newfoundland and Labrador	–	1	1
Prince Edward Island	1	–	1
Total	10,387	564	10,951

Employment – Outside Canada

Location	Full-time	Part-time	Total
United States	5,764	168	5,932
Asia, excluding Japan	5,513	118	5,631
Japan	1,167	162	1,329
Other*	87	8	95
Total	12,531	456	12,987

* Caribbean, Europe and India

Total Workforce	22,918	1,020	23,938
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STARs of Excellence Award

The STARs of Excellence Award was commissioned by Manulife and designed by Canadian artist Colin Gibson. Created to recognize and inspire accomplishment, the award honours a select group of Manulife employees and sales associates from around the world for their outstanding professional achievements and contributions to our success.

STARs of Excellence Citizenship Award

Each year, Manulife selects one employee from around the world for a special honour, the STARs of Excellence Citizenship Award. Established in 2000, the award recognizes the outstanding volunteer contributions of an individual to his or her community.

Employees are nominated for the award by their colleagues according to specific criteria. Nominees must go above and beyond the call of duty, supporting others through outstanding volunteer service and demonstrating leadership, dedication and a caring spirit.

2008 Citizenship Award Recipient

The recipient of the 2008 Citizenship Award was Mauryanne Remondini, Relationship Manager, Community Relations, John Hancock. For the past 15 years, Remondini has dedicated much time and effort helping at-risk children in Massachusetts at the Ron Burton Training Village (RBTv).

Established by the late Ron Burton Sr., a former NFL player and John Hancock employee, the camp helps disadvantaged youth develop leadership, self-determination and respect. Each year, Remondini takes two weeks of her vacation to attend the camp and assist with cooking, teaching and training the campers. She is also heavily involved with RBTv's annual fundraiser and volunteers evenings and weekends to ensure its success.

"Having Ron Burton as a mentor, and working with him at camp, the campers became part of my life as well," said Remondini. "It's really important for me to give back, especially when I've been so blessed. Ron made sure that each camper had a chance even though, like himself, they came from disadvantaged backgrounds."

"I have been very fortunate to have had several wonderful mentors throughout my career at John Hancock who invested a great deal of time in my growth and development for no other reason than they cared."

Mauryanne Remondini
Relationship Manager, Community Relations
John Hancock



STARs of Excellence attributes:

- Superior knowledge and skill
- Trust and integrity
- Action orientation
- Responsiveness



2008 Citizenship Award Recipient
Mauryanne Remondini

Commitment to the Environment

We focus our environmental efforts in four areas – encouraging our employees to think about the environment as part of their work; reducing the waste we generate; investing with sustainability in mind; and managing our real estate portfolio to the highest energy efficiency standards. We are always looking for ways to improve our performance, and we think our story can help inspire others to embrace environmental thinking, both big and small. After all, as our experience with gradually improving the energy efficiency of our many office buildings shows, every little bit helps.

We adopted a formal environmental policy in 1995 and in the years since we have aspired to the highest standards of environmental responsibility. We expect all our businesses to adopt industry best practices around environmental performance, emphasizing energy conservation, sustainability, environmental risk assessment, recycling and waste-diversion, and healthy work environments for all our employees. We use internal management controls and third-party benchmarks to ensure we are living up to our goals, and review our performance regularly to make sure that we are taking the necessary steps to continue to reduce our impact on the environment.

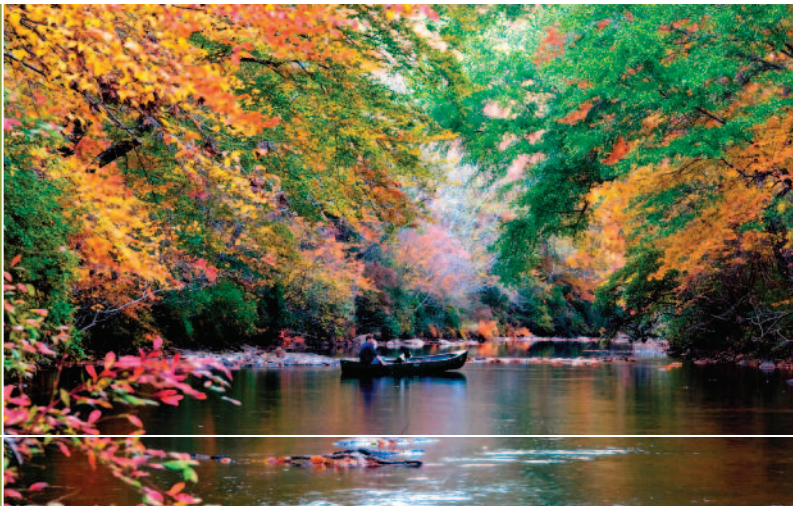
Our environmental policy and its related procedures, which serve as a set of guiding principles and practical measures for the Company, are administered under the oversight of our Chief Environmental Officer, who provides an annual environmental review and performance assessment to the Board of Directors.

Our Environmental Policy

Manulife is committed to conducting all of its business activities in a manner that recognizes the need to preserve the quality of our environment.

Manulife will:

- promote environmental responsibility and conservation to all employees;
- distribute the policy and all relevant procedures to employees with applicable job accountabilities for their guidance and implementation into business practices;
- ensure the Company's risk analysis and risk management procedures include consideration of environmental matters;
- comply with all applicable environmental laws and regulations and, where possible, participate in the ongoing dialogue with government and industry to establish and promote practical environmental goals; and
- establish procedures to ensure the effective implementation of these policies.



Manulife was the first life insurance company in North America to become a signatory to the United Nations Environment Programme Finance Initiative, an internationally recognized program that promotes and supports responsible environmental practices.

Engaging our Employees

We believe that every employee can be a part of our efforts to “be green” so the Company provides them with regular reminders to consider their impact on the environment.

As part of a Company-wide effort to make efficient use of our procurement dollars, we initiated a campaign to educate our employees on small steps they could take to reduce their use of resources such as paper, printer toner, and data storage, and thus also help us manage our impact on the environment. Employees responded positively, letting us know that they appreciated understanding how they can support Manulife’s financial success while taking part directly in the Company’s commitment to the environment.

Our travel and entertainment expense policy encourages employees to consider alternative means of communication such as teleconferencing, video-conferencing or web-conferencing in lieu of travel whenever appropriate. Not only do such alternatives help to reduce our carbon footprint, they are often more cost-effective and a more efficient use of time. We have also negotiated discounted rates for hybrid cars with our preferred car-rental agency.

A number of our employee volunteer programs are specifically geared to help the environment. For example, employees in Thailand took part in an effort to plant more than 800 trees on Samesan Island in 2008. The project was part of the “Love Life Live Green” campaign we launched to improve the quality of the environment, increase green space and build a greener country, ultimately improving the quality of life of the Thai people.

In Canada, we support Evergreen, a charitable organization whose goal is to bring communities and nature together for the benefit of both. In 2008, employees spent many hours planting trees, wildflowers and shrubs, often on company-paid time.

In Hong Kong, we formed a group with representatives from different parts of our business to look for ways to improve environmental efficiency throughout our operations. This group has already delivered several improvements, including new taps in public washrooms that reduce water use, programs to encourage employees to turn off lights and air conditioning, and practical suggestions to help employees reduce paper use. This group will continue to look for improvement opportunities with the support of local management.

Reducing Waste

We have been committed to reducing our waste for many years and are always developing new programs that encourage our employees to conserve resources and recycle.

In 2008 we achieved a recycling rate of 53.1 per cent by weight, with close to 9,225 metric tonnes of office waste – primarily paper, aluminum, metal and glass – diverted from landfill. We also participate in several community-based charitable programs that involve recycling printer cartridges and cellphones. Our buildings themselves have less of an impact on the environment today thanks to participation in Habitat for Humanity’s ReStore program. When we remodel an office space to meet new needs, we collect reusable items – including doors and hardware – and donate them to Habitat



for Humanity. That organization, in turn, gives these resources a second life in a new home for a family in need, diverting a significant amount of material from landfill sites.

As part of an evolving green procurement process, we have pursued several initiatives that build upon business relationships with environmentally responsible vendors who can assist us in reducing the impact of our operations and services:

- implementation of environmentally responsible procurement guidelines based on Canada's Environmental Choice Program and U.S. Environmental Protection Agency (EPA) recommendations;
- inclusion of environmental criteria and accountabilities in our standard request for proposal process; and
- implementation of Environmental Choice Program and EPA "Energy Star" certification criteria into the selection process for our photocopiers and fax machines.



Incorporating these guidelines into our regular business activities results in a variety of benefits, including preferred supplier relationships based on a shared commitment to the environment and a greater use of environmentally friendly products and services.

In 2008 we also teamed with Corporate Express to source all of our North American office supply needs. The Corporate Express "Ecoffice Way" program offers environmentally preferred cleaners, recycled paper, compostable break room supplies and other recycled and environmentally friendly office supplies.



And in Hong Kong, our employees helped us earn a Wastewi\$e label from the Hong Kong Awards for Environmental Excellence. The label recognizes that our Hong Kong operations gathered more

than 175,000 kilograms of paper for recycling, collected more than 2,000 used toner and ink cartridges from printers and photocopiers, switched the printing of all our internal newsletters onto recycled paper, and donated more than 200 used computers to local charities.

Using Paper Wisely

Across the Company, we are actively reducing the amount of paper we consume through a wide variety of initiatives. For example, we offer paper-free accounts, where customers can elect to receive monthly account statements and other updates online. For several years now, most of our employees have received their pay and benefits statements in this manner. We have moved employees to direct deposit and online pay statements because we realized that it was one area in which we could save a lot of paper with a few simple procedural changes.

In Canada, our Group Savings and Retirement Services (GSRS) is one of the many business units committed to printing its marketing materials on paper certified by the Forest Stewardship Council (FSC). As well, GSRS's individually customizable enrolment kits are printed on FSC-certified paper.

Manulife has long been a supporter of the "Greening the Gardiner" project in Toronto, in which corporate sponsors teamed up with the municipal government to clean up an area considered an eyesore along one of the major roadway entrances to the city. Those sponsors continue to keep the green space beautiful, and Manulife's logo is the largest in the space now surrounded by more than 37,000 trees, shrubs and other plants.



In the U.S., our Variable Annuities business distributed client statements with an insert produced on FSC-certified paper and printed with soy ink (an environmentally friendly alternative ink). Variable Annuities also recently moved the bulk of their marketing print work to their supplier's Midwest fulfillment centre from the Boston area, closer to our client base. In doing so, we reduced freight costs by more than 60 per cent. This means less fuel is consumed, which in turn helped to reduce our carbon footprint.

Inside the Company, we worked with American Express to deliver paperless billing to our employee cardholders. This service is safer and more secure than regular mail, cuts down on paper and saves employees time in processing expenses.

In addition, we ask our employees to consider the need to print before producing hard-copy material. We suggest employees consider re-engineering their workflows to eliminate paper and to incorporate all-digital solutions, and when printed material is required, double-sided documents are preferred and colour printing is discouraged.

Sustainable Investing

Renewable Energy

We are recognized as a leading arranger and provider of financing to the renewable power sectors in both Canada and the United States. With dedicated Project Finance Groups in Toronto and Boston, we have developed considerable expertise in the sustainable energy arena with investments across the full spectrum of renewable energy technologies, including wind, hydroelectric, geothermal, biomass, landfill gas and biomass waste-to-energy power projects.

Our Project Finance team invested \$257 million in renewable energy projects in 2008 and \$172 million in 2007, and arranged financing of \$800 million over the same period. Since its formation in 2002, the team has arranged \$1.1 billion in financing for renewable energy projects and invested \$1.2 billion for our own account.

Our investment in alternative energy includes interests in solar power generation, such as the 72,000-solar-power-panel facility on 130 acres of unused land at a U.S. Air Force base in the Nevada desert – the largest photovoltaic power plant in the U.S. The 14-megawatt facility powers Nellis Air Force Base and helps local utility Nevada Power meet its renewable energy supply targets.

In the past year, we invested in the Buffalo Gap III wind power project, located in the plains of West Texas, and the Jardin d'Éole wind power project, located in the Gaspé region of Quebec. These projects and others like them are helping to reshape the energy grid in North America and make us less reliant on fossil fuels and other non-renewable sources of energy. Wind farms represented approximately one-third of all new power plant construction in the U.S. in 2007, and we are pleased to help this new method of power generation get a foothold.

Managing Forests Wisely

We are the world's largest manager of timberland investments for private equity investors, and we have developed a disciplined approach to forest stewardship at our Hancock Timber Resource Group subsidiary. Our goal is to manage and protect our forest investments in a way that maintains and enhances economic, community and natural resource values.



Timberlands we manage globally are third-party certified against recognized industry benchmarks including the Forest Stewardship Council, the Sustainable Forestry Initiative and the Australian Forestry Standard. They are subject to audits to ensure responsible management, promote continuous improvement and provide assurances to investors as well as environmental and community stakeholders.

We have a long history of working with communities, governments and conservation groups to protect the environment. Our Sensitive Lands Program aims to protect environmentally sensitive lands that are occasionally acquired with large timberland acquisitions. To date, the program has protected approximately 400,000 acres across the United States. Not only are these transactions crucial to protecting the environment, they are also driven by business and client considerations.

In 2008, we worked with the Victoria government in Australia to reach a deal that ensures the permanent protection of more than 23,000 hectares (about 57,000 acres) of native forests in the Strzelecki Ranges. These plantations provide fibre for many industries in the local Gippsland region, including Australian Paper's Maryvale mill, which employs more than 1,000 local residents. The mill is Australia's largest paper-making complex and is an industry leader in environmentally sustainable manufacturing. By protecting these plantations, we are working with the government in Victoria to help secure biodiversity in the region, providing habitat for native plants and animals.

We also actively work to replenish our timberlands, and planted approximately 43.7 million seedlings on 77,000 acres of our timberland in 2008. In addition to helping sustain our forestry

investment, planting new trees is an important means of reducing the world's greenhouse gas emissions.

Energy Conservation

Because we own and operate most of the buildings in which our employees work, we have a direct ability to manage and ultimately try to reduce the carbon emissions we produce as part of our day-to-day operations. Our Real Estate group is dedicated to managing our facilities, along with those we maintain for other tenants, to make them increasingly efficient and sustainable. This continued focus on performance improvement has helped us to lower our costs while helping the environment – we have installed better windows, more efficient heating and cooling systems, motion-sensitive lights and introduced a host of other improvements to keep our employees comfortable at minimal cost to the world in which they live. These efforts have also helped our Real Estate operations garner many awards.

Energy conservation has long been a priority for us. Our commitment to maintaining the value and integrity of our real estate assets has contributed to our reputation as an industry leader and goes hand-in-hand with our dedication to environmental responsibility and the efficient operation of our properties. We are committed to incorporating the latest environmental technologies and systems into our projects and to fostering forward-thinking sustainable practices.

We conduct regular reviews of consumption in all company-owned and managed real estate properties to monitor and continuously improve efficiency and energy conservation. We have also made significant investments in building automation systems that have resulted in consistent improvements.

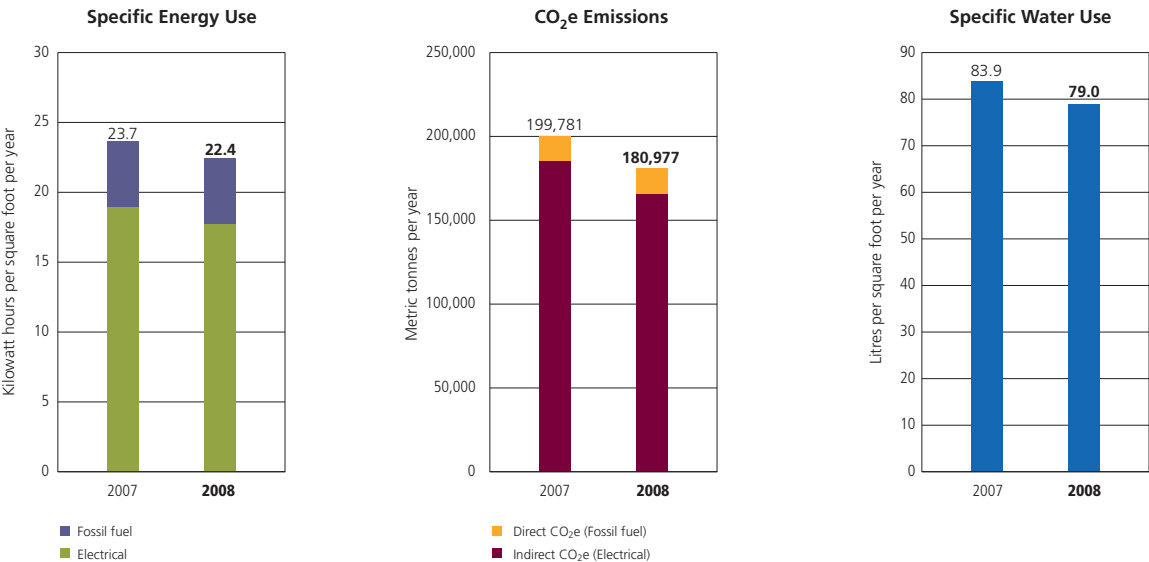


Building upon a 12-year trend of excellent energy management, our overall energy efficiency continued to improve in 2008, with energy consumption for our 18.2-million-square-foot managed office portfolio decreasing 5.1 per cent to 22.4 kilowatt hours per square foot in 2008 from 23.6 kilowatt hours per square foot in 2007.

This reduced energy consumption equates to a decrease of almost 19,000 metric tonnes per year in CO₂ – equivalent (CO₂e) emissions, a reduction of about 10 per cent from 2007 levels. We also achieved further reductions in water use, with consumption down 5.8 per cent to 79 litres per square foot in 2008 from 83.9 litres per square foot in 2007. We are proud that we are able to continue reducing our impact on the environment in these ways.

Measuring Efficiency

Company-owned and managed office properties



Commitment to Clients

When our customers insure their families against the unexpected or invest money for the future, they need a financial services company that is able to keep its promises through thick and thin. Throughout the recent economic downturn, Manulife remains one of the top-rated, most successful life insurance companies in the world with extremely well-positioned global franchises. An unrelenting focus on distribution excellence and product innovation has sustained our leadership in all of our key markets.

Our financial strength, prudent risk management practices, diverse business platform and high-quality investment portfolio ensure our ability to meet our commitments to our clients, now and in the future.

Financial Strength

Serving millions of customers in 19 countries and territories worldwide, Manulife is highly regarded for its track record of growth, leading corporate governance practices and strong management team. We are recognized among our peers as having demonstrated exceptional performance over time, driven by a continued focus on organic growth and opportunistic acquisitions.

Credit ratings are a comprehensive measure of financial strength. Our financial discipline and record of strong operational performance result in our key operating subsidiaries having among the highest ratings in the insurance industry from Moody's, A.M. Best, Fitch, DBRS and Standard & Poor's.

In addition, our size and scale translate into a higher capital base, a diversified operating platform and ample resources to fund growth opportunities – all factors illustrating our financial strength.

Prudent Risk Management

We have a rigorous risk management framework that is applied globally and ensures all the Company's risk-taking activities are measured, monitored and managed. This framework requires each individual product in every market to meet strict enterprise-wide criteria on its own stand-alone basis. In recognition of this approach, Manulife is among the five per cent of companies measured that have earned an Excellent Enterprise Risk Management designation from Standard & Poor's.

Diverse Business Platform

At Manulife, we have successfully built a diverse business platform offering a range of financial products in both developed and developing markets around the world. We address the needs of a wide range of clients in all 19 countries and territories we operate in with a mix of products and services relevant to different markets at varying development stages. Product and geographic diversity is a key contributor to our financial strength.

High-Quality Investment Portfolio

Our investment philosophy is rooted in a bottom-up approach to developing an asset mix matching the needs of our underlying liabilities. We don't limit our portfolio to fixed-income investments, but hold a blend of assets that drive superior returns and risk reduction for our stakeholders. Applying this disciplined approach across all of our segments, we do not chase yield in the riskier end of the fixed-income market. As a result, we enjoy a well-diversified, high-quality investment portfolio.



Excellence in Quality and Customer Service

We have received several awards and acknowledgements globally for excellence in quality and customer service, including:

- Sing Tao Excellent Services Brand award (China)
- *Next Magazine's* Top Service Award in the insurance company category (Hong Kong)
- Certification for Excellence by the National Quality Institute (Canadian Individual Wealth Management)
- Best Company for Financial Planning Excellence in the insurance sector of the SCMP/IFPHK Financial Planner Awards (Hong Kong)
- 2008 *Canada Awards for Excellence* Silver recognition for Quality (Canadian Individual Wealth Management)
- "Best-in-Class" ranking by National Quality Review (John Hancock Signature Services)
- Ranked in top 40 money managers worldwide by *Pension & Investments* magazine (MFC Global Investment Management)
- *Reader's Digest* Trusted Brands Gold award for fifth consecutive year (Hong Kong)

"Ensuring that we constantly innovate and bring fresh ideas to our customers, that we use technology wisely to deliver the highest-quality service to both our customers and producers, and that all of our products deliver value to our customers are features of all of our businesses everywhere in the world."

Dominic D'Alessandro
President and Chief Executive Officer
Manulife Financial



Financing Business

Canada

Manulife partners with Canadian businesses to help them develop and expand, providing them with the financial resources to reach their growth objectives. The Company offers debt financing to firms across Canada in a number of ways, principally in the area of mortgage financing.

Manulife originates commercial mortgages through a network of eight branches across Canada. Its customers are owners and developers of real estate with a strong track record and earnings stability. Commercial mortgage underwriting concentrates on the quality of the location, the physical characteristics of the real estate, the durability of lease income and market trends for the property type.

In 2008, the Company provided mortgage financing to 236 customers. New loan commitments totalled more than \$522 million and loan renewals totalled \$379 million. New loan commitments ranged in size from \$0.5 million to \$46 million, with an average loan size of \$6.4 million.

Mortgages are approved in accordance with Manulife's Mortgage Credit Policy and the Mortgages Guideline. The Mortgages Guideline is reviewed annually by the Board of Directors.

As well as mortgages, Manulife participates in private placement transactions. Most involve fixed-income investments issued by mid-sized to large-sized Canadian corporations and institutions. Commitments span a diverse range of industry sectors, including leasing, financial, government, manufacturing and utilities. In 2008, the Company's approved private placement commitments totalled more than \$640 million and were made to 20 borrowers in 10 industries. Participation ranged from \$4 million to \$100 million.

All private placement investments are made in accordance with Manulife's Investment Guidelines. They are all approved by the appropriate credit committee or under authority delegated to senior management.

The Company helps businesses grow in at least one other significant way. Manulife Capital provides equity and mezzanine debt financing for private Canadian and U.S. companies operating in many industries. Manulife invests in companies that demonstrate a successful operating history and exhibit strong ongoing business fundamentals. In 2008, new commitments in this area totalled \$147 million, diversified across 12 corporate customers. Commitments ranged in size from \$2.5 million to \$20 million, with an average size of \$12 million.

New equity and mezzanine debt financing investments are approved in accordance with Manulife's Investment Guidelines.



United States

Helping U.S. businesses develop and expand, John Hancock provides clients with financial resources to reach their growth objectives. The Company provides debt financing to firms in the United States in a number of ways.

John Hancock's Real Estate Finance Group (REFG) is primarily responsible for identifying, underwriting and procuring high-quality commercial real estate loans. The production group, comprising eight regional offices and a home office team, handles loan originations. The production group is supported by a credit group, which ensures compliance with Company credit policies and standards; an investment services group, which closes transactions and processes post-closing requests; and a collateral review area, which oversees investment portfolio quality. The REFG's Portfolio Management and Capital Markets group assists the entire team in pricing, allocating, segmenting and tracking investments, and handles investments in real estate securities.

New loan commitments totalled more than US\$1.3 billion in 2008. Loan renewals totalling US\$62 million, with an average loan size of US\$12.7 million, were issued to 99 customers.

U.S. mortgages are approved in accordance with Manulife's Mortgage Credit Policy and the Mortgages Guideline. The Mortgages Guideline is reviewed annually by the Board of Directors.

John Hancock also participates in private placement transactions. Most involve fixed-income investments issued by mid-sized to large-sized U.S. corporations and institutions. Commitments span a diverse range of industry sectors, including communications, health care, energy, transportation, forest products, financial, government, manufacturing and utilities. Approved private placement commitments totalled US\$1.5 billion in 2008. Participation ranged from US\$1 million to approximately US\$200 million.

Investing in Affordable Housing

John Hancock's Tax Credit and Community Investment Group provides equity for affordable housing and other community-based investments. The housing tax credit portfolio comprises properties that generate federal, state and/or historic tax credits. The community-based portfolio includes investments in funds targeting workforce housing, multi-family rental properties and other urban infill and community-based real estate.

Equity commitments approved in 2008 totalled US\$79.6 million in eight investments. As of December 31, 2008, the tax credit portfolio consisted of 144 investments in 179 properties in 29 states and Puerto Rico, with equity commitments totalling US\$768 million. As of December 31, 2008, the community-based portfolio consisted of seven fund investments that in turn have invested in approximately 70 properties in metropolitan areas, with equity commitments totalling US\$110 million.



Amount of Debt Financing Authorized in 2008 (C\$ thousands)

	\$0– \$24,999	\$25,000– \$99,999	\$100,000– \$249,999	\$250,000– \$499,999	\$500,000– \$999,999	\$1,000,000– \$4,999,999	\$5,000,000 and greater	Total
British Columbia	\$ –	\$ –	\$ 504	\$ 2,607	\$ 7,086	\$ 48,655	\$ 33,750	\$ 92,602
Alberta	–	96	328	620	4,336	73,244	184,629	263,253
Saskatchewan	–	96	–	775	–	13,006	55,850	69,727
Manitoba	–	65	–	–	1,803	5,349	–	7,217
Ontario	–	185	1,562	5,745	17,386	127,525	965,974	1,118,377
Quebec	–	75	801	1,294	2,857	16,066	161,626	182,719
New Brunswick	–	–	–	–	–	2,225	61,475	63,700
Nova Scotia	–	–	179	954	1,717	11,716	9,748	24,314
Prince Edward Island	–	–	–	–	–	–	7,500	7,500
Newfoundland and Labrador	–	–	–	–	–	1,100	–	1,100
Yukon, Northwest Territories and Nunavut	–	–	–	–	–	–	–	–
Total Canada	–	517	3,374	11,995	35,185	298,886	1,480,552	1,830,509
Total U.S.	–	–	–	–	–	90,895	3,299,449	3,390,344
Total Asia	–	–	–	–	–	–	–	–
Total	–	517	3,374	11,995	35,185	389,781	4,780,001	5,220,853



Number of Customers to which Debt Financing was Authorized in 2008

	\$0– \$24,999	\$25,000– \$99,999	\$100,000– \$249,999	\$250,000– \$499,999	\$500,000– \$999,999	\$1,000,000– \$4,999,999	\$5,000,000 and greater	Total
British Columbia	–	–	3	7	10	20	5	45
Alberta	–	2	2	2	6	26	11	49
Saskatchewan	–	1	–	2	–	3	2	8
Manitoba	–	1	–	–	2	3	–	6
Ontario	–	4	11	16	24	56	46	157
Quebec	–	1	5	4	4	5	4	23
New Brunswick	–	–	–	–	–	1	5	6
Nova Scotia	–	–	1	3	2	4	1	11
Prince Edward Island	–	–	–	–	–	–	1	1
Newfoundland and Labrador	–	–	–	–	–	1	–	1
Yukon, Northwest Territories and Nunavut	–	–	–	–	–	–	–	–
Total Canada	–	9	22	34	48	119	75	307
Total U.S.	–	–	–	–	–	20	118	138
Total Asia	–	–	–	–	–	–	–	–
Total	–	9	22	34	48	139	193	445



Accessible Banking and Taxation

As Canada's first chartered bank to distribute its unique products and services through independent financial advisors, Manulife Bank of Canada successfully established a new category of advisor-based banking. Manulife Bank's innovative mortgages, loans and deposit products are distributed across Canada by advisors associated with Manulife Financial, making it more than an online financial institution. This vast network of more than 10,000 financial advisors actively helps clients integrate our banking solutions into their overall financial plans.

In addition to personal contact through one of the largest financial advisor networks in the country, the Bank has positioned banking specialists across Canada to support our clients and distribution partners. The Bank's service-focused Internet and telephone banking systems are backed by a highly-trained customer service centre. This combination of self-service and assisted banking ensures accessibility throughout Canada in both official languages.

Many of Manulife Bank's deposit products can be opened quickly and offer a high interest rate. The Bank's flagship product, Manulife One, puts our client in control of their entire bank portfolio and provides immediate access to their daily financial transactions. Manulife One clients are supported by our team of more than 160 banking consultants across Canada. Independent research has confirmed this

unique financial tool could save homeowners thousands of dollars in interest costs. As a result of a successful consumer advertising campaign, over 180,000 Canadians visited the Manulife One website to discover how much they could save by operating just a single bank account to meet both borrowing and spending needs.

In 2008, the Bank redesigned its client website to help Canadians better understand its products and services. The website is updated frequently to inform clients and visitors of improvements and changes to products and services. The customer service centre's hours allow clients to speak personally to a bank service representative from 8:00 a.m. to 8:00 p.m., regardless of their time zone. The interactive voice recognition system provides 24-hour access to account information and transactions such as bill payments and fund transfers. Manulife Bank remains a member of The EXCHANGE® Network (with more than 2,200 automated banking machines across Canada), allowing clients to make deposits and withdrawals without being charged a convenience fee.

The Bank's network of independent financial advisors, team of banking consultants and use of technology provide customers with access to our products virtually anywhere, any time in Canada. We believe this commitment to service is part of our ability to offer banking, the way it *should* be.®



Manulife Taxation Report

Taxes, levies and assessments are a significant component of Manulife's expenses. In addition to Canadian income and capital-based taxes, the Company in Canada is subject to other taxes reported as part of our operating expenses, including property and business taxes, premium taxes, employer payroll taxes, commodity and consumption taxes, and investment income taxes.

For 2008, Manulife incurred \$487 million of income and other taxes paid or payable to all levels of government in Canada. These taxes consisted of \$52 million in income taxes, \$102 million in capital taxes and \$333 million in other taxes.

The following table presents the federal and provincial income and capital taxes paid or payable in Canada for 2008.

Taxes paid or payable in Canada

For the year ended December 31, 2008

(C\$ Thousands)	Income taxes	Capital taxes
Federal	\$ 30,880	\$ 76,867
Provincial and territorial:		
British Columbia	25	—
Alberta	4,298	—
Saskatchewan	21	5
Manitoba	12	196
Ontario	16,636	19,894
Quebec	13	4,109
New Brunswick	3	—
Nova Scotia	102	791
Prince Edward Island	1	—
Newfoundland and Labrador	1	—
Yukon, Northwest Territories and Nunavut	—	—
Total provincial and territorial	21,112	24,995
Total	51,992	101,862

Note: Income tax amounts are estimates based on information available for the year as at December 31, 2008.







www.manulife.com

Contact Us

Manulife Financial Corporation's 2008 Public Accountability Statement is also available to view and download from our website at www.manulife.com.

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Donations and Sponsorships

All requests for charitable donations or sponsorships should be submitted using our online application process at www.manulife.com/community. Here you will find more information about Manulife's philanthropic partners and initiatives, as well as guidelines and criteria for corporate support.

