



## 2009 Public Accountability Statement

Reliable

Strong

Trustworthy

Forward-thinking

This year we have enhanced Manulife's Vision Statement to reflect the continuing expansion of our financial services, client solutions and ambitions for the future. Our values remain constant.

## Our vision

To be the most professional financial services organization in the world, providing strong, reliable, trustworthy and forward-thinking solutions for our clients' most significant financial decisions.

## Our values

Professionalism

Real value to customers

Integrity

Demonstrated financial strength

Employer of choice

## Financial strength

Financial strength is a key factor in generating new business, maintaining and expanding distribution relations and providing a base for expansion, acquisition and growth.

As at December 31, 2009, Manulife Financial had capital of C\$33.2 billion, including C\$27.4 billion of common shareholders' equity. The Manufacturers Life Insurance Company's financial strength and claims paying ratings are among the strongest in the life insurance industry.

RATING AGENCY	RATING
Standard and Poor's	AA+ (2nd of 21 ratings)
Moody's	Aa3 (4th of 21 ratings)
Fitch Ratings	AA (3rd of 21 ratings)
Dominion Bond Rating Service	IC-1 (1st of 6 ratings)
A.M. Best	A+ (2nd of 15 ratings)

## Manulife Financial is...

... a leading international financial services company providing financial protection, wealth and asset management solutions for our clients' most significant financial decisions. We operate in 22 countries and territories worldwide.

### OUR PRODUCTS

For more than 120 years, our clients and their families have looked to Manulife for strong, reliable, trustworthy and forward-thinking solutions. Today, our international network of employees, agents and distribution partners offers individual and group life and health insurance, long-term care protection, pension and annuity solutions, mutual funds and banking products. We also provide asset management services to institutional customers worldwide as well as reinsurance solutions, specializing in life retrocession and property and casualty reinsurance.

Manulife currently ranks as North America's largest public life insurance company and one of the largest in the world measured by market capitalization. We operate under the Manulife brand name in Canada and Asia and primarily under the John Hancock brand name in the United States.

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# Message from the President and CEO

Manulife Financial has emerged even stronger from the volatility and economic headwinds that faced the international financial services industry in 2009. Over the past year we addressed those challenges head on and stood solidly behind our commitments to our clients, policyholders and communities – as we have for more than 120 years.

As set out in our 2009 Annual Report, we took important steps to strengthen our capital base, reduce our exposure to changes in equity markets and stabilize our earnings. I am proud to say that throughout the recent global economic crisis, Manulife has remained one of the strongest and best-rated companies in our sector globally.

“Doing well” enables us to “do good”. I am especially proud of how Manulife’s employees continued to demonstrate our unwavering commitment to corporate social responsibility in such a challenging year for so many around the world. We are proud of the difference we make in our local communities and the leadership role we have taken as volunteers, including more than 58,000 hours of employee volunteering time in 2009. Our 2009 Public Accountability Statement illustrates our hands-on involvement in the communities where we work, our focus on the environment and our commitment to excellence in business conduct.

This year we enhanced Manulife’s Vision Statement to reflect the continuing expansion of our financial services, client solutions and ambitions for the future. While Manulife’s values remain constant, our vision is now “To be the most professional financial services organization in the world, providing strong, reliable, trustworthy and forward-thinking solutions for our clients’ most significant financial decisions.”

As world economies emerge from the financial crisis of 2008 and 2009, there has never been a greater need for strong and reliable companies like Manulife. We not only help our customers achieve financial protection and security for their futures – we also serve as one of the largest long-term investors in our local economies. We understand the importance our investments play in supporting economic, environmental and social recovery in North America and around the world and we manage them responsibly and sustainably.

Throughout our history, Manulife has grown and prospered through our desire to lead rather than follow. I hope this statement will show you our genuine commitment to make a positive difference – today and for your future.



**DONALD A. GULOIEN**  
President and Chief Executive Officer





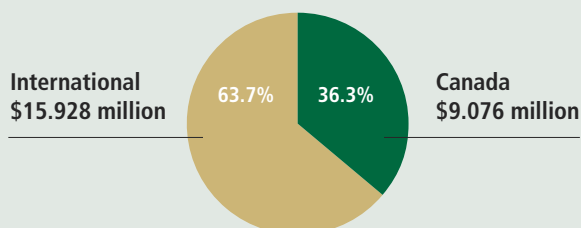
# Trustworthy

A low-angle photograph of a man in a light blue shirt and khaki pants holding a young child in a blue and white striped shirt up in the air. Both are smiling and looking upwards, with their arms raised. The background is a clear blue sky with a few wispy clouds.

The financial services industry, perhaps more than any other, is founded upon trust. Manulife is there for our clients and their families to help them with their most significant financial decisions. For more than 120 years, Manulife has always stood solidly behind our promises to our policyholders and customers. We understand the importance of trust. That's why we continue to support many of the most respected, well-managed charitable organizations in the world, such as the Red Cross, Habitat for Humanity and the United Way.

# Our approach to giving

Throughout North America and Asia, our customers depend on Manulife for some of their most important financial decisions. Together with our leading network of superb distributors, we are proud to be deeply engaged in the communities where we work, donating resources and our time to make a positive difference.



**In 2009, Manulife donated approximately \$25 million to more than 600 non-profit organizations around the world.**



Our priority has been to focus our corporate giving efforts in three areas which are consistent with our business goals and our desire to make a meaningful difference:

- **Building stronger communities** – We believe our clients thrive when the cities, towns and neighbourhoods in which they live are safe, active and healthy. That's why we focus our giving on supporting community initiatives that help everyone have the opportunity to work, learn and succeed.
- **Harnessing the power of volunteering** – We demonstrate our leadership not just with the dollars we donate, but also through the time our employees, advisors and customers donate as volunteers. By engaging directly in the communities where we work, we help build a better world, one hour at a time.
- **Promoting health and wellness** – As one of the largest life insurance companies in the world, we have a direct interest in the promotion of health and wellness. Manulife actively promotes health and wellness – not just for our customers, but for the entire community.

By focusing our time, efforts and funds on these important and interdependent areas, we were able to maximize the impact and influence of our giving strategy in 2009.



**Manulife has a long tradition of engagement in the communities where we do business and we encourage our employees to also get involved.**



## **BUILDING STRONGER COMMUNITIES**

Manulife has a long tradition of engagement in the communities where we do business and we encourage our employees to also get involved. In some cases, that means continuing our long-time support for far-reaching and established charities such as the United Way and Habitat for Humanity. In other instances, it might mean helping to provide disadvantaged youth with job skills, saving a local swimming pool from closure or rebuilding schools damaged by earthquakes so children will have a safe place to learn.

**“I am so proud of our Canadian employees who donated \$3.8 million to the United Way in 2009, helping to create stronger communities for the future.”**

– David Campbell, Vice President, Investment Reporting and Analysis, and Chair, Manulife Head Office United Way Campaign 2009

### **\$3.8 MILLION DONATED TO THE UNITED WAY**

Supporting the United Way continues to be one of the most effective ways Manulife helps build stronger communities. Our annual United Way campaign is run entirely by employee volunteers who organize events, collect donations and inspire their colleagues to get involved. In 2009, employees in Canada contributed \$3.8 million (including corporate matching donations) to their communities through our Canadian United Way campaign.

### **LENDING MANULIFE EMPLOYEES TO THE UNITED WAY**

Each year, Manulife gives employees the chance to work directly for the United Way and make a hands-on difference in the community. Employees participate in a 15-week, full-time program to provide support, service, guidance and inspiration to the United Way's 1,000-plus workplace campaigns across Canada in communities such as Toronto, Kitchener-Waterloo and Halifax.

In 2009, Manulife's United Way Sponsored Employee was Tina Jorge, Client Relations Consultant, John Hancock Life Insurance, Toronto.

*“I jumped at the chance to represent Manulife while giving back to an organization that helps so many people. When I first arrived at the United Way, I didn't know what to expect, but I quickly learned a lot about the organization and the people it helps. Not only does the United Way fundraise and try to address immediate needs, it also spends a significant amount of time and resources examining the root causes of important social issues. It was an eye-opening experience and a great opportunity to work with a group of people with a common vision who are trying to make a positive difference in the community.”*

**Tina Jorge**





# Forward-thinking



Manulife has grown and prospered because it has chosen to be a leader, not a follower. This forward-thinking approach has led to a long line of innovative products and has allowed us to anticipate the needs of our customers well into the future. In keeping with this philosophy, Manulife is proud to support the Canadian Institute for Advanced Research's Successful Societies program. This unique program explores how societal inequalities affect health, well-being and human development, with an eye toward making the world a better place to live.



**“Thanks to Manulife’s long partnership with CIFAR, we have been able to create knowledge that enhances our understanding of the world. As a forward-thinking company, Manulife has helped create a body of hugely influential research that has changed what we know about the contributing factors to health, wealth and other measures of well-being.”**

– Chaviva Hosek, President and CEO, Canadian Institute for Advanced Research



### **CREATING A BETTER FUTURE THROUGH OUR LONG-TIME SUPPORT OF THE CANADIAN INSTITUTE FOR ADVANCED RESEARCH (CIFAR)**

Today, it is widely acknowledged that medical care is not the most important determinant of health in society. Socio-economics, community and access to educational institutions are as important to population health as any drug or therapy. Twenty-five years ago, however, this was far from apparent.

The Canadian Institute for Advanced Research (CIFAR) is dedicated to collaborative advanced research of relevance to the global community. CIFAR’s Population Health program, launched in 1987 with support from Manulife, was the initiative that first provided an understanding of the contributing factors to health, wealth and other measures of well-being that are now seen as fundamental to sound health policy.

The important advances that have taken place as a result of the Population Health program were made possible by Manulife Financial’s early support of this ground-breaking CIFAR research. Our long-standing support empowered these groups of visionary researchers to inform public policy and public institutions and change the very framework of how societal success is researched and understood in this country and around the world.

**“Over the past 15 years, we’ve donated 10,000 backpacks filled with clothes and school supplies to disadvantaged kids. The result? 10,000 smiles and counting!”**

— Janet Lanteigne, Systems Analyst, Individual Insurance



### **HELPING KIDS START THE SCHOOL YEAR OFF RIGHT**

The first day of school should be an exciting, happy time for children. But for disadvantaged kids, it can be a source of stress, anxiety and dread. No new clothes, no new shoes, no shiny lunch box. They stand out from their peers and suddenly the poverty line is all too clear. Manulife’s Send ‘Em Off Smiling program provides backpacks filled with new outfits, shoes and school supplies to children who need them. And Manulife employees volunteer their time to pack and deliver the backpacks. Close to 10,000 backpacks have been delivered to children in the Waterloo, Ontario, region since the program began 15 years ago.



### **OUTFITTING CANADIANS FOR EMPLOYMENT SUCCESS**

We believe that every person deserves a chance to succeed. In 2009, Manulife provided financial and volunteer support to Dress Your Best Boutique, a non-profit organization that changes the lives of disadvantaged Canadians by providing them with the clothes and accessories necessary for job interviews and ongoing employment. Manulife’s employees provided volunteer hours and donations of approximately 5,000 pieces of clothing.



**“MLK Summer Scholars empowers students and develops a future generation of skilled workers and civic leaders. The results are clear. Young people are coming out of this program with the skills and experience they need to put them on the path to success in school and in life, while also adding value to our community.”**

– Jim Boyle, President, John Hancock Financial Services



## **BUILDING BRIGHTER FUTURES FOR BOSTON'S YOUTH**

Summer jobs for high school students improve their lives and strengthen communities. That is why John Hancock sponsors MLK (Martin Luther King, Jr.) Summer Scholars, an innovative seven-week summer job program for Boston youth. With 650 participants in 2009, we believe MLK Summer Scholars is now the most comprehensive corporate-based summer job program in the United States.

Students spend the summer working at John Hancock or at partner non-profit agencies, with funding provided by John Hancock. Each opportunity offers a teenager meaningful work experience in a career-oriented job. Along with gaining valuable paid summer work experience, students also attend weekly professional life skills workshops in the John Hancock Student Village at Boston University on topics such as personal finance, written communications, college preparation, leadership and responsibility.

**“Last year, Manulife helped to build five homes for underprivileged women and their families in Vietnam, giving them a place to finally call their own.”**

– David Wong, Senior Vice President and Regional Executive for Malaysia, Philippines, Thailand and Vietnam



## **PROVIDING SHELTER TO THOSE WHO NEED IT MOST**

Manulife helped provide the life-changing gift of shelter to some of the poorest residents of Vietnam's Hai Phong City in 2009. The Company's financial contribution to the Houses of Compassion program enabled the construction of five homes for underprivileged members of the Vietnam Women's Union, providing these women and their families with homes to call their own.

## **MICROFINANCING TO SUPPORT VICTIMS OF THE TSUNAMI**

Years after a devastating tsunami swept across Southeast Asia, much of the region continues to struggle and rebuild. Manulife Indonesia provided a much-needed boost to these rebuilding efforts with the creation of a new microfinancing program in Nanggroe Aceh Darussalam. The microfinancing program allows would-be entrepreneurs to borrow small amounts of capital to help build sustainable businesses, support their families and boost the local economy.

The innovative program, which will last for three years, has already helped improve the fortunes of 250 local businesses. The ultimate goal is for the program to become self-sustaining, meaning it will be able to continue fueling local business without the need for outside donations.



**“After a massive earthquake damaged two schools in Indonesia, Manulife stepped forward to help. We assisted with a month’s worth of renovations to help make sure that the children would have a safe, comfortable place to learn.”**

— Adi Purnomo, Chairman of the Supervisory Board of Manulife Care Foundation, PT Asuransi Jiwa Manulife Indonesia



### **ENSURING CHILDREN HAVE ACCESS TO SAFE LEARNING ENVIRONMENTS**

On September 2, 2009, a 7.0 magnitude earthquake shook West Java, Indonesia, killing at least 79 people, displacing more than 210,000 and damaging numerous buildings. Among the buildings damaged in the earthquake were two primary schools in the nearby city of Sukabumi. Manulife stepped forward to assist with renovations, which included nearly a month’s worth of extensive work on the interiors and exteriors of the two schools. Manulife’s contribution helped ensure that the schools’ students and teachers would once again have a safe, comfortable place in which to learn.



### **OFFERING LOW-COST INSURANCE TO FAMILIES IN LOW-INCOME REGIONS**

In 2009, Manulife launched a micro-insurance project in the rural areas of Hai Phong and Tien Giang, Vietnam, in cooperation with a local non-profit organization. These micro-insurance policies typically have premiums of approximately US\$20 per year, with a claim capacity of about US\$1,000. Last year alone, the project provided new policies to nearly 16,000 members of the Vietnam Women’s Union. This innovative program represents the kind of rethinking of insurance that is necessary to help serve emerging rural markets like those in Vietnam.



### **HELPING TO PROMOTE IMMIGRANT EMPLOYMENT**

Manulife supports the TRIEC (Toronto Region Immigrant Employment Council) Mentoring Partnership, which champions immigrant employment solutions. Canada’s future prosperity depends in large part upon the skills and creativity of those people who are new to our country. Manulife provides funding and employee mentors, helping skilled immigrants gain access to professional networks and succeed in their careers.

# Reliable

A photograph of a multi-generational family. In the background, an older man with white hair and a light blue shirt is smiling. Next to him is an older woman with blonde hair, wearing a white top and a grey cardigan, also smiling. In the middle ground, a woman with long brown hair in a light blue top looks towards the right. To her right, a man with dark hair in a light blue striped shirt is looking at her and smiling. In the foreground, a young girl with dark hair and bangs is smiling. The back of a young boy's head is visible in the lower center. The background is a plain, light-colored wall.

Reliability means being there for our customers, their families and their futures. For more than a century, Manulife has proven itself as a company that families can depend on. Our protection products not only promote peace of mind, but our customers and their families can count on us to deliver on our promises. This bedrock of reliability is also at the heart of our continuing relationship with the many charitable organizations to which our employees donate their time. For more than five years, Manulife employees have donated their time, skills and determination to help build reliable homes and better futures for low-income families.



**In 2009, 14,289 Manulife employees and distribution partners volunteered 58,277 hours. The value of this gift of time: \$2,190,617**

### **HARNESSING THE POWER OF VOLUNTEERING**

Employee volunteering is a cornerstone of Manulife's community support initiatives and plays a significant role in the success of our related focus on building stronger communities and promoting health and wellness. We not only demonstrate our dedication through financial support, we like to get involved and give our time as volunteers. Last year, 14,289 Manulife employees and distribution partners donated 58,277 volunteer hours to a wide range of charities and causes. This gift of time is valued at \$2,190,617. Our employees' donation of time is an important contribution and a way to extend the power of our corporate donations.

Manulife continues to focus on initiatives that help foster a spirit of volunteering and support our employees in their volunteer pursuits. By harnessing this power of giving back through volunteering, our aim is to help build a better future for the communities where our employees live and work around the world.

### **INSPIRING THE VOLUNTEERING MOVEMENT IN CANADA**

Recognizing that every hour of time volunteered is invaluable, Manulife partnered with Volunteer Canada, TV Ontario and GetInvolved.ca to develop an ambitious campaign called Power of the Hour. The goal is to promote volunteering in Canada. At its launch, Manulife was one of 21 companies pledging a total of 814,900 hours toward the program's goal of raising 2,000,000 volunteer hours in 2010. Manulife President and CEO Donald Guloien appeared in a series of television commercials which highlighted our goals while encouraging other companies to get involved and participate in the program.



#### **EMPLOYEE VOLUNTEERING: GREAT FOR BUSINESS**

In 2007, Manulife conducted a study to measure the value of its employee volunteer programs. The study showed that employees who were engaged in volunteering were **three times more likely to stay with the Company over the long term.**

These volunteering employees also developed important leadership skills, and typically scored higher on their annual performance reviews!



**As of the publication date of this statement, the Power of the Hour campaign had raised 3.3 million volunteering hours from Canadians.**

**“For more than five years, Manulife employees have donated their time, sweat and determination to help build better futures for low-income families in communities where we do business.”**

– J-F Courville, President and Chief Executive Officer, MFC Global Investment Management and Executive Sponsor, Manulife Habitat for Humanity Builds



## **VOLUNTEERS FOR HABITAT FOR HUMANITY**

Manulife continued its long-time support for Habitat for Humanity in 2009. Hundreds of volunteers came out in the summer months to help build houses for low-income families in communities across Canada.

One of those volunteers was J-F Courville, President and Chief Executive Officer of MFC Global Investment Management and Executive Vice President of Manulife Financial. “When I moved from Montreal to Toronto 10 years ago, one of the things I noticed right away was the sheer number of homeless people here. It was shocking,” said Courville. “So I got involved in the issue of affordable housing, which ultimately led me to Habitat for Humanity. To me, participating in Habitat for Humanity made sense. You can see the emotion radiating from the people who get these homes and realize that the gift is there to help break the cycle of poverty. It’s an instant change, and from both the rational and emotional perspectives it’s a real win. So when the opportunity to work with the Habitat for Humanity board came up, I was eager to do it. I take my kids to show them that ‘I helped build this’. Seeing the key hand-over ceremony, I think, really creates a bond between the volunteers and the people who are receiving the aid.”





## THE SPIRIT OF VOLUNTEERING

Manulife's employees make a difference in all our communities by donating their time to support a wide range of worthwhile causes. Whether it's giving time to help local children with their homework, walking or cycling to raise money for a worthy cause, or donating generously through our United Way campaign, our time and skills can be vital to the success of such programs. Manulife's employees were engaged with a wide range of organizations in 2009, including Habitat for Humanity, Junior Achievement, the United Way, Altruvest, the Montreal Children's Hospital and the Heart and Stroke Foundation of Canada, to name just a few.



## MATCHING THE GIFT OF TIME WITH DOLLARS

Helping Hands is an innovative program that promotes employees' volunteer efforts by offering \$500 grants to charities to which our employees volunteer 25 hours or more per year. In 2009, Manulife donated more than \$85,000 in Helping Hands grants on behalf of our employee volunteers. Here is one of their stories:

*"I raised \$7,056 for the Huntington Society of Canada's annual amaryllis fundraiser. I decided to participate for the first time several years ago after learning my father was dying of Huntington's Disease. Finding a treatment or cure is what motivates me to be so involved. The many hours I put in meant I could also get a \$500 Helping Hands grant for the Huntington Society."*

**Heather Heick**, Project Director,  
Individual Wealth Management





**“We’re extremely proud of our 37 executives who donated their time, leadership skills and expertise to serve on the boards of our most strategic non-profit partners in 2009.”**

– Carol Fulp, Senior Vice President, Brand Communications and Corporate Social Responsibility, John Hancock

### **EXECUTIVES VOLUNTEERING THEIR EXPERTISE**

Manulife and its employees recognize that charities require people with business acumen (accounting, legal, marketing, fundraising, etc.) to help run their organizations effectively. Many of our employees in North America have opted to participate in formal training programs that prepare them to join boards of non-profit organizations. John Hancock created BoardLink, an internal program that encourages executives to join non-profit boards. This program places managers and executives on the boards of local non-profit organizations. In 2009, 37 John Hancock executives served on 54 non-profit boards.



Our contributions to health and wellness are building strong communities for the future.



## PROMOTING HEALTH AND WELLNESS

As one of the world's largest life insurance companies, Manulife has a keen interest in promoting health and wellness. This past year, thousands of Manulife employees participated in organized walks, bike rides and running events to help benefit health-related charities all around the world. As well, thousands of our employees made the selfless decision to roll up their sleeves to donate blood, helping to save lives in all corners of the world. And again in 2009, Manulife continued its long-time support of a wide range of innovative programs and health care institutions that are making significant contributions to health and wellness research.

## “Through our ongoing support of preventive heart medicine, Manulife is helping Canadians to live longer, healthier lives.”

— Paul Rooney, President and Chief Executive Officer, Manulife Canada



### TREATING AND PREVENTING HEART DISEASE

Heart disease is among the leading causes of death in Canada. The experts at Montreal’s renowned Centre ÉPIC are working to change that. ÉPIC, part of the Montreal Heart Institute, is the largest centre for preventive medicine in Canada. Manulife’s financial support is helping the experts at ÉPIC to carry out their extremely ambitious and important mandate – to prevent heart disease and to rehabilitate those living with it.

### BRIDGING THE HEART TRANSPLANT GAP IN ONTARIO



Each year, many Canadians suffering from coronary disease die while waiting for heart transplants. An artificial heart, however,

can support a failing heart for months (or years), until its function recovers or a donor heart is available for transplantation. The Peter Munk Cardiac Centre at Toronto General Hospital is home to the largest cardiac program in Canada and it received a significant boost to its Mechanical Heart Program with a donation from Manulife in 2009. This

donation is helping to fuel the important work of this centre, one of the few in North America with the expertise and resources to impact the way heart failure is treated through the use of artificial hearts and transplants.

### PROMOTING WELLNESS THROUGH THE BOSTON ATHLETIC ASSOCIATION

2009 marked John Hancock’s 24th year as the principal sponsor of the historic Boston Marathon. Our continued financial support of the Boston Athletic Association, which has directed the race since 1897, ensures the stability of the world’s oldest annual marathon. It is estimated that the 2009 Marathon brought in more than US\$100 million in direct and indirect economic benefits to the Greater Boston region. To maximize our positive impact in the community, John Hancock also donated individual entry bibs to local non-profit organizations. We’re extremely proud to report that in 2009 alone, 890 non-profit runners used these bibs to raise US\$3.7 million to support a wide range of worthwhile causes. In addition, 98 John Hancock and Manulife employees ran the Marathon on behalf of non-profit organizations and raised US\$176,000. Five hundred of our employees also participated on race day by volunteering along the 26.2-mile course.



## MAKING IT POSSIBLE FOR A VULNERABLE COMMUNITY TO KEEP SWIMMING

The swimming pool at Jarvis Collegiate (located in a vulnerable community near Manulife's head office) was one of 13 in Toronto slated to be drained at the end of 2009. Closing the Jarvis pool would have deprived thousands of local residents of a key recreational facility. Manulife, along with the Kiwanis Club of Toronto and the YMCA, provided critical funding to help save the pool.



Local trustee Sheila Ward told the *Toronto Star* about the initiative in September 2009: "It's a really great cooperative venture! The move will support recreational opportunities for residents in an area that badly needs it."



## HELPING PREVENT THE SPREAD OF H1N1

The H1N1 influenza pandemic was one of the most serious global health challenges of 2009. To help prevent the spread of this potentially deadly disease, Manulife donated 105,000 protective medical face masks to schools and public health departments in Taiwan and Thailand.

In Taiwan, Manulife General Manager Mark O'Dell and a team of senior managers traveled to personally deliver 100,000 protective face masks to appreciative teachers and students. In Bangkok, Manulife gave 5,000 face masks to local health departments, which in turn helped get them to poor people with influenza-like symptoms, helping to prevent the spread of the virus.



## HELPING FAMILIES COPE WITH ALZHEIMER'S DISEASE

Right now, more than 70,000 British Columbians are suffering from the devastating effects of Alzheimer's disease or related dementia. Sometimes overlooked, however, are the people who love and care for these 70,000 sufferers. Manulife's donation to the Alzheimer Society of British Columbia helped fund an important education and support program aimed at helping alleviate the stress and uncertainty many of these caregivers live with on a daily basis. The program consisted of free workshops where caregivers received valuable information, support and strategies to better manage the emotional toll often associated with this terrible disease.

**"Alzheimer's is a devastating disease for those afflicted, as well as those who care for them. Manulife is proud to support this program that helps alleviate the stress and uncertainty many of these caregivers live with on a daily basis."**

— Kathy Lockwood, Senior Vice President, Human Resources and Executive Sponsor, Manulife Walk for Memories



**Manulife was recognized as a Caring Company for the eighth consecutive year. Manulife was awarded the Caring Company title by the Hong Kong Council of Social Service for the eighth year in a row in 2009.**

### **HELPING CHILDREN WITH LEARNING DISABILITIES**

2009 marked the tenth anniversary of the creation of the Manulife Centre for Children with Specific Learning Disabilities at the Polytechnic University of Hong Kong. The Centre is dedicated to helping children with specific learning disabilities (e.g., dyslexia, attention-deficit and hyperactivity disorders) and empowering their parents to help their children reach their full potential.



Over the past decade, the Centre has held more than 300 seminars and workshops for 5,000 students and parents.

### **GIVING THE GIFT OF LIFE**

There is perhaps no other gift with the life-saving potential of blood itself. In 2009, employees of Manulife's Asia Division continued the long-standing and selfless tradition of donating their own blood in the hopes of helping others. Blood drives were held in a number of regions in 2009, including Japan, Malaysia, Singapore and China. At the Hong Kong blood drive alone, more than 640 Manulife employees, financial advisors and customers waited in long queues for the opportunity to raise their sleeves and give the gift of life. Rain Yee, a first-time donor from Manulife's Agency Support team, overcame a dislike of needles in order to participate. "I am so glad now that I did it – the knowledge that my contribution may have helped to save a life makes me feel really good."

Manulife was awarded the Caring Company title by the Hong Kong Council of Social Service for the eighth year in a row in 2009.



# The Dominic D'Alessandro Community Award



We are very pleased to recognize **Dave Muir** as the recipient of the 2009 Dominic D'Alessandro Community Award.

The Dominic D'Alessandro Community Award recognizes the outstanding volunteer contributions of an individual to his or her community.

Employees are nominated by their colleagues and must demonstrate having gone above and beyond the call of duty in support of others through outstanding volunteer service, leadership and dedication. The award recipient is selected by a global panel of Manulife's community relations experts.

Dave Muir, a Project Director in Manulife's Information Technology group in Waterloo, Ontario, is someone whose tireless efforts have made a significant positive change in his local community. In addition to the long list of charities and causes he supports through fundraising, volunteering and leadership, he has been instrumental to the success of the HopeSpring Cancer Support Centre in Waterloo for the past 15 years. Congratulations, Dave, on your well-deserved award.



Known in previous years as the STARS of Excellence Citizenship Award, the name of this annual award was changed in 2009 to honour the legacy of Dominic D'Alessandro, who served as President and CEO of Manulife from January 1994 to May 2009.

As someone who led by example throughout his career, Mr. D'Alessandro was widely recognized for his many contributions to the community and his work in making Manulife an exemplary corporate citizen.



**Manulife won the Sing Tao Excellent Services Brand Award for the third consecutive year in 2009. This award recognizes brands that appeal to lifestyle-conscious consumers and highlights the importance of excellent service delivery to clients.**

## **AWARDS AND DISTINCTIONS – SERVICE TO THE COMMUNITY**

Manulife receives numerous awards and distinctions each year. The following is a sampling of the awards presented to Manulife throughout 2009 for our contributions to the community. A complete listing can be found at [www.manulife.com](http://www.manulife.com).

### **HONG KONG**

***Manulife recognized as a Caring Company for the eighth consecutive year***



Thanks to its unwavering commitment to helping people in the community, Manulife was awarded the Caring Company title by the Hong Kong Council of Social Service for the eighth year in a row.

### **BOSTON**

***John Hancock awarded the prestigious Horizons for Homeless Children Award***

John Hancock was recognized for its many years of unfaltering commitment to Horizons for Homeless Children.

### **KITCHENER-WATERLOO**

***Manulife wins United Way's inaugural Corporate Spirit Award***

Manulife became the first recipient of the Corporate Spirit Award from the United Way of Kitchener-Waterloo and area. This new award was created to honour "an organization that demonstrates exceptional commitment to the United Way as a collaborative partner through ongoing corporate giving, sponsorship and active support of its employee and leadership campaigns".

### **KITCHENER-WATERLOO**

***Manulife named Volunteer Impact Award recipient for 2009***

At an awards banquet hosted by the Volunteer Action Centre, Manulife received this award for the exceptional effort its employees give to the Manulife Bike & Hike for Heart every year.

### **TORONTO**

***Manulife receives communications award for Corporate Volunteer Program***



Manulife was given first prize in 2009 for communications in the Inspire Awards competition, sponsored by the League of American Communications Professionals (LACP). The winning campaign was aimed at increasing employees' awareness of Manulife-initiated volunteer programs in 2008.



# Strong

A photograph of a man and a young girl leaning against the thick trunk of a large tree in a lush green forest. The man, on the left, is wearing a dark blue t-shirt and jeans, leaning his back against the tree. The girl, on the right, is wearing a light-colored dress and sandals, also leaning against the tree. The ground is covered in green grass and yellow wildflowers. The background is filled with more trees and foliage.

Manulife's strength, demonstrated by our strong capitalization levels, financial ratings and investment performance, reassures our policyholders that we will be there for them, their families and their futures. To celebrate our tenth year as a public company, Manulife has pledged to have 75,000 trees planted to represent each of our employees, agents and retirees around the world. These symbols of strength will grow alongside our customers, their families and our Company for generations to come.



# Commitment to the environment

Manulife's commitment to the environment reflects our responsible and forward-thinking approach to our business. We are proud to conduct our global businesses in a manner that reflects the highest standards of environmental responsibility. Whether we're reducing waste, conserving energy or planting thousands of trees, our actions underscore our respect for the planet and our concern for future generations.

We recognize our obligation to protect and sustain the world's resources and we conduct our business in a way that is consistent with that obligation.

## 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
- maintain procedures to ensure the effective implementation of the environmental policy.

## REDUCING WASTE

Manulife has implemented waste reduction programs for many years and continues to develop new programs that encourage employees to conserve resources and recycle. We believe that each employee can make a difference and that many small acts can add up to a significant benefit for all.

Manulife continues to deliver on this commitment by providing our employees with the knowledge and tools to help reduce our environmental footprint on a day-to-day basis. We actively encourage our employees to help reduce our reliance on printed documents and store and distribute documents in more environmentally friendly ways, helping to save paper, storage space and electricity costs. These efforts have been extremely effective in reducing our use of resources and energy. This past year, in our Hong Kong office alone, Manulife was able to reduce paper use by 2.2 million sheets, exceeding our target by 300 per cent.

Our employees embrace these programs and continue to demonstrate a keen interest in helping us do business in a more environmentally aware manner. Some employees have actually taken the time to submit their environmentally friendly ideas for our consideration. For example, employees led the push to implement more easy-to-use video conferencing technology in our offices around the world, helping to conduct meetings more effectively and reduce the need for business travel. Our Real Estate operations routinely donate used items from our office operations to be used by Habitat for Humanity, helping to divert them from landfill sites.

Manulife also offers paper-free accounts, where customers can elect to receive monthly account statements and other updates online. And for several years, most of our employees have received their pay and benefits statements electronically. These are just a few examples of how we are helping to reduce waste and conduct business in a more environmentally friendly manner.

**In 2009, Manulife achieved a recycling rate of 58.2 per cent by weight, with close to 8,750 metric tonnes of office waste – primarily paper, aluminum, metal and glass – diverted from landfill.**

## In 2009, Manulife's timber holdings helped to significantly offset CO<sub>2</sub>e emissions from our operating activities.

### ENERGY CONSERVATION AND CO<sub>2</sub>e REDUCTION

Because we own and operate most of the buildings in which our employees work, we have a direct ability to manage and reduce the carbon emissions we produce as part of our day-to-day operations. Our Real Estate group has worked for more than 25 years to make these facilities, and those we manage on behalf of our tenants, as energy efficient and sustainable as possible. Each year, we set goals for performance improvement in these buildings. We are pleased to report that ongoing improvements and retrofit programs have allowed us to meet those ambitious targets each year.

In addition, Manulife conducts regular energy performance reviews in all Company-owned and managed real estate properties. This helps us monitor and improve energy efficiency and conservation efforts. We have also made significant investments in building automation systems that have resulted in consistent improvements.

### CONTINUED EXCELLENCE

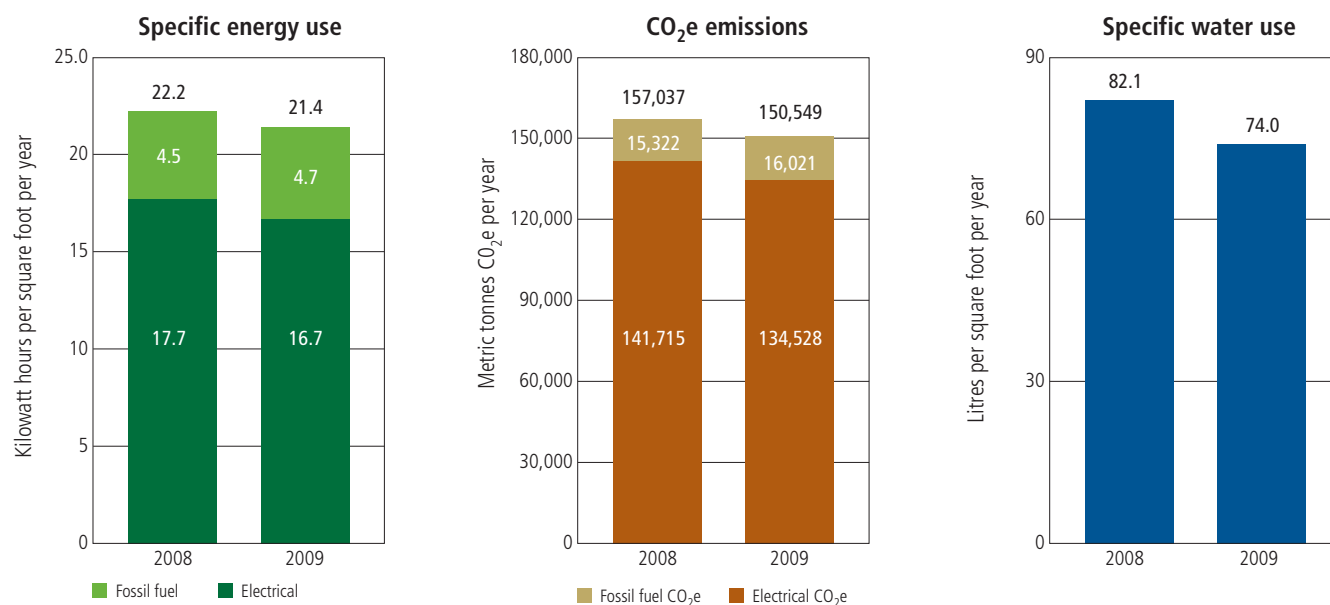
On the whole, these efforts helped reduce energy consumption by nearly 6,500 metric tonnes of CO<sub>2</sub>-equivalent (CO<sub>2</sub>e) emissions in 2009. This represents a reduction of 4.1 per cent compared with levels in 2008.

Manulife achieved similar reductions in water use, with consumption down 9.9 per cent to 74.0 litres per square foot in 2009, compared with 82.1 litres per square foot in 2008. We are extremely proud of the positive impact these programs are having and remain committed to pursuing ongoing energy efficiencies in the future.

Building upon a long trend of excellent energy management, our overall energy efficiency continued to improve in 2009, with energy consumption for our 18.2-million-square-foot managed office portfolio decreasing 3.6 per cent to 21.4 kilowatt hours per square foot in 2009 from 22.2 kilowatt hours per square foot in 2008.

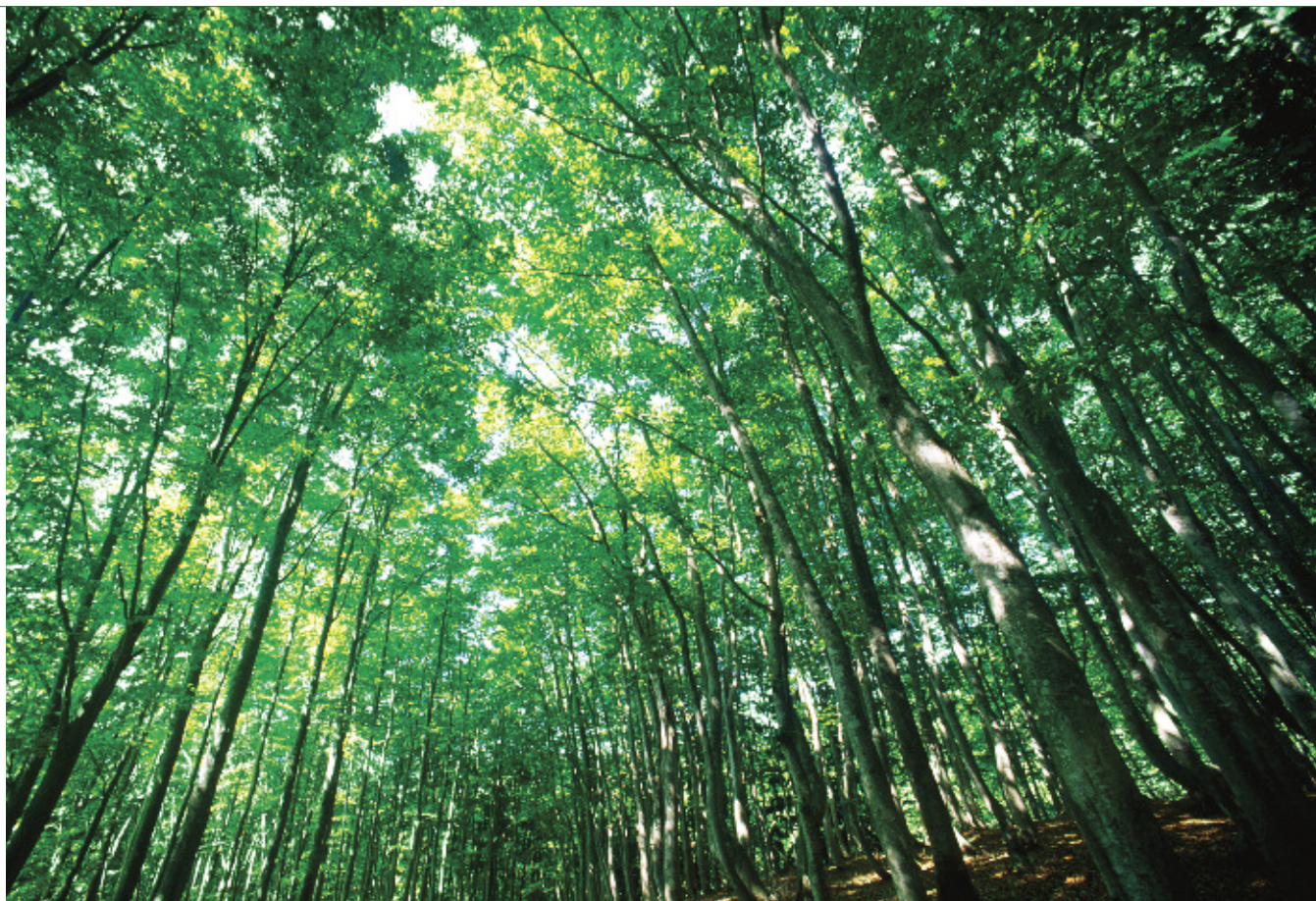
### MEASURING EFFICIENCY

Company-owned and managed office properties





**We are proud of the growth that these trees symbolize and hope that they help to rebuild this habitat.**



### **PLANTING 75,000 TREES FOR THE FUTURE**

To commemorate Manulife's tenth year as a public company, we have pledged to plant 75,000 trees around the world – one for each of our employees, agents and retirees. The first part of this gift was announced in January 2009, with John Hancock contributing 35,000 trees to the American Forests' 2010 Kirtland's Warbler Habitat Creation project in the Huron-Manistee Forest in Michigan.

"John Hancock and Manulife Financial have a long-standing relationship with the state of Michigan. In fact, Manulife Financial established its U.S. operations in Michigan in 1903, so we want to give back to the state that has become so important to the company," says Jim Gallagher, Executive Vice President, John Hancock. "We are proud of the growth that these trees symbolize and hope that they help to rebuild this habitat."



**In 2009, Manulife reduced CO<sub>2</sub>e related to air travel by 22.1 per cent compared with 2008.**

## **ENGAGING OUR EMPLOYEES**

We believe that every employee can be part of our efforts to be green – in their jobs and in their personal lives as well. Manulife provides them with regular reminders and opportunities to consider their impact on the environment. The following are just a few examples of our employees being engaged, active and involved in Manulife's efforts to protect and sustain the environment.

## **HELPING OUR EMPLOYEES "LIVE GREEN"**

Manulife provides our employees with tips and strategies to encourage them to reduce their impact on the environment, both at work and in their personal lives. Our sourcing team has developed environmentally responsible procurement practices to ensure environmental criteria and accountabilities are incorporated into our standard requests for proposals from vendors.

We have introduced guidelines based on Canada's Environmental Choice Program and Energy Star criteria from the Environmental Protection Agency in the United States into the selection process for photocopiers, fax machines and other office equipment. We have also introduced favourable pricing to encourage our businesses to use paper products certified by the Forest Stewardship Council.



We encourage employees to think before printing and consider alternatives to existing workflows that eliminate or reduce the need for printed materials. Employees also know that we have adopted the Eco-Office Way program offered by our partner Corporate Express, choosing environmentally preferred products, recycled paper, compostable break-room supplies, and other recycled and environmentally friendly options.

For business travel, we ask employees to consider alternatives such as video conferencing or web conferencing when possible. For those employees who must travel, we have made available discounted rates for renting hybrid cars.





**“Manulife acts as a good corporate citizen by allowing volunteer opportunities, often on Company time, as well as providing resources such as training for these opportunities.”**

– Shibani Altenstad, Manager, Audit Services

### **PADDLING TO PROTECT A WATERSHED IN CANADA**

Once each year, the Toronto and Region Conservation Authority provides an opportunity to paddle the Don River in a canoe. The Don River is at the heart of Canada’s largest urban region. In May 2009, three teams of volunteers from Manulife paddled the Don River to help raise money for the regeneration of the Don Watershed. Manulife also sponsored a segment of the paddling route. The annual event highlights the importance of healthy rivers in Toronto and the surrounding regions and helps protect and regenerate this famous river.



### **CELEBRATING NATURE AT THE EVERGREEN BRICK WORKS SITE**

Evergreen Brick Works is Canada’s first large-scale environmental discovery centre – a national hub for urban sustainability nestled in the heart of Toronto. Each year, employees from Manulife’s Toronto office volunteer their time to help with the ongoing effort to complete the ambitious project.

The site, formerly the home of Don Valley Brick Works, was once a 300-foot-deep pit. Over the past several years this pit, the result of years of excavating clay and sand for the brick-making process, has been transformed into hiking and walking trails, ponds and a wildlife habitat. This also extended to the buildings on the site, which now serve as pavilions and exhibition and office space.

Manulife’s employees have volunteered for many tasks, including painting, gardening, organizing the space inside the new facilities, removing litter and setting up a new volunteer lounge. Manulife’s executive sponsor, Alex Macdonald, Executive Vice President, Canadian Investments, is also a member of the committee working to raise the necessary funds to complete this unique and innovative project.



**“Our day at Evergreen Brick Works included a lot of heavy lifting and strenuous activity, but we enjoyed working together as a team and doing something positive for the environment.”**

– Mitch Manella, Senior Auditor

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**Manulife is proud to be involved in projects that will generate enough renewable energy to power tens of thousands of homes across Canada.**



## **SUSTAINABLE INVESTING**

Our investments not only provide a strong and sustainable future for our clients, they can also be beneficial for the environment. Through sustainable investing in renewable energy and managing our forest lands wisely, as well as our many volunteer programs aimed at helping the environment, we are doing our part to protect fragile communities and habitats around the world.

## **SUPPORTING RENEWABLE ENERGY**

Manulife is recognized as a leading arranger and provider of financing to the renewable power sectors in Canada and the United States. Our dedicated project groups in Toronto and

Boston have developed expertise in the sustainable energy arena, with investments across the full spectrum of renewable energy technologies, including wind, hydroelectric, geothermal, biomass, solar, landfill gas and biomass waste-to-energy projects.

In 2009, our collective investment in renewable energy projects was \$650 million, a sizable increase from the 2008 total of \$477 million. In addition to our direct investment, we arranged an additional \$345 million in project financing last year. Since we created our dedicated teams in this area, Manulife's aggregate investment in renewable and energy-efficient projects has exceeded \$3.4 billion, and we have arranged more than \$1.5 billion in financing.

Some examples of Canadian projects we invested in last year:

- the 51-megawatt Dalhousie Mountain wind project, located near New Glasgow, Nova Scotia;
- the Harrow wind projects, aggregating 40 megawatts, located in Essex County, south of Windsor, Ontario; and
- the 144-megawatt Dokie wind project, located near Chetwynd, British Columbia.

These projects will generate sufficient clean, renewable energy to power tens of thousands of homes across Canada. We are proud of our role as a leading provider of financing to the renewable power industry.

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**Over the past year, our Boston team invested in energy savings contracts entered into between the U.S. federal government and vendors supplying and installing more efficient heating, lighting, ventilation and power-generating equipment in older government buildings. The energy savings investment program was initiated at John Hancock in 2000, and since then it has facilitated substantial energy cost savings through reductions in energy consumption.**

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## PROTECTING OUR FOREST INVESTMENTS

The Hancock Timber Resource Group, a Manulife subsidiary, is the world's largest manager of timberland investments for institutional and private equity investors. With a disciplined approach to forest stewardship, 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 which provide assurances to stakeholders that the lands will be managed responsibly and sustainably, and that continuous improvement in management practices will be sought.

Our company has a long history of working with communities, governments and conservation groups to protect the environment. During 2009, our Sensitive Lands Program, which aims to preserve environmentally sensitive lands that are occasionally acquired with large timberland acquisitions, surpassed more than 400,000 protected acres globally. Not only are these transactions crucial to protecting the environment, but they are also driven by business and client considerations.

Hancock Timber recently sold 13,350 acres of land in Dragon Run Swamp in Virginia to The Nature Conservancy which subsequently placed a conservation easement on the land. The easement, which was approximately the same size as Manhattan Island and the largest in Virginia history, was on

one of the most ecologically important areas in the Chesapeake Bay region. With this transaction, Hancock Timber's Sensitive Lands Program has now protected a large number of environmentally sensitive lands that collectively would cover an area approximately the size of the city of Toronto.

We also actively work to replenish our timberlands, and in 2009, planted approximately 48.7 million seedlings on 101,000 acres of our timberland. In addition to helping sustain our forestry investment, planting new trees is an important means of reducing the world's greenhouse gas emissions.

## MANAGING OUR AGRICULTURE AND FARMLAND INVESTMENTS

Another Manulife subsidiary, Hancock Agricultural Investment Group (HAIG), with assets under management of US\$1.2 billion, is one of the world's largest institutional managers of farmland, holding properties in the United States, Australia and Canada. HAIG believes environmentally responsible farmland stewardship is consistent with generating and preserving long-term investment value for its clients. We adopt technology and evolve management practices to reduce the environmental impact of our operations. For example, we utilize soil moisture monitoring equipment to more efficiently match the water application to the particular needs of an orchard or vineyard. In addition, rather than burning material generated from annual prunings of vineyards and orchards, we now shred the material and place it back on the ground where it breaks down into nutrients and is absorbed back into the soil.

# Business conduct and corporate governance

**At Manulife, we know that good corporate conduct and governance are critical to our long-term success and the protection of the interests of our many employees and stakeholders. Manulife has earned a reputation as an organization that does business with fairness and integrity, while providing real value to its customers. In every country where we operate, we insist that our employees follow our Code of Business Conduct and Ethics.**

## **A LEADER IN CORPORATE GOVERNANCE**

Our ongoing commitment to corporate governance starts with our Board of Directors, which oversees the management of the business and affairs of the Company. All of our directors (with the exception of President and Chief Executive Officer Donald Guloien) are independent of management. In addition, every Board and committee meeting includes an in-camera session where management is not present.

Our tradition of leadership in the area of corporate governance has been well documented over the years. In fact, Manulife has consistently ranked near the top of *The Globe and Mail's* annual Board Games survey on corporate governance in Canada since it began eight years ago. In four of those years, Manulife was ranked first overall.

We are pleased that the long-standing governance practices at Manulife continue to be singled out for recognition by many influential organizations.

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

## **RISK MANAGEMENT**

Manulife employs a rigorous, enterprise-wide approach to the management of risk. Our goal in managing risk is to strategically optimize risk-taking and risk management to support long-term revenue, earnings and capital growth. We seek to achieve this by capitalizing on business opportunities that are aligned with the Company's risk-taking philosophy, risk appetite and return expectations by identifying, measuring and monitoring key risks taken and by executing risk control and mitigation programs.

Our enterprise risk management framework sets out policies and standards of practice related to risk governance, risk identification, risk measurement, risk monitoring, and risk control and mitigation.



## RISK GOVERNANCE

The Board of Directors oversees the implementation by management of appropriate systems to identify and manage the principal risks of the Company's business, and periodically reviews and approves our enterprise risk policy, risk-taking philosophy and overall risk appetite. The Audit and Risk Management Committee (ARMC) of the Board of Directors, among other responsibilities, assists the Board in its oversight of the effectiveness of Manulife's risk management and compliance practices. Recognizing the changing risk environment, the Board of Directors and ARMC have increased, and intend to continue to increase, their focus on risk oversight.

The Board of Directors has therefore separated the audit and risk oversight functions of the ARMC by establishing a separately constituted Risk Committee of the Board of Directors. The new Risk Committee will be responsible for assisting the Board in its oversight of the Company's management of its principal risks.

The Conduct Review and Ethics Committee of the Board oversees activities and risks related to conflicts of interest, confidentiality of information, customer complaints and related party transactions. The Management Resources and Compensation Committee of the Board oversees global human resources strategy, policies, key programs and related risks.

The Chief Executive Officer is directly accountable to the Board of Directors for all risk-taking activities and risk management practices and is supported by the Chief Risk Officer, as well as the Executive Risk Committee. Management staff across the organization are accountable for the risks within their businesses. Business unit general managers are responsible for ensuring their business strategies align with the Company's risk-taking philosophy and risk appetite.

## PRIVACY

Manulife has earned a reputation as a company that provides the highest-quality financial products and services in a manner that fosters trust and confidence among our customers, employees and representatives. Part of this approach entails protecting the privacy of the personal information in our care.

Manulife has established a Statement of Corporate Privacy Principles, which governs the way we collect, use, retain and disclose personal information. We collect personal information in compliance with applicable laws and ethical business practices, in order to provide products and services and to conduct business. We limit the information we collect to that which is necessary for, or related to, these purposes. We also protect personal information with security safeguards that are appropriate to the sensitivity of the information, in order to protect it from unauthorized access, release or use.

To view our complete Statement of Corporate Privacy Principles, please visit [www.manulife.com](http://www.manulife.com).



## COMMITMENT TO OUR CLIENTS

For over 120 years, millions of families around the world have trusted in Manulife to be there for their futures. We stand behind our commitments and deliver on our long-term financial promises.

As one of the strongest and largest life insurance companies in the world, our ability to meet our commitments to our clients remained undiminished throughout the economic volatility of 2009. Our financial strength, prudent approach to risk management, diverse business platform and high-quality investment portfolio continue to ensure our ability to meet those commitments – today and in the future.

## FINANCIAL STRENGTH

Now, perhaps more than ever, financial strength is at the core of our customers' decision-making processes. Families and businesses need to feel confident that the financial services partner they choose will be there for them when it matters most. Manulife is able to offer our millions of customers the peace of mind that comes with more than 120 years of financial strength and stability.

As at December 31, 2009, Manulife's financial strength and stability are reflected in our credit ratings, which are among the highest in the entire insurance industry. Our main operating subsidiaries have earned exemplary ratings from agencies, including A.M. Best (A+), Fitch Ratings (AA), Moody's Investor Service (Aa3) and Standard & Poor's (AA+).



# **Manulife has successfully built a diverse business platform that offers a wide range of financial products in both developed and developing markets around the world.**

## **PRUDENT RISK MANAGEMENT**

Manulife has a rigorous risk management framework that is applied globally. Our Company's risk-taking activities are measured, monitored and managed intelligently. This framework requires each product in every market to meet strict enterprise-wide risk management criteria on its own merit. Manulife Financial is among only 12% of North American insurers that have earned a "Strong" Enterprise Risk Management (ERM) designation from Standard & Poor's.

## **STRONG CAPITAL LEVELS**

Manulife's strong and stable capital base enables us to sustain high credit ratings, finance new opportunities and maintain our commitments to our policyholders. Despite the continued volatility in global equity markets, our consolidated capital levels have remained stable and totaled \$33.2 billion as at December 31, 2009. Our goal is to maintain very strong levels of capital in order to have the flexibility to respond to both risks and opportunities from a continued position of strength.

## **DIVERSE BUSINESS PLATFORM**

Manulife has successfully built a diverse business platform that offers a wide range of financial products in both developed and developing markets around the world. We address the needs of clients with a mix of products and services relevant and tailored to the needs of consumers in diverse economies. The diversity of our business platform, whether measured in terms of geography, product selection or distribution channels, continues to be a key contributor to our financial strength.

## **HIGH-QUALITY INVESTMENT PORTFOLIO**

The quality of a company's investment portfolio is a strong indicator of its financial strength. At Manulife, our investment philosophy is founded upon a bottom up approach to developing an asset mix that matches 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. We employ this disciplined approach across all of our segments. We do not chase yield in the riskier end of the fixed-income market. This philosophy has resulted in a well-diversified, high-quality investment portfolio.

For more information, please visit [www.manulife.com](http://www.manulife.com).

## Manulife owes its success to one particularly talented and dedicated group of individuals – our employees.



### COMMITMENT TO OUR EMPLOYEES

Manulife owes its success to one particularly talented and dedicated group of individuals – our employees.

As set out in our values, we believe in being an employer of choice by supporting our employees and empowering them to achieve their full potential. Our extensive support for employees includes innovative learning opportunities, continuous learning subsidies, recognition programs, and a variety of services such as financial and professional development seminars.

We provide our employees around the world with safe and accessible workplaces. We're long-time supporters of workplace diversity. And we provide ample opportunities for employee advancement within the Manulife family.

Our support of our employees translates into a wide range of benefits, including:

- opportunities for employees to demonstrate initiative and engage in projects and activities that may have a direct impact on the Company's future performance;
- our 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 for employees to take on new and exciting challenges within a particular business unit or to gain exposure to different parts of the business in other operating units of our multinational company; and
- true geographic diversity, with operations in 22 countries and territories around the world.

### SUPPORTING THE HEALTH AND WELLNESS OF OUR EMPLOYEES

The health and wellness of our employees is a top priority – a commitment we demonstrate through a series of dynamic health promotion and injury prevention programs. We also provide employees with access to group education and events, such as ergonomic sessions and corporate events including health fairs and the Wellness Challenge. Lunch and learn sessions are also available to employees live and via the web and cover diverse topics such as stress management, parenting, diabetes prevention, work/life management, nutrition and annual flu immunization clinics.

**"In order to attract and retain the best and most capable employees, Manulife Financial invests in the development of our people and rewards superior performance. The professionalism and talent of our employees is what makes Manulife a successful organization."**

– Kelly Glass, Vice President, Global Talent Management, Corporate Human Resources.



# “At Manulife, we believe in supporting our employees and empowering them to achieve their full potential.”

– Diane M. Bean, Executive Vice President, Corporate Communications and Human Resources

Manulife’s 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 full-time and part-time employees.

Employees in Canada also 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, backup and extended daycare services through Manulife’s association with a leading child care provider, elder care assistance programs, a commuting program called Smart Commute and more.

In addition, Manulife-sponsored staff associations operate in many of our offices with the goal of promoting camaraderie among employees through the planning and organization of social, cultural and recreational events.

## MANULIFE NAMED ONE OF THE BEST EMPLOYERS FOR NEW CANADIANS



For the second consecutive year, Manulife Financial was named one of the Best Employers for New Canadians. The national competition, managed by the editors of Canada’s Top 100 Employers, in partnership with the Maytree and J.W. McConnell Family foundations, recognizes employers who offer unique programs and initiatives to help new Canadians integrate into the workforce.



## WORKFORCE DATA

Manulife is a global employer with operations in more than 20 countries and territories. As of December 31, 2009, our global workforce was distributed as follows:

Employment – Canada			
Province	Full-time	Part-time	Total
British Columbia	162	4	166
Alberta	379	18	397
Saskatchewan	60	2	62
Manitoba	43	1	44
Ontario	8,188	357	8,545
Quebec	686	58	744
Nova Scotia	690	20	710
Newfoundland and Labrador	2	–	2
Prince Edward Island	1	–	1
<b>Total – Canada</b>	<b>10,211</b>	<b>460</b>	<b>10,671</b>

Employment – Outside Canada			
Location	Full-time	Part-time	Total
United States	5,337	144	5,481
Asia, excluding Japan and India	6,122	76	6,198
Japan	1,136	154	1,290
Other*	209	17	226
<b>Total – outside Canada</b>	<b>12,804</b>	<b>391</b>	<b>13,195</b>

\* Caribbean, Europe, Latin America and India

<b>Worldwide workforce</b>	<b>23,015</b>	<b>851</b>	<b>23,866</b>
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# Financing business – Canada

## INVESTING IN OUR LOCAL ECONOMIES

Manulife is a long-term investor in the economies where we do business. Our sustained investments in these economies help support long-term growth and play a key role in periods of economic recovery. These sustained investments will be particularly important as governments withdraw the economic stimulus initiatives they applied in 2008, 2009 and 2010 to help spur economic recovery.

Manulife has a long tradition of partnering with Canadian businesses to help them develop and expand, providing them with the financial resources to achieve 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 strong track records and earnings stability. Commercial mortgage underwriting concentrates on the quality of the location, the physical qualities of the real estate, the durability of lease income and market trends for the property type.

In 2009, new loan commitments totaling \$751 million and loan renewals totaling \$416 million were issued to 164 customers. Loans ranged in size from \$0.1 million to \$185.0 million, with an average loan size of \$7.1 million. Mortgage approvals were made in accordance with the Company's policies, including the Mortgage Credit Policy and Mortgage Lending Guidelines.

## PRIVATE PLACEMENT

As well as mortgages, Manulife participates in private placement transactions. Most involve fixed-income investments issued by mid- to large-sized Canadian corporations and institutions. Commitments span a diverse range of industry sectors, including securitization, financial, government, manufacturing and utilities. In 2009, the Company's approved private placement commitments totaled more than \$740 million and were made to 26 borrowers in eight industries. Participation amounts ranged from \$2 million to \$75 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.

## EQUITY AND MEZZANINE DEBT FINANCING

Manulife also helps businesses grow in another significant way – by providing equity and mezzanine debt financing to private Canadian and U.S. companies operating in a wide range of industries. Manulife invests in companies that demonstrate a successful operating history and exhibit strong ongoing business fundamentals. In 2009, new commitments in this area totaled \$133 million, diversified across five corporate customers. Commitments ranged in size from \$5 million to \$53 million, with an average size of \$22 million. New equity and mezzanine debt financing investments are approved in accordance with Manulife's Investment Guidelines.



## Amount of debt financing authorized in 2009

(\$ 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	–	–	439	653	1,426	26,632	134,686	163,836
Alberta	–	–	242	–	2,954	38,992	287,005	329,193
Saskatchewan	–	–	457	869	–	3,000	–	4,326
Manitoba	–	–	200	409	–	1,443	31,500	33,552
Ontario	–	153	1,367	4,295	11,746	125,231	1,035,922	1,178,714
Quebec	–	–	533	1,561	560	6,983	252,414	262,051
New Brunswick	–	–	–	315	–	–	18,375	18,690
Nova Scotia	–	–	–	487	719	2,259	117,980	121,445
Prince Edward Island	–	–	–	–	1,431	–	44,750	46,181
Newfoundland and Labrador	–	–	–	–	–	–	–	–
Yukon	–	–	–	–	–	–	–	–
Northwest Territories	–	–	–	–	–	–	–	–
Nunavut	–	–	–	–	–	–	–	–
Total – Canada	–	\$ 153	\$ 3,238	\$ 8,589	\$ 18,836	\$ 204,540	\$ 1,922,632	\$ 2,157,988
Total – U.S.	–	–	–	–	–	\$ 27,214	\$ 2,877,606	\$ 2,904,820
Total – Asia	–	–	–	–	–	–	–	–
Total	–	\$ 153	\$ 3,238	\$ 8,589	\$ 18,836	\$ 231,754	\$ 4,800,238	\$ 5,062,808

## Number of customers to whom debt financing was authorized in 2009

	\$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	2	2	13	5	25
Alberta	–	–	2	–	4	18	16	40
Saskatchewan	–	–	3	3	–	1	–	7
Manitoba	–	–	1	1	–	1	2	5
Ontario	–	2	10	12	17	52	38	131
Quebec	–	–	4	5	1	3	6	19
New Brunswick	–	–	–	1	–	–	1	2
Nova Scotia	–	–	–	1	1	1	3	6
Prince Edward Island	–	–	–	–	2	–	3	5
Newfoundland and Labrador	–	–	–	–	–	–	–	–
Yukon	–	–	–	–	–	–	–	–
Northwest Territories	–	–	–	–	–	–	–	–
Nunavut	–	–	–	–	–	–	–	–
Total – Canada	–	2	23	25	27	89	74	240
Total – U.S.	–	–	–	–	–	6	67	73
Total – Asia	–	–	–	–	–	–	–	–
<b>Total</b>	<b>–</b>	<b>2</b>	<b>23</b>	<b>25</b>	<b>27</b>	<b>95</b>	<b>141</b>	<b>313</b>



## It's an innovative service model that we like to refer to as "Banking – the way it *should* be®."

### ACCESSIBLE BANKING AND TAXATION

As Canada's first chartered bank to distribute its products and services through independent financial advisors, Manulife Bank of Canada pioneered the concept of advisor-based banking.

Manulife Bank distributes its innovative mortgages, loans and deposit products across Canada through a network of more than 10,000 financial advisors. This unique approach allows advisors and Manulife Bank to work together, helping clients integrate selected banking solutions into their overall financial plans.

In addition to partnering with one of the largest financial advisor networks in the country, the Bank continues to support its clients and distribution partners through its growing team of banking consultants across Canada. More than 170 of these mobile consultants meet with clients at their convenience, often in their homes.

With the implementation of a new online application system for advisors, many of Manulife Bank's deposit and loan products can now be opened more quickly and efficiently. The mandate of these deposit and loan products is to provide competitive interest rates and low fees, making them attractive and affordable to Canadians.



Manulife's flagship product, Manulife One, gives clients control of their entire banking portfolio and provides easy access to their daily finances through Internet and telephone banking. Thanks to a successful consumer advertising campaign, more than 210,000 Canadians visited the Manulife One website to discover how much they could save by operating a single account to meet both borrowing and spending needs.

The Bank continues to build its two client support centres in the cities of Waterloo, Ontario, and Halifax, Nova Scotia. This dual centre model helps ensure seamless operations in the event of a business disruption at one location. The customer service centre's hours allow clients in Canada to speak with a bank service representative from 8:00 a.m. to 8:00 p.m., regardless of their time zone. In addition, an interactive voice recognition system provides 24-hour access to account information and transactions such as bill payments and fund transfers. This combination of self-serve and assisted banking in both official languages ensures optimal accessibility throughout Canada.

Manulife Bank is a member of THE EXCHANGE® Network, which has more than 2,300 automated banking machines across Canada, allowing clients to make deposits and withdrawals without being charged a convenience fee.

The combination of Manulife Bank's network of independent financial advisors, banking consultants and progressive use of technology provides clients with access to their financial products virtually anywhere, anytime in Canada. It's an innovative service model that we like to refer to as "Banking – the way it *should* be®."

## TAXES IN CANADA

For 2009, Manulife incurred \$472 million of income and other taxes paid or payable to all levels of government in Canada. These taxes consisted of \$57 million in income taxes, \$120 million in capital taxes and \$295 million in other taxes.

The following table presents the federal and provincial income and capital taxes paid or payable in Canada for 2009.

Taxes, levies and assessments are a significant component of Manulife's expenses. In addition to Canadian income and capital-based taxes, in Canada the Company 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.

## TAXES PAID OR PAYABLE IN CANADA

For the year ended December 31, 2009

(\$ Thousands)	Income taxes	Capital taxes
Federal	\$34,367	\$86,911
Provincial and territorial:		
British Columbia	355	—
Alberta	85	—
Saskatchewan	67	1
Manitoba	103	300
Ontario	20,862	25,231
Quebec	231	6,793
New Brunswick	51	—
Nova Scotia	739	1,231
Prince Edward Island	5	—
Newfoundland and Labrador	33	—
Yukon, Northwest Territories and Nunavut	19	—
Total provincial and territorial	\$22,550	\$33,556
<b>Total</b>	<b>\$56,917</b>	<b>\$120,467</b>

Note: Income tax amounts are estimates based on information available for the year as at December 31, 2009.

The following is a sampling of the awards presented to Manulife throughout 2009 for its achievements in business. A complete listing can be found at [www.manulife.com](http://www.manulife.com).

## BUSINESS ACHIEVEMENT AWARDS

### JAPAN

***Manulife's Japan Growth Fund recognized as best 10-year fund at 2009 Lipper Fund Awards***



For the fourth time, the MGF Japanese Growth Fund was recognized as the best 10-year fund for Japanese large-cap

equities at the Lipper Fund Awards in Hong Kong. The Lipper Fund Awards reward funds that consistently deliver strong risk-adjusted performance.

### INDONESIA

***Manulife Asset Management Indonesia wins prestigious investment award***

Manulife Asset Management Indonesia was named the Best Indonesia Onshore Investment House of the Year at the Asian Investor 2009 Investment Performance Awards. These awards recognize the achievements of investment professionals and asset management companies from across Asia.

### TORONTO

***Manulife earns two silver Canadian Investment Awards***

Manulife Investments was awarded two silver awards at the 15th annual Canadian Investment Awards gala. The first award, in the Best Use of Technology category, recognized Manulife Investments' online transactions capabilities. The other award, in the Global Fixed Income category, was for the Manulife Strategic Income Fund. The Canadian Investment Awards recognize leading investment products and firms with a commitment to excellence in the Canadian financial services industry.



### THAILAND

***Manulife receives prestigious Prime Minister Award***

Against a field of larger and more established competitors, Manulife Thailand received one of the highest awards presented by the Thai government in 2009, earning a Prime Minister Award for its work in the insurance industry.

### TORONTO

***Manulife Individual Wealth Management Operations receives gold award for quality***

Manulife's Individual Wealth Management Operations received a gold award from the National Quality Institute for outstanding achievement. The award was presented at the National Quality Institute's 25th anniversary gala.

### NEW YORK

***John Hancock Annuities and John Hancock Funds receive 2009 American Business Awards***

John Hancock Annuities received an American Business Award for its Advisor of Choice sales kit, while John Hancock Funds received the award for Best Creative Team. The American Business Awards honour excellent performances in business in the United States.





## HONG KONG

### ***Manulife named Best Company for Financial Planning Excellence for third consecutive year***

Manulife received this prestigious honour from the Institute of Financial Planners of Hong Kong for the third straight year. Award winners must demonstrate a keen understanding of clients' financial goals and risk tolerance, as well as the ability to offer them sound financial planning advice.

## BOSTON

### ***John Hancock Retirement Plan Services wins 18 awards for communications excellence***

The League of American Communications Professionals (LACP) recognized the quality of an entire body of work from John Hancock Retirement Plan Services. LACP bestowed five platinum, seven gold, four silver and two bronze awards on the company for communications projects targeted at pension plan participants, plan sponsors and financial representatives.

## KITCHENER-WATERLOO

### ***Manulife captures 12 communications awards in international competition***

Marketing and communications projects from across Manulife's Canadian Division received a record 12 awards in the 2009 Insurance and Financial Communicators Association (IFCA) international awards competition. Teams from across the company were recognized for outstanding work in advertising, customer education materials and employee communications.

## 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.



Manulife Financial's 2009 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 financial year ended December 31, 2009.

# www.manulife.com

## CONTACT US

Manulife Financial Corporation's 2009 Public Accountability Statement is also available to view and download from our website at [www.manulife.com](http://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](http://www.manulife.com/community). Here you will find information about Manulife's philanthropic partners and initiatives, as well as guidelines and criteria for receiving corporate support.

### **Manulife Financial Annual Report available online at [www.manulife.com](http://www.manulife.com)**

We encourage shareholders to help our environment and reduce paper use by signing up to receive documents electronically. For details about electronic document delivery or more information about other e-services, please contact our local stock transfer agents, listed in the annual report.

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May 2010