

# 2011 Public Accountability Statement



MANULIFE FINANCIAL CORPORATION



## 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**

## Table of Contents

1	Message from the President and CEO
2	Manulife's Approach to Charitable Giving
4	Charitable Giving Highlights – Corporate
8	The Great Eastern Japan Earthquake
10	Charitable Giving Highlights – Asia Division
14	Charitable Giving Highlights – Canadian Division
18	Charitable Giving Highlights – U.S. Division
21	The Community Award
22	Our Commitment to the Environment
24	Sustainable Investing
26	Our Commitment to Our Clients
28	Our Commitment to Our Employees
30	A Leader in Corporate Governance
31	Financing Business – Canada
32	Financing Business – United States
34	Accessible Banking
35	Taxation
36	Investing in Affordable Housing
37	Business Achievement Awards
40	Community Service Awards

## Manulife Financial is...

...a leading Canada-based financial services group with principal operations in Asia, Canada and the United States.

### Our products

In 2012, we are celebrating 125 years of providing our clients strong, reliable, trustworthy and forward-thinking

solutions for their most significant financial decisions. Operating as Manulife Financial in Canada and Asia, and primarily through John Hancock in the United States, we

offer clients a diverse range of financial protection products and wealth management services through an extensive network of employees, agents and distribution partners.

### Financial strength

Financial strength enables us to sustain strong credit ratings, finance new opportunities, and most importantly, maintain our commitments to our policyholders.

As at December 31, 2011, Manulife Financial had total capital levels of C\$29 billion, and a market capitalization of US\$19.2 billion. Manulife Financial's key operating subsidiary, The Manufacturers Life Insurance Company, has strong ratings from all five rating agencies.

Rating Agency	Rating
<b>A.M. Best</b>	A+ (Superior – 2nd of 15 ratings)
<b>Dominion Bond Rating Service</b>	IC-1 (Superior – 1st of 6 ratings)
<b>Fitch Ratings</b>	AA- (Very Strong – 4th of 19 ratings)
<b>Moody's Investors Service</b>	A1 (Good – 5th of 21 ratings)
<b>Standard &amp; Poor's</b>	AA- (Very Strong – 4th of 21 ratings)

# Message from the President and CEO

Our 2011 Public Accountability Statement outlines our commitments and activities dedicated to charitable contributions, corporate governance and environmental practices.

These activities illustrate our company's values and our responsibility to make positive, forward-thinking, and meaningful differences that create better futures for our customers and our communities.

Around the world, wherever we do business, we look to make the most impact by investing time, energy and resources to build better futures by:

- Harnessing the power of volunteering;
- Promoting health and wellness; and
- Supporting educational initiatives for young people and leaders of tomorrow.

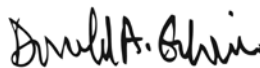
While the next few pages form part of the Manulife story, the credit for these efforts belongs to the committed and dedicated employees that make our company so strong.

Our employees have volunteered their time and resources to assist and promote a variety of initiatives around the world. From Red Cross Relief operations in Asia to revitalizing a

neighbourhood near our head office in Toronto to sponsoring international events such as the Boston Marathon, we are proud to actively participate in and support the causes and events that are most important to our customers, advisors and employees.

Companies and their leaders often talk about having a responsibility to build value in a business, fostering its core strengths so that it can thrive in good times and sustain itself during difficult ones. For very similar reasons, we also have a responsibility to build value in our communities.

At Manulife Financial, we pride ourselves on being strong, reliable, trustworthy and forward-thinking as a company, but we are also proud that these are the same qualities that we show as a neighbour.



**Donald A. Guloien**  
President and  
Chief Executive Officer

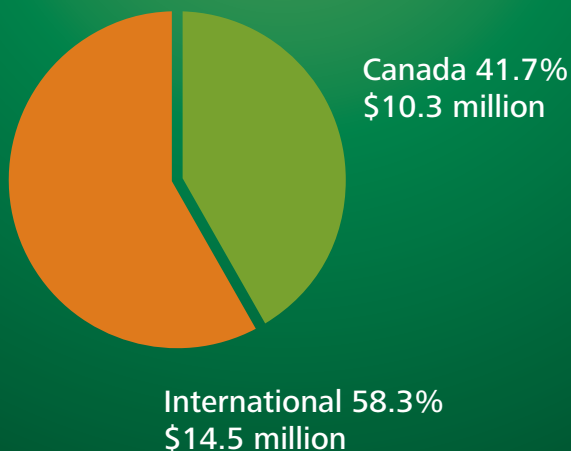


We are proud to actively participate in and support the causes and events that are most important to our customers, advisors and employees.



# Manulife's Approach to Charitable Giving

In 2011, Manulife and its employees gave \$24.8 million to more than 600 non-profit organizations in communities where we do business around the globe.



As part of Manulife's strong desire to maximize the positive impact and momentum of our corporate giving initiatives, we focused our efforts on three key pillars in 2011:

## **Harnessing the power of volunteering**

Manulife continues to demonstrate its leadership, not only through the funds we give, but also through the time, attention and expertise our people donate as volunteers. Volunteerism helps magnify and expand the scope of our charitable giving programs and has tangible and lasting effects at the community level. This past year, 15,095 Manulife employees and distribution partners around the world donated 58,740 volunteer hours to

numerous charitable organizations – a gift of time valued at \$2,020,271. We want to recognize these employees for engaging directly in the communities where we work, helping to improve the lives of others, one hour at a time.

## **Promoting health and wellness**

As one of the world's largest life insurance companies, we believe strongly in the importance of promoting health and wellness. In 2011, Manulife continued its long-time support of a wide array of charities, programs, initiatives and institutions dedicated to enhancing health and wellness for people of all ages and walks of life.



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Each year, Manulife's United Way campaign is run entirely by employee volunteers. Again in 2011, our employees delivered for the annual campaign, helping to organize events, collect donations and motivate and inspire co-workers to get involved. When the figures were tallied, in 2011, Manulife and its employees throughout North America donated \$4.6 million to the United Way – a significant amount that is already helping to make a positive difference at the community level.

By targeting our efforts and resources in these three distinct, yet complementary areas in 2011, Manulife and its employees were able to enhance the impact of our corporate giving strategy and have a profound and positive impact in the places where our employees live and work around the world.

### Supporting educational initiatives for young people and leaders of tomorrow

The young people of today have the potential to be the leaders of tomorrow. One of the keys required to unlock that potential, however, is to ensure children have a safe, healthy and sound environment in which to

learn. At Manulife, we believe every young person deserves the opportunity to pursue their dreams. That's why in 2011, Manulife continued its support of a wide range of educational organizations, programs and initiatives aimed at empowering today's youth and helping them to create a better tomorrow – not only for themselves, but for their families and the communities in which they live.

### \$4.6 million donated to the United Way

While many of the causes Manulife supports contribute to one or two pillars of our charitable giving strategy, some allow us to touch upon all three at the same time. The United Way is

one such organization. For more than 50 years, Manulife and its employees have been strong, active supporters of the United Way. Our continuing support of this worthwhile organization transcends geographical boundaries and enables employees in different countries to support a common goal.

Again in 2011, our annual United Way campaign represented one of the cornerstones of our charitable giving program. And we want to congratulate our employees in North America for helping us donate \$4.6 million to the United Way this past year.

## Charitable Giving Highlights

# Corporate

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Manulife has always been there for our customers and their families – helping them with their most significant financial decisions. Likewise, we have a long, proud tradition of giving back to the communities where we do business. Manulife continues to be an active, enthusiastic supporter of many of the most respected and well-managed charitable organizations in the world. Whether it's through strategic funding, employee volunteering or other forms of support, Manulife remains committed to building better futures and strong, resilient communities.



### **Volunteerism – Revitalizing a neighbourhood in our own back yard**

We strongly believe that we have a responsibility to give back to the communities where our offices are located. As part of that belief, Manulife has undertaken an ambitious, long-term project to help revitalize an area near our head office in Toronto. St. James Town is one of the highest density neighbourhoods in all of Canada. The majority of its residents are low income, unemployed or under-employed. Manulife has continually demonstrated its commitment to the success of St. James Town by partnering with a number of area organizations and funding multiple projects in the areas of literacy, nutrition, athletics, academics, employment, schoolyard beautification and more. In addition, hundreds of our employees have donated thousands of hours of their time planting trees, collecting books and participating in programs including tutoring and mentoring students.

Since the launch of the program in 2005, Manulife has helped make a positive impact on the area and its residents, providing more than

\$1.3 million in funding for much-needed resources and programs for youth, seniors, newcomers, immigrants and the unemployed/underemployed. Our work with St. James Town is a great example of a forward-thinking, collaborative approach to a community's success, building programs that are impactful and sustainable.



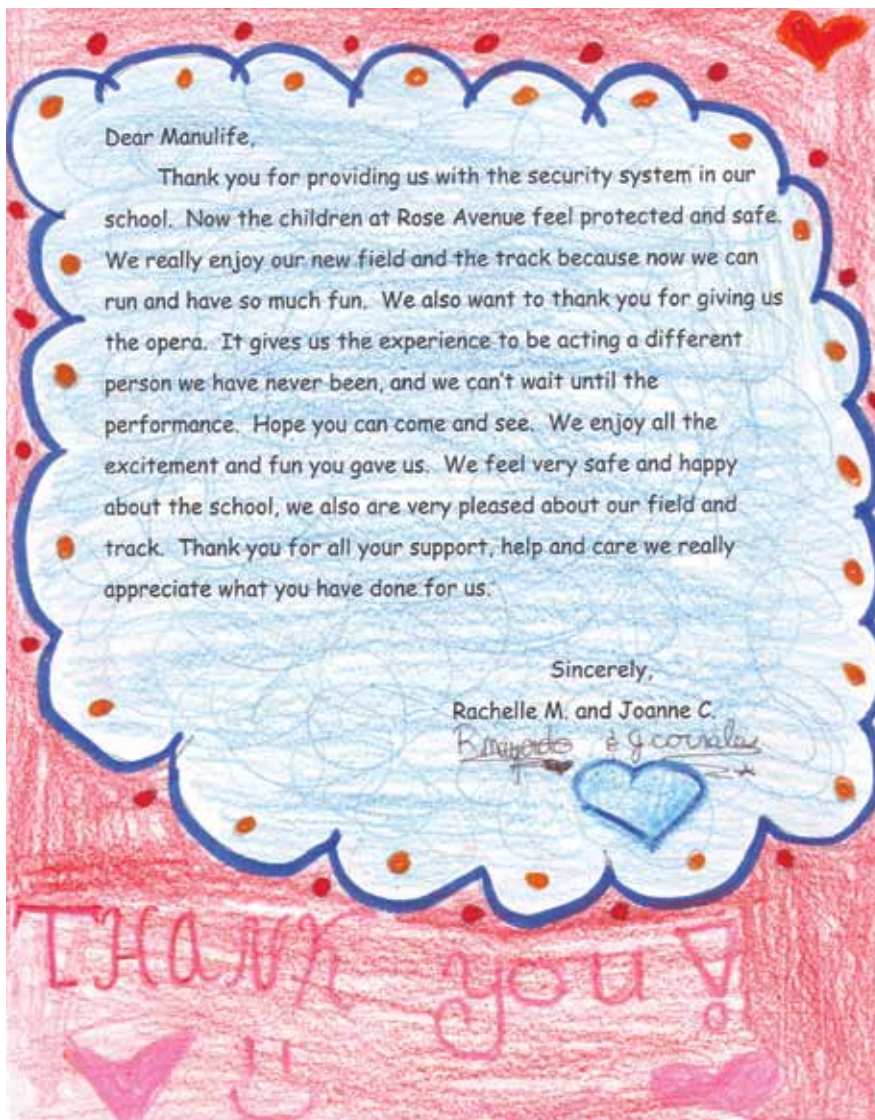
### **Housing – Building futures with Habitat for Humanity**

Manulife is a long-time supporter of Habitat for Humanity, which helps to build houses for low-income families in communities throughout Canada. We are also proud to serve as Habitat for Humanity's Volunteer Program Sponsor, a role in which we helped mobilize more than 11,000 volunteers this past year to construct homes at several sites around Toronto.

Many families have benefitted from Manulife's support for this important organization over the years. And thanks to this new volunteer sponsorship, we've been able to bring our support for Habitat for Humanity's work to new levels. Our corporate commitment enables Habitat Toronto to continue home-building efforts and fulfill their goal of erecting 50 homes per year in the city.



Whether it's through strategic funding, employee volunteering or other forms of support, Manulife remains committed to building better futures and strong, resilient communities.



*"Volunteering in the Habitat for Humanity program by putting bricks to mortar allows you to shape the kind of community you want to live in and have the potential to improve the lives of others."*

– **Andrew Braun**  
Manager, Expense Management & Analysis, Manulife and volunteer with Habitat for Humanity.



### Education – **Developing tomorrow's business leaders with Junior Achievement**

For more than a decade, Manulife volunteers have donated their time and skills to help young people better appreciate and understand the role of business in our society through the Junior Achievement Program. As part of various Junior Achievement activities, students learn the skills that will help them succeed in the business world while benefitting from the support and guidance of volunteers from the local business community.

In 2011, 52 Manulife employees volunteered 780 hours of their time to young people through the Junior Achievement Business Basics program; 10 employees volunteered 658 hours as part of the Junior Achievement Company Program; and, 25 employees volunteered 984 hours as part of the Junior Achievement Homework Club.



### Environment – **Paddling to protect an important Canadian watershed**

Each spring, the Toronto and Region Conservation Authority provides an opportunity to paddle the Don River in a canoe. The Manulife Paddle the Don event is about having fun, enjoying nature and celebrating the Don River Watershed. The unique canoe experience also provides participants with time to reflect on all the benefits we derive from the natural environment that are so integral to the functioning of the city and the surrounding region. Donations to the event are used to help regenerate the watershed. Since the pledge program began in

### **Manulife and Junior Achievement**

In 2011, 87 Manulife employees volunteered more than 2,400 hours of their time to support three Junior Achievement programs: Business Basics, Homework Club and the Junior Achievement Company Program.



2002, paddlers have raised nearly \$400,000. In 2011, more than 600 registered paddlers took part in the 10.5 kilometre event, which takes approximately two hours to complete.





Manulife Paddle the Don celebrates nature in the city with more than 600 registered paddlers who took part in the 10.5 kilometre event in 2011.



## Answering the Call in a Time of Crisis

In March of 2011, northeast Japan was rocked by the largest earthquake in the country's history. The magnitude 9.0 earthquake triggered a powerful tsunami with waves that reached up to 40.5 metres in height, travelled up to 10 kilometres inland and led to several nuclear accidents. The resulting damage to human lives and property was absolutely devastating. According to the Japanese National Police Agency, there were 15,854 deaths, 26,992 injuries, 3,155 missing persons and more than a million buildings damaged or destroyed as a result of the disaster.

In the days following the crisis, Manulife mobilized a global response to help assist with the massive relief effort that is still taking place. As part of this response, Manulife:

- Took steps to ensure the safety and well-being of our employees, colleagues and their family members living and working in the affected regions,
- Ensured that our offices in Japan were operating at full capacity and efficiency, enabling us to respond to requests from our customers in the affected regions in a prompt and compassionate manner,
- Established special websites to allow Manulife employees from our offices around the world to make donations directly to the relief effort (donations were matched by the Company),

Overall, a corporate donation of more than \$1 million was made to help with the ongoing efforts to rebuild Japan.

Manulife continues to play an active role in the relief efforts to help rebuild Japan in the wake of this natural disaster. We mourn the loss of life and the incredible suffering that accompanied the tragedy. At the same time, we commend our employees for their tireless efforts in keeping our businesses in the area running throughout the disaster and ensuring our customers in the affected regions were given the support they needed.

We remain committed to participating in the efforts to rebuild Japan and will continue to look for opportunities to make tangible, lasting and positive differences in the region in the months and years ahead.



### Manulife donates \$1 million to relief effort

Following the Great Eastern Japan Earthquake and Tsunami, Manulife contributed more than \$1 million to relief efforts. These donations were made from the Manulife International Disaster Relief Fund through the Red Cross and represented both employee and corporate donations.



## Manulife employees from around the world send best wishes to their Japanese colleagues

Manulife employees from around the globe sent heart-warming photos and banners with messages of support to Manulife Japan, providing employees with encouragement during the difficult days and months following the disaster. The banners, featuring inspiring and hopeful messages and well wishes were put on display in Manulife Japan's head office in Tokyo.



## Providing help on the front lines

In the days following the disaster, employees from Manulife Japan responded by travelling to the affected region and providing direct assistance, including donations of food and money to assist with the relief efforts. The company also formed a new club dedicated to coordinating the activities of the many employee volunteers who wanted to contribute to the recovery.

Manulife Japan also pledged company donations from new policies during the second quarter of 2011 to help build multi-purpose facilities for children in the areas impacted by the disaster.

## John Hancock and Manulife Japan honour inspiring Japanese athletes

John Hancock, the principal sponsor of the Boston Marathon, along with Manulife Japan, held an awards ceremony in Tokyo on June 14, 2011 to honour Japanese athletes Masazumi Soejima and Wakako Tsuchida, the winners of the men's and women's titles in the 2011 Boston Marathon Push Rim Wheelchair Division. At a time when their country was affected by so much devastation and suffering, these athletes provided a welcome distraction, a glimpse of inspiration and a reason to smile. Ms. Tsuchida said, "This year, with the disasters in Japan happening just before the Marathon, I arrived in Boston with a lot of mixed emotions. I hope that our dual victory has been a source of encouragement to others."





## Charitable Giving Highlights

# Asia Division

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Once again in 2011, Manulife's employees and agents throughout Asia demonstrated outstanding support for the Company's charitable giving initiatives in the region. Manulife participated in a long list of community-building programs and initiatives, including building houses for low-income families, rebuilding damaged schools so children can learn in a positive environment, helping with relief efforts following natural disasters and taking part in targeted programs to help children and the elderly. Here is a small sampling of Manulife's community giving activities in Asia in 2011.

Over many weekends in 2011 more than 100 employees from Manulife Philippines volunteered their time, know-how and elbow grease to help build homes for underprivileged families.



### **Housing – Helping to build new homes for underprivileged families in the Philippines**

Over many weekends in 2011 more than 100 employees from Manulife Philippines volunteered their time, know-how and elbow grease to help build homes for underprivileged families in Muntinlupa City. The Manulife volunteers pitched in to help with a wide variety of tasks, including painting, shoveling and transporting materials to help make the ambitious project a tremendous success. In December 2011, their hard work came to fruition as the first group of 16 new homes was officially opened to its new residents.

Manulife is providing both volunteer and financial support to the multi-year project, which will see more than 120 homes built over the next few years. Manulife has undertaken the project in partnership with Gawad Kalinga Community Development Foundation Inc. and the local government of Muntinlupa City.

"There was a tremendous sense of satisfaction from building these houses, particularly because we got to work side-by-side with the beneficiaries," said Chris Panizales, Senior Client Services Assistant, Client Services Department of Manulife Philippines, who worked on the project. "It was satisfying because we got to listen to their life stories, which in turn, helped fuel the dedication and commitment we had in volunteering to help rebuild their lives."



Over the past 12 years, Hong Kong's Manulife Charitable foundation has donated in excess of HK\$8 million to the Shun Lee Centre of the Heep Hong Society, helping them to deliver customized workshops, seminars and training programs to more than 8,000 local students with special educational needs.



### Education – Giving the gift of learning to children in Indonesia

A sound education is one of the most empowering, life-changing gifts a child can ever receive. And Manulife Indonesia is helping to educate hundreds of students in the region thanks to a major investment to expand and modernize an elementary school. This financial gift from Manulife will more than double the capacity of the school in Kampong Keramat, Banda Aceh, increasing the number of classrooms from six to 12 and translating into an education for 400 students per year compared to just 165 today.

"Supporting education in the community, especially for the underprivileged, is an important corporate social responsibility activity for us," said Alan Merten, CEO and President Director of Manulife Indonesia. "We are quite enthusiastic about this project, as it is a great effort to provide improved schooling facilities to the Banda Aceh community. It reflects the importance Manulife places on planning for education, which is one of the financial pillars for which we offer families reliable solutions."



### Education – Helping children reach their full potential

In 2011, Hong Kong's Manulife Charitable Foundation provided funding for a therapy room for the Shun Lee Centre of the Heep Hong Society. The room, called Manulife Adventure Land, is an innovative physiotherapy facility aimed at enhancing the coordination, motor skills and balance of children with autism and other physical and mental disabilities. In addition, the Foundation continued its support of the Manulife Centre for Children with Specific Learning Disabilities at the Polytechnic University of Hong Kong. Over the past 12 years it has donated in excess



Manulife-Sinochem donated funds aimed at facilitating learning and improving the lives of children suffering from impaired eyesight. The donation to the Shanghai School for Blind Children helped to mark Manulife-Sinochem's 15th anniversary of operating in the region.

of HK\$8 million, helping the centre to deliver customized workshops, seminars and training programs to more than 8,000 local students with special educational needs, including dyslexia, attention-deficit and hyperactivity disorders and others. In addition, the centre has provided training to approximately 6,000 parents, teachers and other in-service professionals.



### Health – Supporting children's vision health

This past year, Manulife Taiwan joined forces with the international group ORBIS to help organize the 'Vision for the Future' campaign to support and promote healthy vision for children. The unique program included

complimentary eye screenings for children living in remote areas, eye-care seminars for their parents and a walkathon to raise funds for the initiative. Prior to the eye screenings, which were conducted by qualified health professionals, Manulife agent volunteers spoke to the students about the importance of protecting their eyesight and engaged them in theme-related games and activities.

Also in 2011, Manulife-Sinochem donated funds aimed at facilitating learning and improving the lives of children suffering from impaired eyesight. The donation to the Shanghai School for Blind Children helped to mark Manulife-Sinochem's 15th anniversary of operating in the region.



### Relief Effort – Rallying to help residents affected by flooding

Employees and agents from Manulife Thailand answered the call to help support victims of the country's devastating floods in 2011. Numerous teams comprised of employees and agents provided funds and other support to residents from affected communities. In Nakonsawan, for example, which was one of the most heavily affected areas, the local Manulife team donated much-needed meals and water to families impacted by the flooding. In addition, Manulife Thailand pledged a corporate donation from each insurance policy issued during the months of October and November to help with the widespread relief efforts.



Each year, Manulife employees around the world honour the Company's long tradition of giving the gift of life in local blood donor clinics.



### Health – Continuing Manulife's strong, proud tradition of blood donation

Each year, Manulife employees around the world honour the Company's long tradition of giving the gift of life in local blood donor clinics. This past year, in Hong Kong alone, more than 600 Manulife employees, agents and customers took part in the annual blood donation program, bringing the total number of Manulife participants over the past three decades to more than 10,000. In addition, hundreds of Manulife blood donors also chose to sign up for bone marrow donor registries to contribute to bone marrow banks to help those with leukemia.



### Wellness – Supporting children and youth services with the Walk for Millions

A record number of participants from Manulife—over 3,000 employees and agents—participated in the Walk for Millions, a 10-kilometre walkathon aimed at raising funds for family and child welfare services in Hong Kong. Manulife has a long, proud tradition of participating in the annual event, which is organized by the Community Chest of Hong Kong. Over the past 17 years, more than 15,000 Manulife employees and agents have raised more than HK\$10 million for the prominent charity, helping to fuel its important work with children and families.

This is a signature fund-raising event for Manulife and our colleagues showed their pride and support for the brand by wearing green Manulife windbreakers and were led by members of the Company's senior management team as the enthusiastic walkers completed the journey from the Hong Kong Stadium to the Aberdeen Country Park Visitor's Centre within a few hours on a cool, sunny day. "It was a wonderful turnout and re-affirmed our long-standing support for this very worthwhile cause, which is exactly the kind of corporate social responsibility initiative that Manulife prides itself on being involved with," said Michael Huddart, Executive Vice President and Chief Executive Officer, Hong Kong.

## Charitable Giving Highlights

# Canadian Division

*"Volunteering has always been part of who we are as a Company. The inspiration behind Manulife's commitment to volunteerism started close to home with our employees and financial advisors and their long tradition of giving back to their communities."*

– Nicole Boivin

Senior Vice President, Chief Branding and Communications Officer, Manulife Financial

By harnessing the power of giving back through volunteering, Manulife is helping ordinary Canadians accomplish extraordinary things.



### Volunteerism – Investing Time in Building Better Futures

By harnessing the power of giving back through volunteering, Manulife is helping ordinary Canadians accomplish extraordinary things. Our ultimate goal is to create a volunteer movement like no other. To help us achieve this ambitious goal, we've partnered with Volunteer Canada, a leading not-for-profit organization that has been the voice of volunteerism in Canada since 1977. Our two organizations share common values and a passion for volunteering as a powerful force for active citizenship and positive change in society.

"Through the vital work we've undertaken as partners, Manulife has become a leader in meaningful corporate community involvement," said Ruth MacKenzie, President & CEO of Volunteer Canada. "Involved citizens build resilient communities and a vibrant Canada. By delivering cutting-edge research and practical tools designed for both volunteers and volunteer-involving organizations, the partnership between Volunteer Canada and Manulife is strengthening citizen engagement nationwide."

According to a research report commissioned by Manulife and Volunteer Canada, called *Bridging*

*the Gap*, one of the biggest challenges today is to make people's volunteer time count, to make sure that all those hours add up to something bigger and better. Together with community partners, our employees and financial advisors and with inspirational Canadians from across the country, we're committed to doing just that – building a better Canada one hour at a time.

### How Manulife is creating a powerful volunteer community

As part of our partnership with Volunteer Canada, Manulife created a dedicated volunteer website: [getvolunteering.ca](http://getvolunteering.ca). This site provides the support and encouragement today's volunteers need as they try to find the best volunteering experience for them. Here are some of the tools on the site:

#### The Manulife Matching Tool –

A powerful, online search tool helps Canadians find great volunteering opportunities that match their unique skills, interests and geographic locations. The tool can also be used by organizations to find the volunteers they need to help them deliver important programs and initiatives in their communities.

**The Volunteer Quiz** – A fun, short quiz that helps people discover their volunteer type (Type A, Rookie or



This past year, more than 500 Manulife employees took advantage of the opportunity to volunteer their time and to make a real difference at the local level.

**Investing time in our community**

At Manulife, we believe that every volunteer, every volunteer act and every hour given back is an investment in the future of all Canadians.

**FIND YOUR VOLUNTEER MATCH**  
Together with Volunteer Canada, we created the Get Volunteering website. It's your source for inspiring stories, tools and volunteer resources designed to help you find a volunteer match based on your unique interests, skills and location and to help non-profits find the passionate volunteers they need.

To learn how you can invest time in your community, visit [getvolunteering.ca](http://getvolunteering.ca)

**INVESTING TIME**  
MANULIFE VOLUNTEERS

**Manulife Financial** 125 YEARS  
For your future™

Groupie) and help them get matched to opportunities based on what's right for them.

**The Get Volunteering Facebook page** – A page built to connect a vibrant community of committed volunteers and not-for-profit organizations who are sharing their stories, insights and ideas about how volunteerism can make a tangible, positive difference.

Manulife and its employees are helping make a difference through the power of volunteerism and giving back to the community. The following are a few examples of how we make a difference.

## Community Spirit Days

By empowering its employees and harnessing the power of volunteering, Manulife is helping to build a better future for the communities where our employees live and work. As part of this continuing focus on giving back to the community, each year, Manulife's Canadian Division invites employees to take a paid day off to volunteer for a charity of their choice. 2011 was the third year for this unique program, which continues to grow in popularity. This past year, more than 500 Manulife employees took advantage of the opportunity to volunteer their time and to make a real difference at the local level.

"Volunteering at Covenant House helped me realize just how fortunate so many of us really are and how we take so many little things for granted," says Jarrold Villapando, Accounting Specialist, Policy Services. "It really hits home when you see for yourself how difficult some circumstances are and what some youth go through day in and day out. It was a pleasure volunteering with my colleagues at Covenant House and I will always remember this experience."







In 2011, Manulife donated more than \$80,000 to a wide range of worthwhile charities and causes on behalf of our employee volunteers – an increase of 30% over the previous year.



### Helping Hands

Another program that continues to gain in popularity each year is Manulife's Helping Hands Grants initiative. We believe it's important to support causes that are important to our employees. In keeping with that philosophy, each year, we provide grants to organizations where our employees volunteer 25 or more hours annually. In 2011, Manulife donated more than \$80,000 to a wide range of worthwhile charities and causes on behalf of our employee volunteers – an increase of 30% over the previous year.



### PowerMatch Grants

Each year, when a Manulife employee participates in a charity fundraising event, the Company will match the funds they raise up to \$150. It's called our PowerMatch Grants program and it's yet another way we help inspire employee engagement and volunteerism at the local level. This past year, Manulife donated more than \$50,000 to organizations that our employees supported through fundraising, including \$6,000 for Movember, an international initiative where men grow moustaches in the month of November to help raise





The 2011 Manulife Dragon Boat Festival raised \$119,000 for Sport Nova Scotia's Amateur Sport Fund.

funds and awareness for prostate cancer research. PowerMatch Grant donations for 2011 were up 115% over the previous year, underscoring a significant and positive trend in employee engagement in community programs and events.



### **Wellness – Raising funds for amateur sport with the Manulife Dragon Boat Festival**

This past July, 58 teams battled it out on Lake Banook in Dartmouth, Nova Scotia as part of the 14th annual Manulife Dragon Boat Festival. This popular event raises funds to help encourage kids of all ages and socio-economic levels to get active and fit through participation in sports. This past year, five Manulife teams finished among the event's top fundraising teams, raising nearly \$24,000. In total, the 2011 Manulife Dragon Boat Festival raised \$119,000 for Sport Nova Scotia's Amateur Sport Fund. To date, the annual event has raised more than \$1.27 million and has resulted in 1,012 grants to amateur athletes, coaches, officials and sporting organizations throughout the province.



### **Health – Helping those affected by Alzheimer's with the Manulife Walk for Memories**

For the 11th consecutive year, we proudly served as title sponsor of the Manulife Walk for Memories, a popular fundraising event that supports the Alzheimer Society of Toronto. More than 1,200 walkers, family members, friends and volunteers came out to raise more than \$600,000 to help fund the important work the Society carries out – specifically to help make life easier for those living with Alzheimer's and other dementias and their families and to fund research to find a cure for this devastating disease.

More than 70 Manulife employees took part, raising nearly \$40,000 for this worthy cause. And more than 50 Manulife employees and their family members served as volunteers to help ensure the event was a rousing success.



### **Health – Supporting women's heart health through the Manulife LPGA Classic**

In 2011, Manulife announced it would be title sponsor of a new Ladies Professional Golf Association (LPGA) tournament to be held in Waterloo Region starting in 2012. In addition to attracting significant social and economic benefit to the region, the high-profile tournament will benefit St. Mary's Regional Cardiac Care Centre. A portion of the tournament proceeds will go toward the hospital's volunteer program and help support women's heart health. In addition, the tournament will also enlist the assistance of more than 1,200 local volunteers to help ensure its success. "We take great pride in delivering this world-class sporting event to the community that nearly 4,000 of our Canadian Division employees call home," said Nicole Boivin Senior Vice President & Chief Branding and Communications Officer, Manulife Financial. "And, of course, as part of our commitment to volunteerism, we're especially pleased to be able to create so many volunteer opportunities in Waterloo Region, many of which will be filled by our own employees."



## U.S. Division – John Hancock

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In 2011, John Hancock and its employees continued their longstanding commitment to social responsibility through active participation in a wide range of forward-thinking programs and initiatives aimed at empowering youth, supporting wellness and helping those with physical and mental disabilities. We continue to make an impact, year after year, by creating programs and partnering with leading non-profit organizations in the Boston area.



### **Wellness – Creating opportunities for people with intellectual disabilities**

On a picturesque day in June, 69 participants from John Hancock took part in the Best Buddies Challenge – a scenic charity bike ride along Massachusetts' South Shore to Cape Cod. In its third year participating in the event, the John Hancock team raised \$153,168 – more than any other group. Joining the ride for the first time was Manulife President and Chief Executive Officer Donald Guloien, who cycled with his son to personally support the cause. Since first taking part in the event in 2009, John Hancock riders and walkers have raised a total of more than \$250,000 for the organization.

Best Buddies is an international organization founded in 1989 by Anthony Kennedy Shriver to help create opportunities for one-to-one friendships, integrated employment and leadership development for people with intellectual and developmental disabilities.



### **Health – Life-saving cancer research through the Pan-Massachusetts Challenge**

For the seventh year in a row, John Hancock employees came out in force to take part in the Pan-Massachusetts Challenge (PMC), an annual bike-a-thon that raises more money for charity than any other single event in the United States. A 20-rider team from John Hancock raised more than \$100,000 at the 2011 edition of the event. The Company's team was originally formed by John Hancock Mutual Fund President Keith Hartstein, whose father died of multiple myeloma cancer in 2004.

This past year, John Hancock ramped up its support of this unique fundraising event, becoming an official sponsor of the PMC. The Company's distinctive logo was prominently displayed on the jerseys of all 6,000 riders. "The best part of our new sponsorship is that it allows even more John Hancock employees to participate," said Louise Santosuosso, AVP of Sponsorship Marketing, John Hancock. "This year, in addition to the 20 people who rode on the team, nearly 50 employees volunteered on a Saturday at the lunch stop."

Founded in 1980, the Pan-Mass Challenge has helped raise nearly \$303 million for cancer research and treatment at the Dana-Farber Cancer Institute. And 100 per cent of every rider-raised dollar is donated directly to the cause.



### **Wellness – More than a quarter-century as principal sponsor of the Boston Marathon**

John Hancock was delighted to celebrate its 26th year as the principal sponsor of the world-famous Boston Marathon. This past year marked the 115th running of the renowned marathon, with participants running on behalf of non-profit and community service organizations raising nearly \$16 million. The runners gained entry to the event through the Boston Athletic Association's Official Charity Program and John Hancock's Marathon Non-Profit Program. Over the past 26 years, these two programs have combined to raise more than \$150 million for organizations including the Massachusetts General Hospital, the Joslin Diabetes Center, the Massachusetts Eye and Ear Infirmary, Horizons for Homeless Children and others.





*"I am proud to be part of the John Hancock Best Buddies team, supporting a cause that is personal to me, having a brother with intellectual disabilities. Inclusion, to me, is the most valuable contribution we can make for these individuals, who are often among the most underestimated in our community."*

– **John Suminski**

AVP, John Hancock Financial Network IT & Project Management Office



- In 2011, 100 John Hancock and Manulife employees participated in the Boston Marathon
- Together, employee runners and company-sponsored non-profit runners raised \$5.3 million for community programs
- More than 150 employees volunteered on race day



In addition, more than 150 John Hancock employees volunteered their services on race day along the 26.2-mile course.



### Education – Creating leaders with the MLK Summer Scholars Program

John Hancock continued its long-time support of the Martin Luther King Jr. Summer Scholars program in Boston this past year, helping to provide meaningful summer employment opportunities for the city's youth. The 2011 edition of the MLK Summer Scholars Program was the most successful to date, with nearly 700 local teens participating.

As part of its involvement with the program, John Hancock provided much-needed funding to local community-based not-for-profits to help enable them to offer high-quality summer employment opportunities to the young participants. In addition, more than 80 John Hancock employees volunteered their time and expertise to deliver a range of job-readiness and life-skills workshops to 660 young people.

Since its inception, the MLK Summer Scholars Program has served more than 2,000 Boston teens and is believed to be the largest, most comprehensive corporate-based summer jobs program in the United States.

# The Community Award

As a volunteer sign language instructor Daisuke Ikeda has helped thousands of students develop their communication skills and build confidence and self-esteem.



**This annual award recognizes the outstanding volunteer contributions a Manulife employee has made to their community.**

Each year, Manulife employees are given the opportunity to nominate a colleague who has made a significant difference in their community through outstanding volunteer service, leadership and dedication. From hundreds of nominations, a global panel of Manulife's community relations experts selects the individual who best embodies the company's approach to giving back.

Daisuke Ikeda has been deaf since the age of two. Despite this disability, he continues to make tremendous contributions both in the workplace, as an Associate in

Human Resources with Manulife Japan and in the community, through his volunteer efforts.

For more than 25 years, Daisuke has been using his disability to help bring language, song and understanding to others. As a volunteer sign language instructor, he has helped thousands of students develop their communication skills and build confidence and self-esteem. This past year, he received accolades from viewers across Japan after appearing on a nationwide television program aimed at teaching hearing-impaired people the fundamentals of sign language.

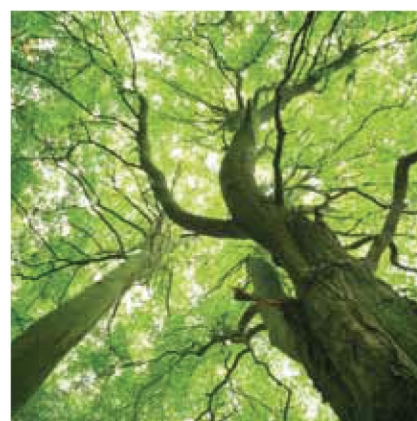
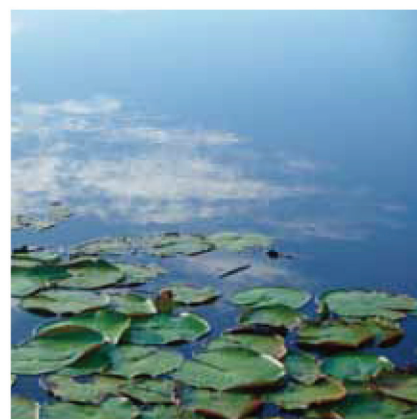
This past year, he gave numerous volunteer performances at areas affected by the Great Eastern Japan Earthquake and tsunami. And he also volunteered as an instructor at the Chuo School for the Deaf, teaching students a Japanese comic drama in sign language so they could perform it at their school festival. He received numerous letters of thanks from the students, who said Daisuke helped them cultivate a sense of self-confidence and achievement.

Congratulations, Daisuke, on your well-deserved award.



# Our Commitment to the Environment

Manulife is proud to conduct its global businesses in a manner that reflects the highest standards of environmental responsibility. Our approach is always consistent with our continuing obligation to preserve, protect and sustain the world's natural resources for future generations to enjoy. We fully recognize our obligation to protect and sustain these precious resources and conduct business in all our offices around the world in a manner that is consistent with that commitment.



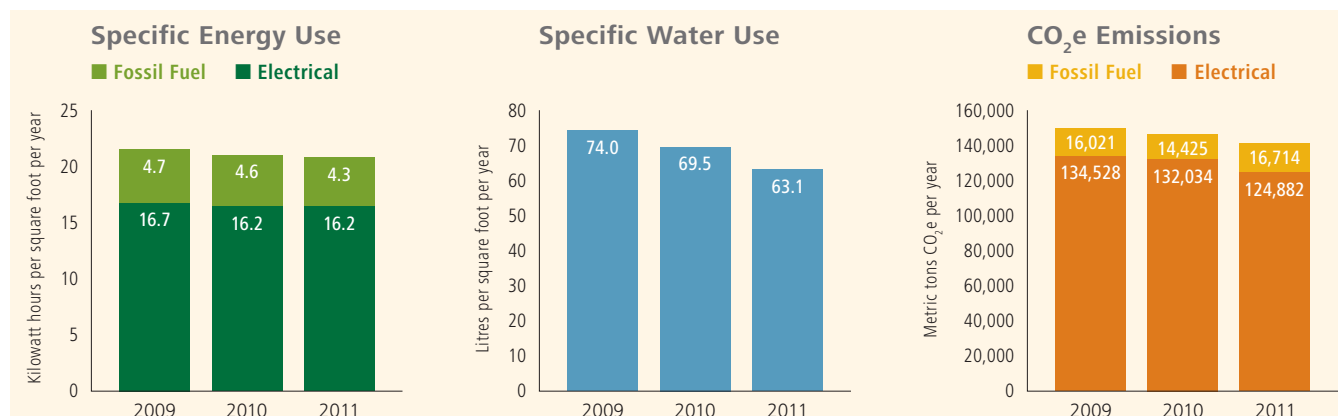
Our Environmental Policy, which the Company officially adopted in 1995, recognizes the need to preserve the quality of our environment and help reduce the impact of global warming through the continuous improvement of operating efficiencies and the reduction of waste and emissions. Manulife has implemented numerous environmental procedures to support this policy and which apply to all business units and affiliates. In addition, each year, we measure and report our consolidated CO<sub>2</sub>e emission performance data, in accordance with the 'Greenhouse Gas Protocol' initiative for footprint and trending.

## Manulife's environmental policy

We are committed to conducting all of our businesses 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.

### Environmental measurement

Manulife's real estate assets with environmental exposure include office buildings valued at \$7.9 billion in Canada, the U.S., Japan, Malaysia, Thailand and Vietnam as of December 31, 2011. As part of our corporate environmental policies, we established annual conservation objectives, which include annual auditing, monitoring and trending with respect to energy performance, water consumption and waste recycling in order to gauge overall operating efficiencies.

Manulife continues to demonstrate efficiency trends with respect to our environmental footprint, which also allows for the strategic and environmentally responsible expansion of the investment portfolio.

The Company continues to realize consistent improvements in its environmental performance and energy consumption rates, which are attributable to capital investments in computerized building automation systems, heating, ventilation and air conditioning and lighting systems. These ambitious conservation efforts helped to improve the net specific energy use by 1.4 per cent from 20.8 kilowatt hours per square foot in 2010 to 20.5 kilowatt hours per square foot for 2011, based on comparable year-over-year, weather-normalized energy usage.

Manulife was able to achieve similar reductions in potable water use for comparable properties, with a consumption reduction of 9.2 per cent from 69.5 litres per square foot in 2010 to 63.1 litres per square foot in 2011.

### Helping our customers and employees live green

In keeping with Manulife's strong focus on sustainable business practices, we continue to migrate customers and producers toward the use of paperless statements. In 2011, Manulife was able to reduce its total annual total paper use for its North American operations from 1,613.9 tons per year in 2010 to 1,498.9 tons per year in 2011. Its comparable Carbon Emission footprint for paper consumption reduced by 6.5 per cent, from 529.4 tons CO<sub>2</sub>e per year in 2010 to 494.9 tons CO<sub>2</sub>e per year in 2011, while recycled paper use increased from 53.4 per cent to 55.8 per cent. Manulife remains enthusiastic in its promotion of e-delivery services and will continue to achieve dramatic reductions in paper use in the years ahead.

Manulife's procurement and purchasing policies for office equipment closely monitor the need for reduction and energy efficiency.

# Sustainable Investing

At Manulife, our investments provide strong and sustainable futures for our clients and they can be beneficial to the environment. Through our ongoing and proactive commitment to sustainability, demonstrated by our investments in renewable energy, forest land management and volunteer programs aimed at protecting the environment, we're helping to protect fragile communities and ecosystems around the world.



Manulife has established a reputation as a leading arranger and provider of financing to the renewable power sectors in both Canada and the United States.

## Supporting renewable energy

Manulife has established a reputation as a leading arranger and provider of financing to the renewable power sectors in both Canada and the United States. The professionals leading our dedicated project finance groups in Toronto and Boston have developed specialized expertise in the sustainable energy arena, with investments spanning the spectrum of renewable energy technologies, including wind, hydroelectric, geothermal, biomass, solar, landfill gas and biomass waste-to-energy projects.

In 2011, Manulife's investments in renewable energy projects totalled \$560 million. Since we originally created our dedicated renewable energy teams in 2002, Manulife's aggregate investment in renewable and energy-efficient projects has exceeded \$4.5 billion in financing.

The following are just a few of the North American renewable energy projects in which Manulife invested in 2011:

- The 99-megawatt Granite wind power project, located in New Hampshire;
- The 250-megawatt Genesis solar project, located in California;

- The 550-megawatt Desert Sunlight solar project located in California;
- The 31-megawatt Long Lake hydroelectric project located in British Columbia;
- The 64-megawatt OFC2 geothermal project, located in Nevada; and
- A portfolio of energy efficiency and conservation projects arranged by Hannon Armstrong.

These projects will generate sufficient clean, renewable energy to power tens of thousands of homes across Canada and the U.S. We continue to be proud of our leadership role in the renewable power and energy efficiency sectors.





### 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 approximately 5.3 million acres under management. 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. In 2011,



our Sensitive Lands Program, which aims to preserve environmentally sensitive lands that occasionally are acquired with large timberland acquisitions, surpassed 430,000 acres preserved globally, an area approximately the size of the city of Toronto. Not only are these transactions important to protecting the environment, but they also meet client interests.

Last year, we completed the sale of nearly 900 acres of land in Klickitat Canyon in Washington State to the state Department of Natural Resources. The property contains five rare plant populations and is one of only three nesting, foraging, and fledging habitats in Washington for the state endangered sandhill crane. Mardon skipper butterflies have also been found at this site. The Klickitat River flows through this site in a spectacular canyon.

We actively work to replenish our timberlands, and in 2011, planted approximately 39.2 million new trees on 87,071 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 is one of the world's largest institutional managers of farmland. We manage approximately 260,000 acres of permanent and row cropland in the United States, Australia and Canada. We believe 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 pruning 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.

# Our Commitment to Our Clients

Reliability means being there for our customers, their families and their futures. Around the world, millions of families trust Manulife to be there for their financial futures. Our products provide peace of mind, and our customers and their families can count on us to deliver on our promises.



Our Company has a longstanding reputation for financial strength and stability.

Now, perhaps more than ever before, financial strength is at the core of our customers' decision-making processes when it comes to selecting a financial institution. As one of the largest life insurance companies in the world by market capitalization, Manulife remains steadfast in its ability to meet its commitments to our clients. Our high-quality investment portfolio, diverse business platform and prudent risk management practices are among the reasons millions of families continue to place their trust in Manulife. We are steadfastly committed to our clients and we remain well-positioned to deliver on that commitment.

## Financial strength

Our Company has a longstanding reputation for financial strength and stability. It's a reputation that families and businesses alike have come to rely upon when making the significant financial decisions of their lives. We recognize that for a company to achieve long-term success, it must be built upon a solid foundation. At Manulife, that foundation consists of the financial strength, stability and peace of mind we offer our customers around the world.

As at December 31, 2011, Manulife's financial strength and stability are reflected in our credit ratings, which are among the highest in the insurance industry. Our main operating subsidiaries have earned strong ratings from agencies including A.M. Best (A+), Dominion Bond Rating Service (IC-1), Fitch Ratings (AA-), Moody's Investor Services (A1) and Standard & Poor's (AA-).

### Prudent risk management

Sound risk management practices have always been integral to Manulife's approach to doing business. This approach is evident in every aspect of our business, from the design of our products to the oversight of our senior management team. Manulife has a rigorous risk management framework that is applied globally. This framework requires each individual product in every market to meet strict enterprise-wide risk management criteria on its own merit.

In these uncertain economic times, it's vital that financial institutions have access to liquidity. Manulife is a self-funded entity, meaning our businesses generate adequate cash flow to sustain our operations without being dependent on the commercial paper markets or other short-term funding arrangements. This translates into high levels of liquidity.

### Strong capital levels

Likewise, our Company's size and scale translate into a substantial capital base, a diversified operating platform and ample resources to fund growth opportunities. All of these factors help contribute to our overall financial strength. Maintaining a large capital base enables us to sustain high credit ratings, finance new opportunities and, most importantly, deliver upon our commitments to our policyholders. As at December 31, 2011, Manulife's consolidated capital levels have remained stable and totalled \$29 billion.

In addition, The Manufacturers Life Insurance Company's Minimum Continuing Capital and Surplus Requirements (MCCSR) ratio, a measure of available capital of a life insurance company to its required capital, ended 2011 at 216 per cent, well above the supervisory target of 150 per cent.

### Diverse business platform

Manulife's business platform is incredibly diverse, providing a wide array of financial products in both developed and developing markets around the world. Our international network of employees, agents and distribution partners offers financial protection and wealth management products and services tailored to the needs of consumers in diverse economies. Whether it is measured in terms of geographical reach, product selection or distribution channels, the broad diversity of our business platform continues to contribute significantly to our ongoing success.

### High-quality investment portfolio

The quality of any company's investment portfolio can serve as a telling indicator of its financial strength. At Manulife, our investment philosophy is founded on 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. Instead, we hold a blend of assets aimed at driving superior returns and risk reduction for our stakeholders. We apply this disciplined approach across all our segments. Accordingly, we will not chase yield in what we consider to be the riskier end of the fixed income market.

Manulife's prudent investment approach has resulted in a well-diversified, high-quality investment portfolio valued at \$226.5 billion as at December 31, 2011.



# Our Commitment to Our Employees

At Manulife, we recognize that the ultimate key to our long-term success is our talented and dedicated workforce. We believe in being an employer of choice. We achieve this objective year after year by supporting employees and empowering them to achieve their full potential.



Our wide-reaching support for our employees includes a range of innovative learning and development opportunities, continuous learning subsidies, competitive total rewards programs, global projects, recognition programs and formal talent and succession processes that support ongoing career advancement and leadership development.

Manulife is proud to be able to provide our employees around the world with safe and accessible workplaces. We value workplace diversity and support both internal and community initiatives that improve employment of the diverse workforce.

Our support of 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 through participation in global projects and exposure to different parts of the business in our multinational Company; and
- True geographic diversity, with operations in Canada, Asia and the United States.

## Supporting the health and wellness of our employees

The health and wellness of our employees is one of our top priorities. This is a commitment we continue to demonstrate through a series of innovative health promotion and injury prevention programs. In addition, Manulife provides employees with access to group education and events, such as ergonomic sessions and corporate events including health fairs and wellness challenges. Lunch and learn sessions are 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.

Our full-time and part-time employees in Canada participate in a competitive total rewards program including a flexible benefits plan, group RRSP and pension plan and have the opportunity to participate in a global share ownership program, benefiting directly from the Company's overall success.

In Canada, our employees have access to onsite financial planning advice from qualified financial planners, an educational assistance program offering tuition assistance 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.

Manulife-sponsored staff associations operate in many of our offices, with a goal of promoting collaboration and camaraderie among employees through the planning and organization of social, cultural and recreational events. Social collaboration tools have been introduced to support global collaboration and networking within the company.

## Workforce data

Manulife is a global employer with operations in more than 20 countries and territories. As of December 31, 2011, our global workforce was distributed as follows:

### Workforce Data

*Data as at December 31, 2011*

#### Employment – Canada

Province	Full-Time	Part-Time	Total
British Columbia	161	2	163
Alberta	421	19	440
Saskatchewan	60	3	63
Manitoba	44	2	46
Ontario	8,739	342	9,081
Quebec	765	60	825
Nova Scotia	769	29	798
Newfoundland	1	0	1
<b>Total – Canada</b>	<b>10,960</b>	<b>457</b>	<b>11,417</b>

#### Employment – Outside Canada

Location	Full-Time	Part-Time	Total
United States	5,053	121	5,174
Asia, excluding Japan and India	8,218	80	8,298
Japan	1,216	131	1,347
Other*	158	6	164
<b>Total – Outside Canada</b>	<b>14,645</b>	<b>338</b>	<b>14,983</b>
<b>Worldwide workforce</b>	<b>25,605</b>	<b>795</b>	<b>26,400</b>

\* Caribbean, Europe, Australia, Latin America and India

# A Leader in Corporate Governance

At Manulife, we know that good corporate conduct and governance is integral – not only for our long-term success – but also the continued protection of 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 Directors, officers, employees and those who perform services for or on behalf of the Company follow our Code of Business Conduct and Ethics (the “Code”).

All employees of the Company and the Directors annually review the Code, complete an online training course, certify compliance with the Code and disclose any conflicts of interest. The Board annually reviews the Code and the compliance with the Code.

The Code is available on the Company’s website at [manulife.com](http://manulife.com).

## A commitment to fairness and integrity

Manulife’s ongoing commitment to corporate governance starts with our Board of Directors, which oversees the management of the business and the 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, at each Board and Board Committee meeting, there is a scheduled ‘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

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.

near the top of *The Globe and Mail’s* annual ‘Board Games’ survey on corporate governance in Canada since it began ten 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 [manulife.com/governance](http://manulife.com/governance), which also includes a link to our most recent proxy circular and the Statement of Corporate Governance Practices included in the proxy circular.

## 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 [manulife.com](http://manulife.com).



## Financing Business

# Canada

Manulife's continued investments in the economies where we conduct our businesses help to support our Company's long-term growth and help play an important role in periods of economic recovery.

### Investing in our local economies

Manulife has a long tradition of partnering with Canadian businesses to help them develop and expand, providing them with the financial resources to pursue their growth objectives. We offer debt financing to firms across Canada in a number of ways, primarily through mortgage financing.

Our Company originates commercial mortgages through a network of seven 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 2011, new loan commitments totalling \$555 million and loan renewals totalling \$214 million were issued to 142 customers. Loans ranged in size from \$0.093 million to \$81.0 million, with an average loan size of \$5.4 million. Mortgage approvals were made in accordance with the Company's policies, including the Mortgage Credit Policy and Mortgage Lending Guidelines.

### Private placement

In addition to our mortgage financing activities, Manulife also participates in private placement transactions. In most cases, these transactions involve fixed-income investments issued by medium-sized Canadian corporations and institutions. On occasion, however, larger issuers participate in these private placement transactions.

Commitments span a diverse range of industry sectors, including energy, financial, government, manufacturing, transportation, utilities, and some securitization. In 2011, the Company's approved private placement commitments totalled more than \$665 million and were made to 21 borrowers representing nine different industries. Participation amounts ranged from \$3 million to \$53 million. All private placement investments are made in accordance with Manulife's Investment Guidelines and are 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 2011, new loan commitments totalling \$555 million and loan renewals totalling \$214 million were issued to 142 customers. Loans ranged in size from \$0.093 million to \$81.0 million, with an average loan size of \$5.4 million.

In 2011, new commitments in this area totalled \$142 million, diversified across nine corporate customers. New commitments ranged in size from \$12 million to \$31 million, with an average size of \$20 million. New equity and mezzanine debt financing investments are approved in accordance with Manulife's Investment Guidelines.

## United States

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John Hancock's Real Estate Finance Group (REFG) works to identify, underwrite and procure 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.

In 2011, new loan commitments totalled approximately US\$1.8 billion. Loan renewals totalling US\$234.2 million, with an average loan size of US\$15.4 million, were issued to 85 customers. Mortgage approvals are made in accordance with the Company's policies including the Mortgage Credit Policy and the Mortgage Lending Guidelines.



In 2011, new loan commitments totalled approximately US\$1.8 billion. Loan renewals totalling US\$234.2 million, with an average loan size of US\$15.4 million, were issued to 85 customers.

## Debt Financing

### Amount of Debt Financing Authorized in 2011 (C\$ 000's)

	\$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	\$ 0	\$ 50	\$ 460	\$ 939	\$ 600	\$ 23,511	\$ 58,749	\$ 84,309
Alberta	0	93	205	814	1,424	37,794	255,912	296,242
Saskatchewan	0	0	170	300	750	8,560	30,327	40,107
Manitoba	0	0	0	0	831	9,497	8,121	18,449
Ontario	0	640	1,661	3,740	6,037	98,678	795,569	906,325
Quebec	0	274	521	300	2,413	4,668	215,765	223,941
New Brunswick	0	50	0	345	0	20,604	40,680	61,679
Nova Scotia	0	106	353	726	0	4,561	29,841	35,587
P.E.I.	0	0	0	495	0	0	0	495
Newfoundland	0	0	0	428	0	0	0	428
Yukon	0	0	0	0	0	0	0	0
Nunavut	0	0	0	0	0	0	0	0
NW Territories	0	0	0	0	0	0	0	0
<b>Total Canada</b>	<b>\$ 0</b>	<b>\$ 1,213</b>	<b>\$ 3,370</b>	<b>\$ 8,087</b>	<b>\$ 12,055</b>	<b>\$ 207,873</b>	<b>\$ 1,434,964</b>	<b>\$ 1,667,562</b>
<b>Total US</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88,881</b>	<b>3,539,853</b>	<b>3,628,734</b>
<b>Total Asia</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,425</b>	<b>25,425</b>
<b>Grand Total</b>	<b>\$ 0</b>	<b>\$ 1,213</b>	<b>\$ 3,370</b>	<b>\$ 8,087</b>	<b>\$ 12,055</b>	<b>\$ 296,754</b>	<b>\$ 5,000,242</b>	<b>\$ 5,321,721</b>

### Number of Customers to Which Debt Financing was Authorized in 2011

	\$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	0	1	3	3	1	8	4	20
Alberta	0	1	2	2	2	14	11	32
Saskatchewan	0	0	1	1	1	3	3	9
Manitoba	0	0	0	0	1	5	1	7
Ontario	0	9	11	11	8	46	36	121
Quebec	0	4	3	1	3	1	3	15
New Brunswick	0	1	0	1	0	6	1	9
Nova Scotia	0	2	2	2	0	3	4	13
P.E.I.	0	0	0	1	0	0	0	1
Newfoundland	0	0	0	1	0	0	0	1
Yukon	0	0	0	0	0	0	0	0
Nunavut	0	0	0	0	0	0	0	0
NW Territories	0	0	0	0	0	0	0	0
<b>Total Canada</b>	<b>0</b>	<b>18</b>	<b>22</b>	<b>23</b>	<b>16</b>	<b>86</b>	<b>63</b>	<b>228</b>
<b>Total US</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>112</b>	<b>127</b>
<b>Total Asia</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>Grand Total</b>	<b>0</b>	<b>18</b>	<b>22</b>	<b>23</b>	<b>16</b>	<b>101</b>	<b>176</b>	<b>356</b>



# Accessible Banking

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 debt and cash-flow management solutions into their overall financial plans.

In addition to working with one of the largest financial advisor networks in the country, the Bank continues to support its clients and distributors through its growing team of Banking Consultants across Canada. More than 200 of these mobile Banking Consultants meet with clients at their convenience, often in their homes.

Online application systems for advisors and mobile Banking Consultants allow many of Manulife Bank's deposit and loan products to 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 Bank encourages Canadians to simplify their banking and make their money work harder by offering integrated banking products. Manulife One allows clients to combine nearly all of their banking needs within a single, efficient account, which could result in significant savings compared to traditional banking. Manulife Bank Select combines a traditional mortgage with a high-interest chequing account to simplify the banking experience



Visit Manulife Bank at [manulifeone.ca](http://manulifeone.ca).

for Canadians. In both cases, Manulife Bank provides easy access to daily finances through internet and telephone banking.

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 2,400 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®."

# Taxation

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 2011, Manulife incurred \$499 million of income and other taxes paid or payable to all levels of government in Canada.

For 2011, Manulife incurred \$499 million of income and other taxes paid or payable to all levels of government in Canada. These taxes consisted of \$161 million in income taxes, \$2 million in capital taxes and \$336 million in other taxes.

The following table presents the federal and provincial income and capital taxes paid or payable in Canada for 2011.

## Taxes Paid or Payable in Canada

*For the year ended December 31, 2011*

(\$ Thousands)	Income Taxes	Capital Taxes
Federal	\$110,443	\$0
Provincial and territorial:		
British Columbia	\$12,594	\$0
Alberta	1,545	0
Saskatchewan	1,647	0
Manitoba	2,195	1
Ontario	20,764	0
Quebec	5,194	23
New Brunswick	1,210	0
Nova Scotia	3,377	2,013
Prince Edward Island	428	0
Newfoundland and Labrador	990	0
Yukon, Northwest Territories and Nunavut	83	0
<b>Total Provincial and Territorial</b>	<b>\$50,027</b>	<b>\$2,037</b>
<b>Total</b>	<b>\$160,470</b>	<b>\$2,037</b>

Note: Income tax amounts are estimates based on information available for the year as at December 31, 2011.

# Investing in Affordable Housing

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

## Helping to house people in need in Boston

This past year, the Tax Credit and Community Investment Group had the opportunity to invest in 18 units of supportive housing for homeless men and women in the Boston area. The dedication ceremony for the property took place on October 19, 2011 and was attended by prominent members of the community including Mayor Thomas M. Menino and Cardinal Sean Patrick O'Malley, Archbishop of Boston. The 40 Upton Street project was part of a partnership with Pine Street Inn, the Department of Neighborhood Development, the Neighborhood Housing Trust, and the Boston Housing Authority.



## Tax credit properties

These tax credit properties represent a combination of new and rehabilitated construction projects targeted to low and moderate income households, including the elderly. In 2011, the Company's tax credit portfolio consisted of 128 investments in 163 properties spread across 27 states and Puerto Rico.

## Community-based properties

The community-based portfolio consists of 16 fund investments that have, in turn, invested in 91 properties in metropolitan areas; the portfolio is now in the mature phase of its life cycle.



# Business Achievement Awards

The following are just some of the awards presented to Manulife in 2011 for its achievements in business. A complete listing can be found at [manulife.com](http://manulife.com).

## Manulife recognized as Top 100 Employer in Canada

Manulife Financial was recognized by Mediacorp's editors as one of *Canada's Top 100 Employers*. The annual competition identifies the best companies to work for in the country, with a specific focus on attracting and retaining employees. More than 12,000 companies were invited to participate in the competition, which evaluated a wide range of criteria, including work and social atmosphere, health, financial and family benefits, employee communications, performance management, training and skills development, community involvement and more.

## Manulife recognized as one of Greater Toronto's Top Employers

This past year, Manulife also earned the title of one of Greater Toronto's Top Employers from the editors of *Canada's Top 100 Employers*. This annual competition recognizes companies that lead their respective industries in offering employees an exceptional place to work. Manulife's support for employees includes innovative learning and career development, continuous learning subsidies, global projects, recognition programs and a variety of services such as financial and professional development seminars.



## Manulife Hong Kong wins HKMA Quality Award

Manulife Hong Kong was awarded the Silver Award by the Hong Kong Management Association (HKMA). The award was given in recognition of Manulife's continuing commitment to developing and deploying exceptional quality management practices throughout its operations. The selection committee selects winners based on criteria including leadership, strategic planning, customer focus, business results and more.

## Best-in-class at the 2011 Benchmark Wealth Management Awards

Manulife Hong Kong was named 'Best in Class' at the Benchmark Wealth Management Awards 2011. The Company was presented with awards in two categories – 'Protection Provider of the Year' and 'Best Health Care Product'. These prestigious awards were presented in recognition of Manulife's continuing commitment to innovation, best practices and governance in the financial services sector.

## John Hancock Mutual Funds honoured at 2011 Lipper Fund Awards

Six different funds from John Hancock Mutual Funds were recognized with awards at the 2011 Lipper Fund Awards. The Company received the honours for three- and five-year results across six different fund categories. The Lipper Fund Awards recognize funds that consistently deliver strong risk-adjusted performance.

## Business Achievement Awards *continued*

### **John Hancock Retirement Plan Services wins 27 awards for marketing and communications**

John Hancock Retirement Plan Services received 14 awards from the Insurance and Financial Communicators Association (IFCA) for marketing and communications creativity, design and writing. John Hancock RPS received three best-in-show awards, six for excellence and three honourable mentions. The company also won another 13 awards from the League of American Communications Professionals (LACP) for communications excellence.

### **Manulife Mutual Funds wins four Canadian Lipper 2011 Fund Awards**

The Manulife Strategic Income Fund was recognized for its one- and three-year performance results at the 2011 Lipper Fund Awards. In addition, the Manulife Structured Bond Class Advisor Series was honoured for its impressive five-year track record and the Manulife Global Opportunities Balanced Fund Advisor Series won for its one-year performance.



### **Manulife recognized for outstanding corporate governance in the Philippines**

In June 2011, Manulife, one of only two foreign companies listed on the Philippines Stock Exchange, was recognized by the Institute of Corporate Directors as having one of the highest scores among publicly listed companies in the Institute's 2010 Corporate Governance Scorecard.

Manulife received a Silver Award by earning an average score of 94.9 per cent in categories including rights of shareholders, equitable treatment of shareholders, role of stakeholders, disclosure and transparency and board responsibility.

### **Manulife Singapore tops Customer Satisfaction Index**

Manulife Singapore was recognized as the top-rated company in the finance and insurance sector in the 2010 Customer Satisfaction Index, an independent survey conducted by the Singapore Management University's Institute of Service Excellence. Manulife's score of 68.5 was the highest attained by any bank or insurance company in the survey and exceeded the national average of 67.2.

### **Manulife Vietnam receives Industry Achievement Award**

Manulife Vietnam was honoured with a special "Award for Achievements in Contribution to the Life Insurance Industry in Vietnam" from that country's Ministry of Finance. The award acknowledges Manulife's meaningful contributions to the continued development of the life insurance industry in Vietnam over the past five years.

### **Manulife Vietnam becomes the country's first ISO-accredited life insurer**

Manulife Vietnam has earned ISO 9001:2008 certification for its quality management system. This represents an important step in the company's continuing mission to demonstrate leadership in the country's insurance industry.

### **Manulife-Sinochem CSR event recognized by the Shanghai PR Association**

Manulife-Sinochem was recognized by the Shanghai PR Association for its 2011 CSR event titled "Fostering 37 degrees Celsius". The event raised funds for elderly cataract patients to undergo eye surgery through the sale of wall lights. The jury consisted of academics, industry experts and senior media representatives.

### **Manulife Thailand receives prestigious Prime Minister's Insurance Award for third consecutive year**

In September 2011, Thailand's Prime Minister Yingluck Shinawatra recently presented Manulife with the Prime Minister's Insurance Award for 2010. This marks the third consecutive year Manulife Thailand has won this prestigious award.

Manulife Thailand was recognized with the honour because of its outstanding performance in areas including State of Solvency and Healthy Financial Ratios, Market Share, Legal Compliance, Managerial Efficiency, Assets Management Efficiency, Public Service and Public Charity and more.



### **Manulife Indonesia named 1st Best Life Insurance Company**

Manulife Indonesia was named the 1st Best Life Insurance Company in 2011 by the Indonesian Insurance and Reinsurance Brokers Association. The award was based on the company's performance in a number of areas, including timely managed claim payment, simple and hassle-free service at hospital providers and its reputation with brokers, hospitals and customers.

### **Manulife-Sinochem named "The Most Reliable Insurance Company" by Beijing News**

For the fourth consecutive year, Manulife was recognized as "The Most Reliable Insurance Company" in the annual "Golden Policy" Appraisal organized by Beijing News. The two-month long poll began in October with approximately a dozen insurance companies with branch offices in Beijing participating. Data were collected for the evaluation through audience voting, business evaluation and expert opinion.



# Community Service Awards

Manulife receives numerous awards and distinctions each year recognizing its contributions to the community. A complete listing of these awards can be found at [manulife.com](http://manulife.com).

## Manulife receives prestigious Canadian Business and Community Partnership Award

Manulife's long-term community collaboration initiative in support of capacity-building for St. James Town in Toronto has won a 2011 Canadian Business and Community Partnership Award. The award was presented by Imagine Canada and Volunteer Canada. Established in 1996, the prestigious award recognizes and celebrates outstanding partnerships and impactful corporate community involvement between businesses and non-profit organizations that create innovative ways to support Canadian communities.

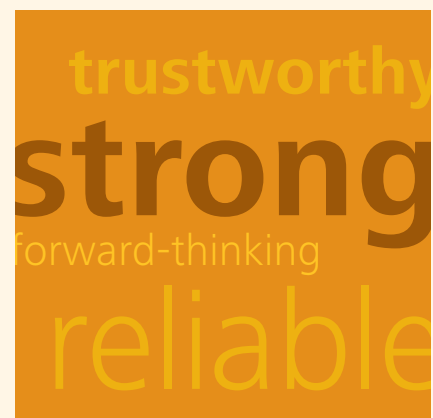


## Manulife named Caring Company for ninth consecutive year

Thanks to its longstanding commitment to helping people in the community, Manulife was recognized as a Caring Company by the Hong Kong Council of Social Service for the ninth consecutive year. This award recognizes organizations that demonstrate a high degree of corporate social responsibility and undertake strategic partnership initiatives with the social services sector.

## Manulife receives Volunteer Movement Gold Award

This past year, Manulife Hong Kong was given the Volunteer Movement Gold Award from the Social Welfare Department for the seventh consecutive year. The award recognized the Company's impressive contribution of more than 7,200 hours of volunteer service to the community in 2011.



## Manulife is officially designated as a Caring Company by Imagine Canada

As a Caring Company, Manulife agrees 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 2011 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
- Manulife Trust 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, 2011.

Manulife Financial Corporation's 2011 Public Accountability Statement is also available to view and download from our website at [manulife.com](http://manulife.com).

### Contact us

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## Donations and Sponsorships

All requests for charitable donations or sponsorships should be submitted using our online application process at [manulife.com/community](http://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.

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.

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

## MANULIFE CELEBRATES 125 YEARS

2012 marks an historic milestone for Manulife Financial – our company's 125th anniversary. The world has seen countless changes since Manulife was founded in June of 1887. However, the ideals upon which our company was built remain as meaningful and relevant today as they were back then: To deliver products that promote peace of mind. To anticipate the needs of our customers. To give back to the communities in which we do business. And, of course, to always deliver on our promises. This year also marks the 150th anniversary of John Hancock, which became part of the Manulife family in 2004, a major step in our continued global expansion. Throughout 2012, we will recognize these milestones with employee and community celebrations around the world. Even as we pause to reflect on our past we remain steadfastly focused on the future. We remain committed to providing our millions of customers with the strong, reliable, trustworthy and forward-thinking solutions they've come to expect from Manulife.

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

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May 2012