



Manulife Financial Corporation
2012 Public Accountability Statement



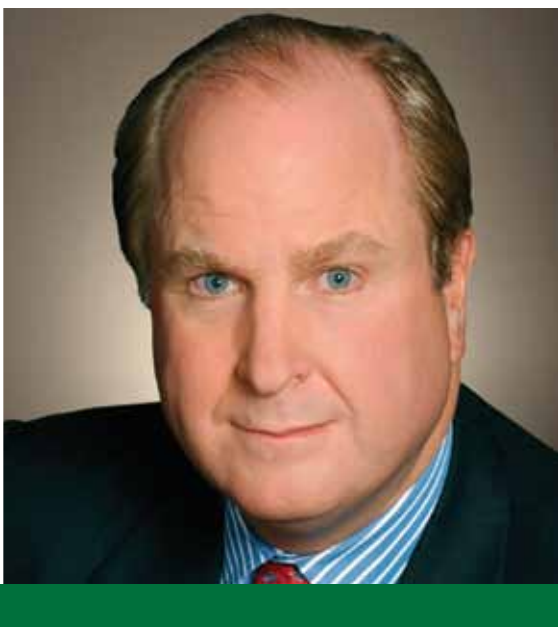
A TRADITION OF
MAKING A DIFFERENCE



“ Our Company has a long, proud tradition of giving back to the communities where our employees, agents and customers live and work. ”

Message from the President and CEO

2012 was a landmark year for our Company – Manulife celebrated its 125th and John Hancock marked its 150th year in business. These anniversaries are a reminder to all of us that many people over the years have made a substantial contribution to ensure that we are here for the long term and are able to celebrate these impressive milestones. They also remind us that the Company and its employees have been members of a larger community for a very long time.



As a strong, reliable, trustworthy and forward-thinking organization, we have been able to expand our business around the world into many different countries. Manulife does roughly a third of our business in Canada, a third in the United States, and a third in Asia. Our success as a business is only part of what makes Manulife an upstanding corporate citizen in every country and territory in which we operate. Our Company has a long, proud tradition of giving back to the communities where our employees, agents and customers live and work. We continued that tradition in 2012 by further building on our commitment to corporate, social and environmental responsibility throughout our global operations.

We've highlighted a number of these activities and initiatives in the following pages, illustrating some of the many ways we operate our businesses sustainably and encourage our employees, agents and customers to invest their time to create positive change in their communities.

Manulife donated more than \$22 million to over a thousand non-profit organizations around the world in

2012. These financial contributions were complemented by the generous donations our employees made of their most valuable resource: their time. Indeed, the cornerstone of our efforts continues to be our volunteerism. This past year, Manulife employees and distribution partners donated 85,214* volunteer hours to a long list of charities and causes, helping to make a profound and positive difference at a grassroots level. Our employees were also able to get members of the public to pledge an additional 125,000 volunteer hours in 2012 – significantly extending the scope and impact of our signature cause.

I would like to take this opportunity to recognize our customers for their loyalty, our employees for their many contributions and our Board of Directors for their guidance and support.

A handwritten signature in black ink that reads "Donald A. Guloien".

Donald A. Guloien
President and
Chief Executive Officer

* Revised from the May 2013 version of this report.

Message from the Chief Branding and Communications Officer

On behalf of Manulife, I am delighted to present our 2012 Public Accountability Statement: *A Tradition of Making a Difference*.



This year, we've aspired to provide you, our reader, with a richer, more comprehensive view of Manulife's activities and impacts in the corporate social responsibility arena.

In some ways, it's difficult to believe 10 years have passed since the publication of our first Public Accountability Statement. Over the course of the past decade, we've taken this report, which has its origins as a regulatory requirement, and have enthusiastically embraced it as an annual opportunity to showcase Manulife's important work in a range of areas, including governance, charitable giving, our commitment to the environment, sustainable investing, the promotion of health and wellness, and of course, our signature cause of volunteerism.

If you've perused any of our previous reports over the past nine years, you're likely to notice some distinct changes in the way in which we're telling our Company's public accountability story for 2012. Just as the breadth and depth of our activities in these areas has expanded and evolved over the past 10 years, so has the public's desire for detail, context and additional metrics to help assess the impacts of these programs and initiatives, whether those impacts are economic, social or environmental in nature. We've also aspired to create a report in 2012 that tells a more compelling and fulsome story – one that reflects the diversity and international nature of Manulife's businesses in Asia, the United States and Canada.

I would also like to acknowledge that for the first time, our 2012 Public Accountability Statement includes the

public accountability statement for Manulife Bank and its wholly owned subsidiary Manulife Trust, which can be found on pages 44 to 46. Manulife Bank's first Public Accountability Statement is noteworthy as it signifies the fact that Manulife Bank has surpassed \$1 billion in equity. The achievement of this financial milestone serves to underscore the continued growth and success of Manulife Bank, the first federally regulated bank opened by an insurance company in Canada.

This year, we've aspired to provide you, our reader, with a richer, more comprehensive view of Manulife's activities and impacts in the corporate social responsibility arena. In the pages that follow, we hope we've been successful in providing you with a clearer and more compelling portrait of our ongoing work and investments in these areas – investments of time, funds and expertise.

Thank you for reading and we hope this report helps to convey our genuine commitment to making a positive difference – for today and for the future.

A handwritten signature in black ink, appearing to read 'N. Boivin'.

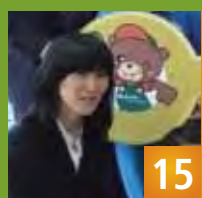
Nicole Boivin
Chief Branding and
Communications Officer

Table of Contents



- 4 Manulife Financial's 2012 International Operational Footprint
- 6 Who We Are: Company Profile
- 8 Manulife's Signature Cause: Volunteerism

10 Economic Impact



- 13 Taxation
- 14 Social Impact Investing
- 15 Continuing the Rebuilding Efforts in Japan
- 16 Boosting Local Economies Through Partnerships
Promoting Healthy Lifestyles



- 20 Insurance Solutions for Those Who Need Them Most

22 Environmental Impact



- 24 Where Sustainable Forestry Meets Socially Responsible Investment
- 26 Greening Our Urban Environment
- 28 Minimizing Our Operational Footprint

- 31 A Long-Time Supporter of Renewable Energy

- 32 Embracing Green Practices Where We Work

34 Social Impact



- 36 Manulife's Approach to Charitable Giving

- 38 Commitment to Our Employees

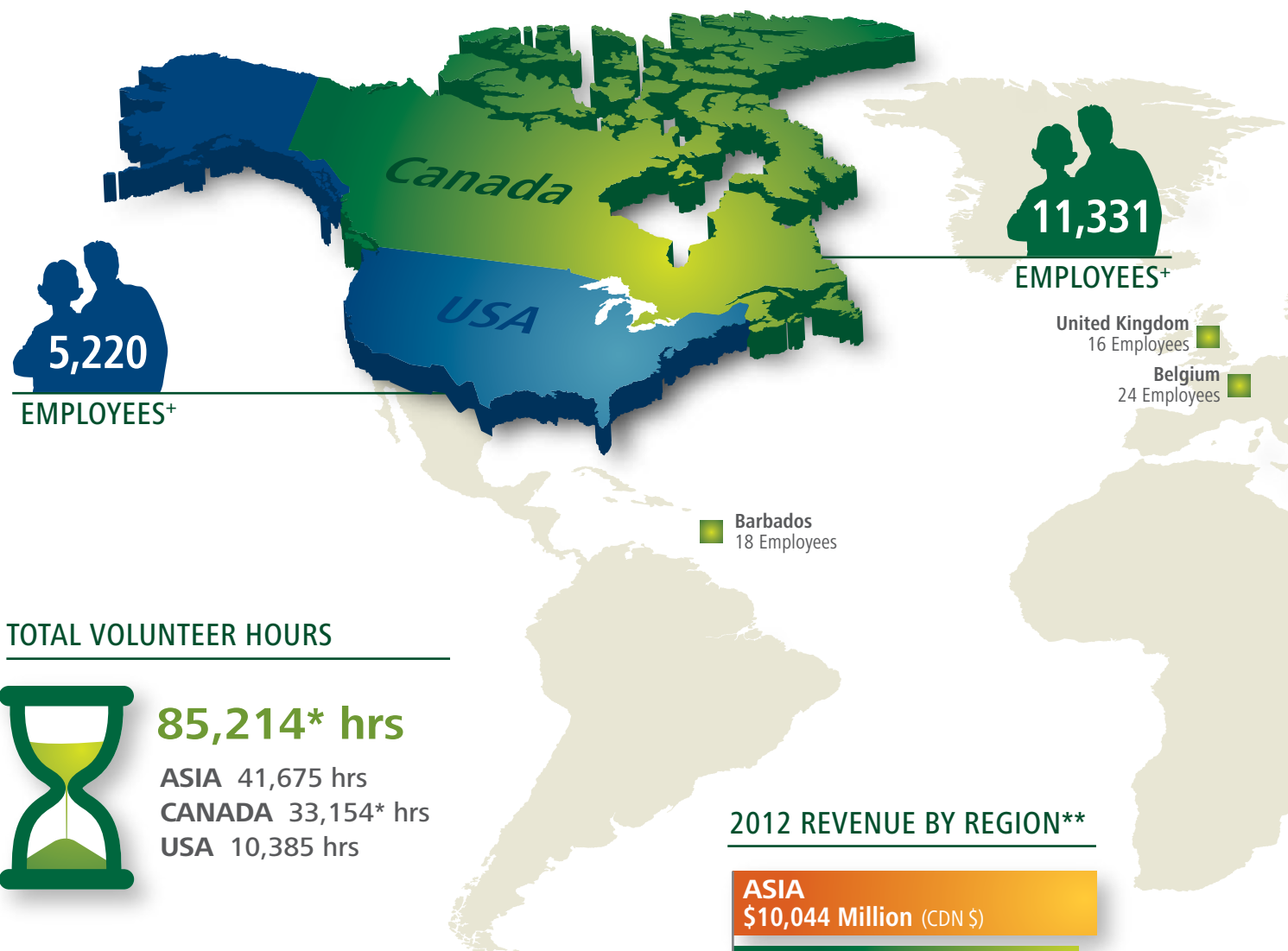
- 40 Creating a Better Work Environment

- 42 Fostering a Healthier Workforce

- 44 Manulife Bank Public Accountability Statement

- 47 External Recognition and Achievements

Manulife Financial's 2012 International Operational Footprint



TOTAL VOLUNTEER HOURS



85,214* hrs

ASIA 41,675 hrs
CANADA 33,154* hrs
USA 10,385 hrs

2012 REVENUE BY REGION**

ASIA
\$10,044 Million (CDN \$)

CANADA
\$9,702 Million (CDN \$)

USA
\$9,610 Million (CDN \$)

OTHER
\$576 Million (CDN \$)

KEY DATES AND YEARS OF OPERATION

ASIA

1897

CANADA

1887

USA

1862

John Hancock Mutual Life Insurance Company receives its charter from the Commonwealth of Massachusetts.

The Manufacturers Life Insurance Company is incorporated by Act of Parliament, Sir John A Macdonald, President.

The Board of Directors approves expansion into Asia and the first policy is sold in Shanghai, China.

(+) Total workforce by region as of December 31, 2012 – Includes active workforce (regular/temporary/contract) and employees on paid leave.

(+) Map shows only those locations where we have more than 10 employees. See page 38 for complete list.

OUR STOCK EXCHANGE LISTINGS



Toronto Stock Exchange

Symbol: MFC

Listed: Sept. 24, 1999



New York Stock Exchange

Symbol: MFC

Listed: Sept. 24, 1999



The Stock Exchange of Hong Kong

Symbol: 945

Listed: Sept. 27, 1999



Philippine Stock Exchange

Symbol: MFC

Listed: Sept. 27, 1999



OUR BRANDS

The Company operates as Manulife Financial in Canada and Asia and primarily as John Hancock in the United States.

 **Manulife Financial**

John Hancock

		2012	115 years
			125 years
1903	2004	150 years	
Entry into the United States with office opened in Detroit, Michigan.	Manulife, John Hancock and Maritime Life are amalgamated into one company under the name Manulife Financial. In the United States the primary brand name is John Hancock.	Entry into Cambodia.	

(*) Revised from the May 2013 version of this report.

(**) See Manulife's 2012 Annual Report for more details.

Who We Are: Company Profile

Manulife is a leading, financial services company based in Canada with principal operations in Asia, Canada and the United States. Our head office is located in Toronto, Canada, and regional divisions are run out of Kitchener-Waterloo, Ontario, Boston, Massachusetts and Hong Kong. Our international network of employees, agents and distribution partners offers financial protection and wealth management products and services, including individual life insurance, group life and health insurance, long-term care services, pension products, annuities, mutual funds and banking products. We also provide asset management services to institutional customers worldwide and offer reinsurance solutions, specializing in property and casualty retrocession.



> Manulife Financial Corporation headquarters in Toronto, Canada

At Manulife, we know that good corporate conduct and governance is integral to our long-term success and the continued security of employees, investors and other stakeholders.

The Company operates in Canada and Asia under the brand name Manulife Financial and in the United States primarily as John Hancock.

Financial Strength

At Manulife, we recognize that if an enterprise is to pass the test of time, it must be built upon a strong foundation. For our Company, that foundation consists of the financial strength, stability and peace of mind we're able to offer our millions of customers around the world.

Manulife's financial strength and stability are reflected in our credit ratings (see Table 1) and in our Company's strong capital levels. Manulife's size and scale translates into a substantial capital base, a diversified operating

platform and ample resources to fund growth opportunities. Maintaining a large capital base enables us to sustain high credit ratings, finance new opportunities and, most importantly, deliver on our commitments to our policyholders. Manulife's consolidated capital levels have remained stable over time and totalled \$30 billion as at December 31, 2012.¹

In addition, The Manufacturers Life Insurance Company's Minimum Continuing Capital and Surplus Requirements (MCCSR) ratio, a measure comparing available capital of a life insurance company to its required capital, was at 211 per cent at the end of 2012, well above the supervisory target of 150 per cent.

Table 1: Claims Paying Ability/ Financial Strength Ratings

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

Financial Strength Ratings apply to the main life operating companies of Manulife Financial Corporation including The Manufacturers Life Insurance Company, John Hancock Life Insurance Co. (U.S.A.), John Hancock Life & Health Insurance Co., and John Hancock Life Insurance Co. of New York. All ratings as of December 31, 2012.

Prudent Risk Management¹

Since Manulife's earliest beginnings, sound risk management has been a cornerstone of our business. Manulife has a rigorous risk management framework that is applied globally. This framework requires products in every market to meet strict enterprise-wide risk management criteria.

In today's changing economic climate, it's essential for financial institutions to have access to liquidity. Manulife is self-funded, meaning our businesses generate cash flow sufficient to sustain our operations without being dependent on the commercial paper markets or other short-term funding arrangements, which is evidence of high levels of liquidity.

A High-Quality Investment Portfolio¹

The quality of a company's investment portfolio can serve as a telling indicator of its financial strength. We take a disciplined approach across all asset classes, and we do not chase yield at the riskier end of the fixed-income market. This philosophy has resulted in a well-diversified, high-quality investment portfolio, with excellent credit experience. The Company also has substantial investments in long-duration asset classes including timber, conventional oil and gas, agriculture, real estate and renewable energy. Manulife's prudent investment approach has resulted in a portfolio of assets valued at \$230 billion as at December 31, 2012.

Our Commitment to People

Manulife has a long standing reputation as a financially sound and reliable company. Reliability means always being there for our employees, our customers, their families and their futures. Around the world, millions of families trust Manulife to be there for their financial futures. Our products help to provide peace of mind, and our customers and their families can continue to count on us to deliver on our promises in the future.

Sound Corporate Governance²

At Manulife, we know that good corporate conduct and governance is integral to our long-term success and the continued security of employees, investors and other 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 and Directors of the Company 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 compliance with the Code.

The Code is available online at manulife.com/ethicalculture

ANTI-CORRUPTION POLICIES

Anti-Money Laundering and Anti-Terrorist Financing

The Company's Anti-Money Laundering and Anti-Terrorist Financing Policy is designed to mitigate the risks associated with money laundering and terrorist financing activities in compliance with various legal and regulatory requirements in those jurisdictions in which the Company operates.

Anti-Fraud Policy

Our Anti-Fraud Policy describes the framework within which the Company strives to: (1) prevent, identify, and detect fraud; and (2) ensure that adequate controls are in place to accomplish those objectives.

WOMEN ON BOARD

Diversity, in all its aspects, is of primary importance to our organization. Our Board Diversity Policy plays a key role in outlining a variety of factors to consider when nominating new directors, including gender, ethnic background, geographic representation and other personal characteristics that contribute to diversity.

The changes in our board over the past five years have given us an opportunity to conduct an extensive search for excellent directors whose backgrounds also fit the company's strategic direction and business challenges. This search resulted in 10 new directors with broad professional and business experience and expertise. Several were senior executives in large organizations, and five of these directors, are women. It has given us a board with deep and relevant expertise spread across a diverse group of individuals. This diversity is a natural outcome of our strategic and disciplined search for outstanding talent.

In 2012, Manulife joined a Canadian initiative called the Catalyst Accord, designed to boost the overall proportion of women on the boards of Canada's largest companies to 25 per cent by 2017. "We are committed to attracting directors with excellent relevant skills and experience, with the highest level of integrity and judgement," said Dr. Gail Cook-Bennett, Chair of Manulife's Board of Directors.

¹ See Manulife's 2012 Annual report for more details.

² See Manulife's Proxy Circular dated March 12, 2013 for more details.

Manulife's Signature Cause: Volunteerism

"Making the world a better place, an hour at a time..." Since 2010, this simple yet profound idea has served as the cornerstone of Manulife's approach to corporate responsibility. In a business environment where "giving back" has historically meant writing cheques to charitable organizations, our commitment to volunteerism reflects the continuing evolution in the way philanthropy works.



Adopting volunteerism as our signature cause is about becoming a more active partner. It's about serving as a catalyst and inspiring people to get involved in creating positive, lasting changes at the community level. It's about capacity building at a societal level, and we're working with partners such as Volunteer Canada to develop tools that encourage and empower people to get engaged and to make a difference. It's also about illustrating our Company's values and acting on Manulife's enduring commitment as a strong, reliable, trustworthy and forward-thinking organization.

Again this past year, thousands of Manulife employees volunteered their time to make a difference in their communities. Whether they were helping to clean up areas affected by the Great Eastern Japan Earthquake,

building houses with Habitat for Humanity, volunteering at children's eye health screening sessions in Taiwan or participating in food drives, blood donor drives, fundraising walks and literally hundreds of other initiatives, our employees continued to demonstrate their strong desire to give back in 2012.

Action Informed by Research

When we set out to make volunteerism our signature cause, we knew we needed more than just good intentions. So, in 2010, Manulife and Volunteer Canada commissioned a landmark research project on the topic of volunteering. The resulting report, *Bridging the Gap*, revealed detailed data on a number of important aspects of volunteerism, including the implications of changing demographics, the key elements missing in the contemporary volunteering landscape

and the factors that make volunteers tick. The following year, in partnership with Volunteer Canada, we took our commitment a step further by launching the website getvolunteering.ca, which features a powerful search tool to help Canadians find great volunteering opportunities that match their unique skills, interests and location. It's the largest database of volunteer opportunities in Canada, with 54,000 postings in 2012 alone. This is just one of the resources we've helped develop to help facilitate the connections and conditions that lead to successful volunteering outcomes.

Changing the World One Hour at a Time

We believe every volunteer act helps contribute to better outcomes for everyone. In 2012, we introduced a number of new programs, tools and



> Manulife contributes to a wide variety of projects in the Asian territories where we operate. In 2012 employees and agents volunteered 41,675 hours.

partnerships aimed at reinforcing Manulife's commitment to volunteerism. Here are just a few of the many highlights from the past year:

Supporting the Drive to 125 –

In celebration of Manulife's 125th anniversary, we encouraged Canadians to pledge 125,000 hours of volunteer work to causes near and dear to their hearts. The Drive to 125 was Manulife's first social cause campaign and was promoted via our *Get Volunteering* Facebook page. More than 125,000 hours were pledged and in addition, each volunteer's name was entered into a random draw for a \$10,000 donation from Manulife to the charity of their choice. The winner, Marc-Antoine Charette, chose the Quebec Society for Disabled Children and Manulife was delighted to award \$10,000 to this worthy charity.

Breaking the Cycle of Poverty Through Education –

In 2012, Manulife announced a new five-year partnership with Pathways to Education Canada, which, for more than a decade, has been helping youth in low-income communities stay in school, graduate and move on to post-secondary education.

Supporting the Health Services Sector –

Against a backdrop of government funding cutbacks to the health care sector, Manulife continued to demonstrate its commitment to preventative medicine and healthier lifestyles. This past year, these activities included the presentation of \$250,000 from the Manulife Financial LPGA Classic to St. Mary's General Hospital to enhance its volunteer program. And in honour of International Volunteer Day, Manulife and Bridgepoint Hospital in Toronto announced an exciting research project to explore new ways for hospitals to engage volunteers to help them provide the highest quality of patient care.

Championing our Employees' Volunteering Efforts –

Volunteerism has always been a part of who we are as a company. To that end, we continue to provide our employees with the tools and programs they need to make a positive difference through the organizations and causes important to them. Our employees gave more than 85,214* hours of their time to local charities in 2012.

We also continued popular programs as:

- **Helping Hands:** We distributed 189 \$500 grants to employees who volunteered more than 25 hours to a charity over a 12-month period
- **Community Spirit Days:** More than 715 Canadian Division employees received a paid day to volunteer for the cause of their choice
- **Powermatch:** Manulife matched donations up to \$150 for 533 employees who raised funds for the cause(s) of their choice

Engaging Employees in Our Brand Promise

Manulife's continuing focus on volunteerism is a reflection of our corporate culture. It's an ongoing commitment to honour our employees' individual choices. At the same time, we believe it's a forward-thinking approach toward being an active community partner. Our products and services help people better prepare for their futures. Through our signature cause of volunteerism, we're able to go far beyond that. We look forward to expanding our work in this area in 2013 and beyond.

* Revised from the May 2013 version of this report.

Economic Impact



“ Thanks to an innovative life insurance program, thousands of low-income women in rural Vietnam can now provide their families with protection and piece of mind. ”

> **(Right)** Over the past 27 years the official Boston Marathon and John Hancock Non-Profit Programs have raised more than \$150 million dollars for local organizations.

Economic Impact

At Manulife, we're proud of the role we're able to play in facilitating positive economic outcomes for the communities where we operate by virtue of our day-to-day business activities. With nearly 28,000 employees around the world, Manulife purchases millions of dollars in products and services each month from suppliers around the globe and, as you'll see in the pages that follow, we contribute millions in taxes each year, helping strengthen the economies of the countries where we operate.

Given the nature of our industry we also have an opportunity to play a more active economic role by providing businesses with access to much-needed capital at all stages of their growth cycles to help fuel their ongoing success. And through our core business offerings, we also provide individuals and families with insurance and other financial products to provide them with peace of mind, safeguard their livelihoods, build their wealth and protect them from dire economic circumstances.

Above and beyond these ongoing business activities, which have a significant economic impact in Asia, Canada and the United States, Manulife also engages in a broad range of additional initiatives which generate positive economic benefits in these regions. In the following pages, you'll read about some of these initiatives, which include our continuing efforts to aid the recovery following the Great Eastern Earthquake and economic spin-offs resulting from our marketing and sponsorship programs, employment, procurement, micro-insurance, affordable housing projects and more.

Financing Business

Manulife offers a range of financing services to help companies fuel their growth at various stages of development. Here are a few of the types of financing we offered in 2012.

Equity and Mezzanine Financing

Manulife provides equity and mezzanine debt financing to companies in Canada and the United States operating in a wide range of industries. We invest in companies that demonstrate a successful operating history and exhibit strong ongoing business fundamentals.

In 2012, new commitments in this area totalled \$208 million, diversified across nine corporate customers and ranging in size from \$3 million to \$98 million, with an average size of \$23 million. New equity and mezzanine debt financing investments are approved in accordance with Manulife's Investment Guidelines.

Private Placement

In most cases, our private placement transactions involve fixed-income investments issued by medium-sized Canadian corporations and institutions, though on occasion larger issuers participate.

- Commitments span a diverse range of industry sectors, including energy, financial services, government, infrastructure, manufacturing, transportation, utilities, and some securitization

- In 2012, the Company's approved private placement commitments totalled more than \$855 million and were made to 17 borrowers from eight different industries
- Participation amounts ranged from \$2 million to \$125 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

HIRING PRACTICES

Manulife is committed to fair, principled and ethical employment practices.

- Manulife and John Hancock in North America utilize company career sites, job boards and various social media tools to conduct hiring at all levels.
- In 2012, Manulife / John Hancock hired 442 individuals to fill vacant senior management level positions in the following locations where we have significant operations: Toronto, Boston, Halifax, Montreal, Kitchener and Waterloo.

Table 2: Debt Financing for Businesses

Amount of debt financing authorized in 2012 (CDN\$ 000s)

	\$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	Grand Total
British Columbia	\$ –	\$ –	\$ 261	\$ 767	\$ 1,500	\$ 46,817	\$ 179,327	\$ 228,672
Alberta	–	142	246	1,088	591	32,949	538,910	573,926
Saskatchewan	–	–	394	730	850	–	90,202	92,176
Manitoba	–	–	–	–	–	2,940	75,719	78,659
Ontario	–	487	2,201	6,356	14,120	132,214	1,437,250	1,592,628
Quebec	–	–	210	3,031	2,128	12,060	119,374	136,803
New Brunswick	–	–	–	351	–	19,450	96,000	115,801
Nova Scotia	–	197	241	–	677	10,016	31,549	42,680
Prince Edward Island	–	–	–	–	–	–	–	–
Newfoundland	–	–	–	–	–	–	–	–
Yukon	–	–	–	–	–	–	–	–
Nunavut	–	–	–	–	–	–	–	–
Northwest Territories	–	–	–	–	–	–	–	–
Total Canada	\$ –	\$ 826	\$ 3,553	\$ 12,323	\$ 19,866	\$ 256,446	\$ 2,568,331	\$ 2,861,345
Total United States	–	–	–	–	–	38,354	3,213,954	3,252,308
Total Asia	–	–	–	–	–	–	–	–
Grand Total	\$ –	\$ 826	\$ 3,553	\$ 12,323	\$ 19,866	\$ 294,800	\$ 5,782,285	\$ 6,113,653

Number of customers for whom debt financing was authorized in 2012

	\$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	Grand Total
British Columbia	–	–	2	2	2	19	10	35
Alberta	–	2	1	3	1	13	17	37
Saskatchewan	–	–	2	2	1	–	2	7
Manitoba	–	–	–	–	–	1	2	3
Ontario	–	6	11	17	20	55	43	152
Quebec	–	–	1	8	3	7	5	24
New Brunswick	–	–	–	1	–	8	2	11
Nova Scotia	–	3	1	–	1	4	3	12
Prince Edward Island	–	–	–	–	–	–	–	–
Newfoundland	–	–	–	–	–	–	–	–
Yukon	–	–	–	–	–	–	–	–
Nunavut	–	–	–	–	–	–	–	–
Northwest Territories	–	–	–	–	–	–	–	–
Total Canada	–	11	18	33	28	107	84	281
Total United States	–	–	–	–	–	10	143	153
Total Asia	–	–	–	–	–	–	–	–
Grand Total	–	11	18	33	28	117	227	434

Taxation

Taxes, levies and assessments are a significant component of Manulife's expenses and through these significant financial contributions, Manulife is able to help facilitate the delivery of a wide range of benefits to every segment of Canadian society. In addition to Canadian income and capital-based taxes in Canada, the Company is subject to other taxes reported as part of our operating expenses, including property and business taxes, premium taxes, employer payroll taxes, commodity and consumption taxes and investment income taxes.

For 2012, Manulife incurred \$592 million of income and other taxes paid or payable to all levels of government in Canada. These taxes consisted of \$219 million in income taxes, \$3 million in capital taxes and \$370 million in other taxes.

The table to the right presents the federal and provincial income and capital taxes paid or payable in Canada for 2012.

Table 3: Taxation

For the year ended December 31, 2012

(\$ Thousands)	Income Taxes	Capital Taxes
Federal	\$ 160,493	\$ –
Provincial and territorial:		
British Columbia	\$ 10,582	\$ –
Alberta	10,173	–
Saskatchewan	1,415	–
Manitoba	1,721	–
Ontario	25,398	137
Quebec	4,125	16
New Brunswick	851	–
Nova Scotia	2,843	2,523
Prince Edward Island	427	–
Newfoundland and Labrador	798	–
Yukon	33	–
Nunavut	2	–
Northwest Territories	17	–
Total Provincial and Territorial	\$ 58,385	\$ 2,676
TOTAL	\$ 218,878	\$ 2,676

Note: Income tax amounts are estimates based on information available for the year as at December 31, 2012.

MLK Summer Scholars

John Hancock's MLK Summer Scholars program offers meaningful job experience and personal development opportunities to Boston teenagers. The program seeks to develop a skilled workforce for the future while adding significant value to our community today. With over 650 youth participating annually, MLK Summer Scholars is the largest and most comprehensive corporate summer jobs program of its kind in the country.

Over the past five years, the program has served more than 3,000 Boston teens and over 100 non-profit partners.



Social Impact Investing

John Hancock is actively involved in making strategic social and economic investments in its home state of Massachusetts.



Funding Community Development Projects Through The Life Initiative

In 1998, John Hancock was one of several Massachusetts-based life insurance providers that came together to form a partnership called The Life Initiative (TLI). This community investment fund provides financing for community development projects, including the creation of affordable housing units, community health centres and childcare facilities, as well as loans for small businesses. Since its inception, TLI has invested more than \$200 million, helping to create 6,200 affordable housing units, 2,089 childcare places and 18 community centres. The fund has also helped create more than 3,000 jobs.

TLI has a long list of success stories. The organization helped Cindy's Kitchen, an organic salad dressing

company, access tax credits and a \$1.66 million loan to expand its operations. Today, Cindy's Kitchen has \$10 million in annual revenues and provides employment to more than 100 formerly low-income employees.

TLI has also helped increase the number of apartments available to low- and moderate-income families in the wake of the U.S. housing crisis. For example, it provided a \$2.4 million construction loan to finance the rehabilitation of two row houses on Upton Street in South Boston, providing 19 permanent single-room occupancy units for homeless adults. John Hancock purchased low-income housing credits, which provided more than \$6.6 million in capital toward the project. Today, the site is nearly fully occupied, providing housing to very low-income individuals.

The investments made by TLI continue to have a positive impact in the community. To learn more about TLI, visit lifeinitiative.com.

Filling a Funding Gap for Growing and Emerging Companies

John Hancock was also a founding member of the Massachusetts Capital Resource Company (Mass. Capital), created in 1977 to provide growth capital for emerging and expanding companies in the state.

Since its founding, Mass. Capital's financing activities have created or preserved more than 18,000 jobs and have helped many growing companies strengthen their balance sheets and position themselves for long-term success.

The organization's financing activities complement those of traditional senior lenders, filling a significant debt-to-equity funding gap experienced by many growing companies.

Mass. Capital plays an important role in the state's economy, providing higher-risk growth and acquisition capital to companies in sectors such as manufacturing, distribution, service and technology, to name a few.

Through its involvement with TLI and Mass. Capital, John Hancock is contributing to a dual bottom line of both social and economic returns, for our partners and communities throughout the Commonwealth.

Learn more about Mass. Capital at masscapital.com.

Continuing the Rebuilding Efforts in Japan



> As a reliable partner in the community, Manulife Japan actively supports initiatives which aid the development of children.

Manulife Japan was recently recognized for its contribution to the ongoing recovery effort in areas affected by the Great Eastern Japan Earthquake. The honour, bestowed upon the Company by the Tokyo Metropolitan Government, acknowledges Manulife's contribution of funds and employee volunteers in support of public-private initiatives to aid affected areas along the coast of Iwate Prefecture. Manulife employees continue to serve as on-site volunteers for debris removal and other disaster recovery efforts.

New Children's Facility in Earthquake-Affected Area

The Children's Centre in Unosumai District was one of the many buildings destroyed by the tsunami that followed Japan's massive earthquake in 2011. This past year, Manulife Japan, along with the Foundation for Promoting the Sound Growth of Children, held an opening ceremony for a new, multi-purpose facility for children.

The new facility was built next to a recently completed temporary elementary and junior high school building to provide a safe place for children to play and study while the long-term rebuilding of the surrounding community proceeds. "I'm so happy we have a new place to play," said one child, while another remarked, "I'm glad I have a place to come to after school to read and do my homework."

The facility will also provide a place where people can gather, strengthening the bonds of their community.

"I'm glad I have a place to come to after school to read and do my homework."

Boosting Local Economies Through Partnerships Promoting Healthy Lifestyles

We believe in partnering with organizations that help to promote active, healthy lifestyles throughout our global customer base and that give back to the community. We're also proud of the significant economic benefits we're able to help deliver through our sponsorship of events and properties such as Japan's Pacific Baseball League, the Boston Marathon and the Manulife Financial LPGA Classic.



> From 2010-2012, Manulife Japan was a sponsor of the regular season of Japan professional baseball's Pacific League. Manulife employees cheer on their hometown team at the stadium.

During 2012, it's estimated that the Pacific Baseball League's six teams generated hundreds of millions of dollars in combined spending in the regions in which they're based.

Breaking New Ground by Sponsoring Japanese Baseball

Manulife re-entered the life insurance industry in Japan 14 years ago. In honour of its growing presence and to demonstrate its continuing commitment to the Japanese market, Manulife Japan became a regular season sponsor of Japan's Pacific Baseball League and the title sponsor of its highly anticipated annual playoffs, now called the Manulife Climax Series.

The regular season sponsorship, which began in 2010 and was renewed for 2011 and 2012, marked the first time a company had sponsored the entire league rather than just an individual team.

For the past three years, this forward-thinking approach has served to enhance Manulife's profile throughout the league's thriving fan base of more than 20 million people.



**2012 BOSTON
MARATHON®**

John Hancock



(Left) Manulife Financial President and CEO Donald Guloien congratulates 2012 Boston Marathon Push Rim Winner Josh Cassidy.

(Right) Elite athletes create extra special experiences by participating in community programs in advance of the Marathon and during race week, such as the Scholars & Stars track event.

Supporting the Greater Boston Region Through the Boston Marathon

The Boston Marathon is one of the best-known and most historic road racing events in the world, dating back to 1897. John Hancock has served as the principal sponsor of the marathon since 1986.

The world's oldest annual marathon, the Boston Marathon is telecast in more than 200 countries, with millions watching worldwide and more than 500,000 spectators lining the 26.2-mile route from Hopkinton to Boston.

The event also generates tremendous economic benefits for the area each year. In 2012 alone, Marathon Weekend events generated an estimated US \$137.5 million in total spending in the Greater Boston region, providing a significant economic boost to local businesses.³

John Hancock also plays a key fundraising role each year through our Non-Profit Program, in which we provide local non-profit organizations with guaranteed entries to the race. In 2012, John Hancock non-profit runners raised a record \$6.8 million for 122 organizations.

In addition to serving as an attractive vehicle for John Hancock to connect with audiences including our advisors,

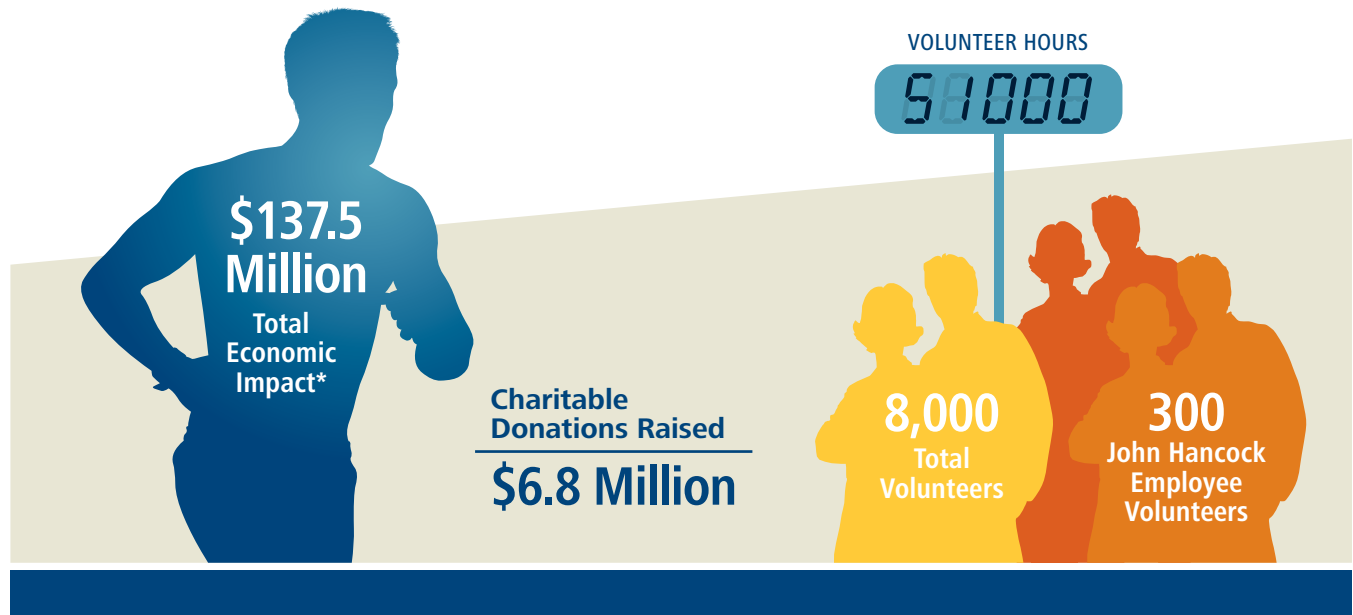
customers, employees and the general public, our association with this world-class event complements our continuing focus on active living.

In 2012, more than 8,000 volunteers turned out on race day to help ensure runners and spectators received the support they needed.

Marathon Weekend events generated an estimated \$137.5 million in total spending in the Greater Boston region in 2012.

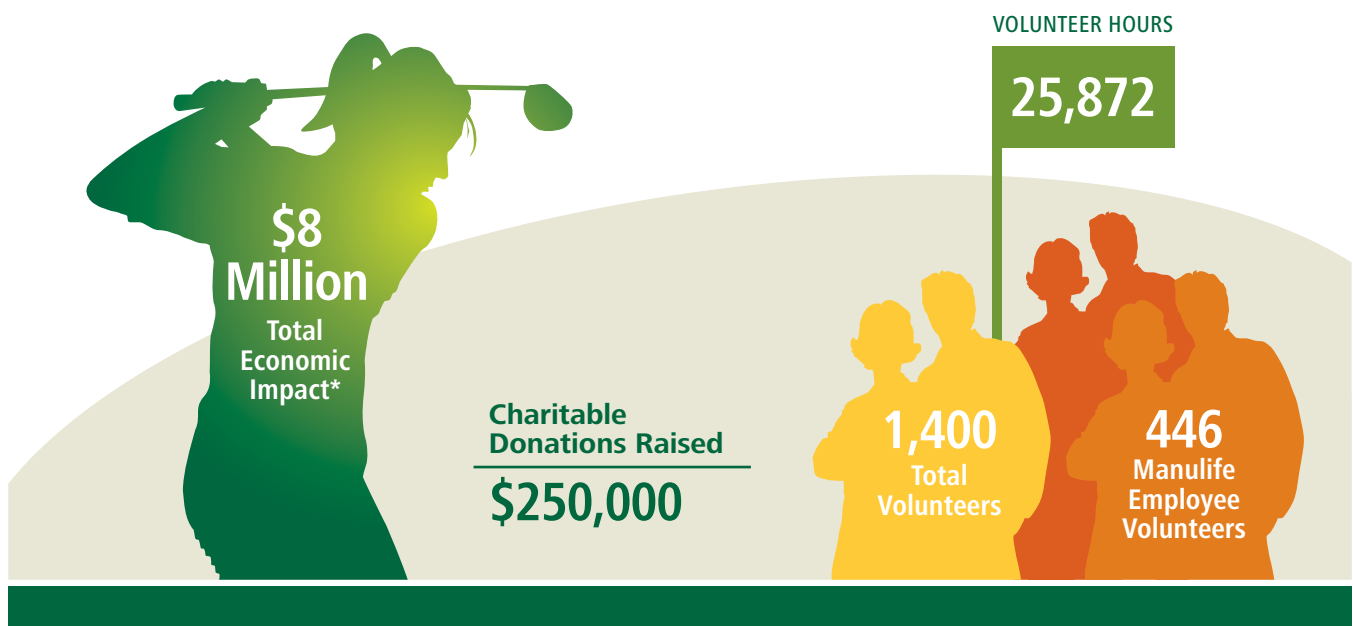
³ Greater Boston Convention & Visitor Bureau.

2012 Boston Marathon



* Greater Boston Convention & Visitor Bureau.

2012 Manulife Financial LPGA Classic



* Estimate provided by Ladies Professional Golf Association (LPGA).

Manulife Scores a Hole-in-One With its First LPGA Event

2012 marked the first year of Manulife's title sponsorship of a tournament on the Ladies Professional Golf Association (LPGA) Tour. The inaugural Manulife Financial LPGA Classic was played in June 2012 at the Grey Silo Golf Course in Waterloo, Ontario and was by all accounts and measures a resounding success. The event attracted 66,000 spectators and 144 professional golfers from 30 countries and reached a worldwide viewing audience of millions.

The tournament, which was won by American Brittany Lang, also served as a powerful economic engine for the Region of Waterloo, generating millions of dollars for the local economy. Among the beneficiaries of this influx of tourists were the local hospitality

industry (hotels, restaurants, shops, car rentals) and the many local vendors chosen to supply goods and services to the tournament. The Manulife Financial LPGA Classic also presented \$250,000 from the proceeds of the 2012 tournament to St. Mary's General Hospital to enhance the organization's volunteer program and raise awareness about the importance of women's heart health.

Community-based support for this first-year event was unprecedented, with nearly 1,400 volunteers (including 446 Manulife employees) donating a combined 25,872 hours of their time during the week, helping to make the inaugural tournament a tremendous success. "Our LPGA family is so proud to have been invited to Manulife's home in Waterloo and we can't wait to come back," said Mike Whan, Commissioner of the LPGA.



The Manulife LPGA Classic served as a powerful economic engine for the Region of Waterloo, generating millions of dollars for the local economy.



Insurance Solutions for Those Who Need Them Most

Backed by a tradition of forward-thinking and innovation, Manulife is always on the lookout for opportunities to introduce practical, beneficial insurance products to new, growing or underserved markets around the world. Some of the most exciting of these developments are taking place in our Asia Division, where we continue to forge new relationships, enter new markets and introduce affordable insurance solutions. Our micro-insurance program in Vietnam and the recent launch of Manulife Cambodia are just two examples of Manulife's pioneering spirit in action.



Micro-Insurance in Vietnam

Providing Peace of Mind to Some of Rural Vietnam's Poorest Inhabitants

Thanks to an innovative new program from Manulife, thousands of low-income women in Vietnam can now provide their families with the protection associated with life insurance, which, in the past has been beyond their financial reach.

In 2009, Manulife began offering micro-insurance policies with premiums of roughly \$1 per month.

These policies help women (most of whom are farmers) who want to protect themselves and their families from the risks associated with accidents, disease and natural disasters.

The program has been expanded to 13 municipalities throughout rural Vietnam, with more than 120,000 micro-insurance policies issued to date. Providing cost-effective protection to families in the region, more than 800 clients have received insurance benefits thus far.

The introduction of micro-insurance to these rural areas is part of a larger strategy, in conjunction with the Vietnam Women's Union, to help contribute to social welfare, eliminate poverty and create awareness of the benefits of savings among area residents. We're committed to giving additional municipalities in the country access to micro-insurance and are looking to introduce other savings and protection products to the Vietnamese market.

Micro-Insurance Offered in 13 Vietnamese Municipalities



Manulife Makes a Foray into the Flourishing Cambodian Market

On June 28, 2012, Manulife commenced operations in Phnom Penh, the capital and largest city of Cambodia.

Since its government adopted free-market economic policies in the 1990s, Cambodia's economy has flourished. From 1998 to 2007, the country's gross domestic product growth rate ranked sixth in the world and second in the Far East after China⁴.

Manulife Cambodia, which currently employs 60 people⁵, offers two insurance products:

- Manulife Family Protector: A pure protection product available in 7-, 10- and 15-year terms
- Manulife Savings Protector: An integrated protection and savings product aimed at customers between the ages of 18 and 45 and available in terms of 10 or 15 years

Manulife's entry into the Cambodian market provides the Company with first-mover advantage in the region, provides good jobs to local professionals and is contributing to the development of a healthy and well-structured life insurance market that will benefit the local population.

⁴ International Monetary Fund.

⁵ As at December 31, 2012.

Environmental Impact



“ Through our ongoing commitment to sustainable investments in renewable energy, forest land management and volunteer programs, Manulife is helping protect biodiversity and fragile ecosystems around the world. ”

> **(Left)** 2012 marked the 19th annual running of the Manulife Paddle the Don Event in Toronto.
(Right) Through the Hancock Timber Resource Group, approximately 9,800 acres on and around the Coosa River will be protected permanently for recreational use by the citizens of Alabama.

Environmental Impact

Manulife is proud to conduct its global businesses with a focus on environmental stewardship. We recognize our ongoing responsibility to help protect and sustain the world's natural environment for the enjoyment and benefit of current and future generations.

Throughout this section, you'll learn about some of the ways in which Manulife demonstrates its environmental commitment. We'll tell you about our long tradition of planting trees in Beijing. We'll introduce you to Hancock Timber Resource Group's Sensitive Lands Program, through which we've helped to conserve thousands of acres of pristine forest. You'll learn about our efforts to manage our Company's operational footprint, particularly our building automation and electronic waste programs. We'll highlight our "green teams" in our Hong Kong offices, along with our participation in initiatives devoted to greening urban environments, whether it's a mountain in the heart of Montreal or a river in downtown Toronto. And while Manulife has long provided financing for renewable energy projects, this past year, we joined the ranks of the world's renewable energy producers with the installation of an 8,000-panel solar array at one of our properties in California.

From recycling and conservation programs to the generation of renewable energy, Manulife continues to adopt eco-efficient practices in its office locations and throughout its global real estate portfolio. Manulife currently has 10 LEED® (Leadership in Energy and Environmental Design) certified buildings and all its buildings in North America are certified either Energy Star in the United States (Environmental Protection Agency) or BOMABest (Building Owners and Managers Association Building Environmental Standards) in Canada.

In 2012, Manulife was listed in the Dow Jones Sustainability North American Index and was also a respondent to the Carbon Disclosure Project and a signatory to the Equator Principles. These are just a few of the global initiatives through which Manulife demonstrates its ongoing commitment to sustainable business practices and the protection of our natural environment.



MANULIFE'S ENVIRONMENTAL POLICY

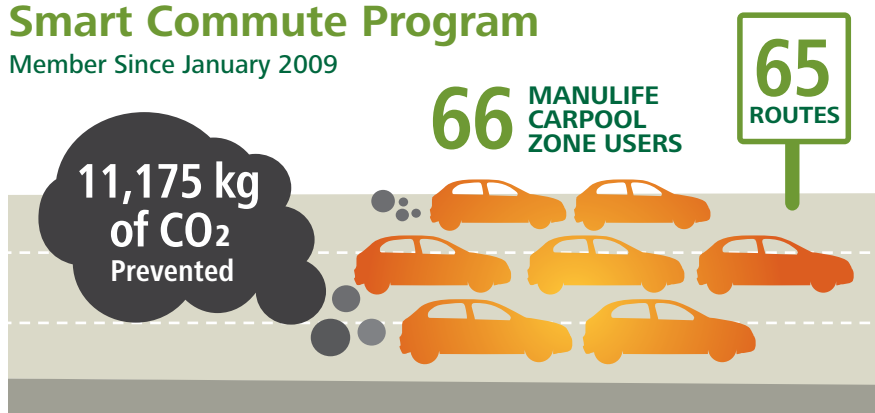
We are committed to conducting all of our businesses in a manner that recognizes the need to preserve the quality of our environment.

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
- Maintain procedures to ensure the effective implementation of the environmental policy

Smart Commute Program

Member Since January 2009



The Manulife Financial Smart Commute Program provides multiple employee benefits to over 3,000 staff at two offices in Toronto. Manulife hosts an online tool which allows employees to share the costs associated with driving to work. Since January 2009, Manulife has eliminated 250 daily vehicle trips, helping to prevent an estimated 4,500 kilograms of smog from entering the air.

Where Sustainable Forestry Meets Socially Responsible Investment



> **(Left)** The Snoqualmie Forest contains two major river forks, numerous lakes, diverse wildlife populations, and mountains nearing 5,000 feet. Snoqualmie, Washington. **(Right)** The Cores and Links comprise approximately 8,000 hectares of both *Eucalyptus regnans* plantation and native forest. Gippsland, Australia.

Hancock Timber Resource Group's Sensitive Lands Program

Anyone who associates Manulife exclusively with insurance and investment products might be surprised to learn the Company is also the largest timberland investment management organization in the world. Through its subsidiary, Hancock Timber Resource Group, the Company manages more than six million acres of timberland in the U.S., Canada, Australia, New Zealand and Brazil. Hancock Timber invests on behalf of institutional clients looking for added portfolio diversification through exposure to timberland.

At the same time, Hancock Timber has an exceptional track record in remaining committed to sustainability and responsible forest stewardship practices. In fact, since being founded in 1985, the company has helped conserve more than 430,000 acres of sensitive timberlands around the world, an area equivalent to 1,820 square kilometres, through its Sensitive Lands Program.

The Sensitive Lands Program

"Our Sensitive Lands Program simply puts into practice one of our core values – that good stewardship is good business," says David Kimbrough, who manages timberland sales in North America for Hancock Timber.

Whether it's the conservation of 90,000 acres of timberland on the outskirts of Seattle, Washington,

or 57,000 acres in Victoria, Australia, or 9,800 acres along the Coosa River in Alabama, these efforts are part of the company's long heritage and commitment to excellence in forest management and environmental stewardship.

The company typically makes large-scale acquisitions, ranging in size from 30,000 to more than a million acres. Hancock Timber carefully analyzes the attributes of every property acquired to identify sensitive areas that should be protected or managed for purposes not related to timber production. These could include lands with high scenic, historical, cultural or recreational value or those deemed to be critical habitat for sensitive or endangered species.



> **(Left)** The property has several miles of frontage along the Coosa River, and the Hatchet and Weogufka Creeks. Coosa County, Alabama. **(Right)** Teal Slough is a magnificent coastal stand of old-growth western red cedar. Teal Slough, Washington.



A Manulife Asset Management Company

The Hancock Timber Resource Group knows its reputation depends on verifiable performance. That's why third-party auditors certify its forests as being sustainably managed.

Helping to Keep Sensitive Lands in Their Natural State Forever

"We realize that these are areas that would be best kept in their natural state," Kimbrough says. "Once these sensitive lands have been identified, we then work cooperatively with public agencies and conservation groups to undertake initiatives to protect these lands and to pursue sales to private conservation organizations or public entities. As a fiduciary for our clients, however, we are required to receive fair market value for the transactions."

The company has completed more than 60 sensitive lands transactions since 1985.

In some cases, protecting these lands may entail placing permanent restrictions on how they can be managed, for example, through a conservation easement, which can remove the development potential for a given property.

A Commitment to Sustainable Forestry

As a matter of policy, Hancock Timber embraces sustainable forestry practices that integrate the growing, managing and harvesting of trees for useful products, along with the conservation of soil, air and water quality, biological diversity, wildlife and aquatic habitat and for socially beneficial end such as recreation and aesthetics. All of Hancock Timber's forest in North America and Australia are third-party certified by industry recognized organizations such as The Sustainable Forestry Initiative and Forest Stewardship Council.

Managing a vital global resource in a responsible manner

For Hancock Timber, stewardship means taking into account the environmental, social and economic considerations related to the lands it manages around the world.

"We believe privately-held forests are a vital global resource. In addition to producing wood for a range of products from paper to homes, they help provide wildlife habitat, clean water, carbon sequestration, clean air, recreational opportunities, jobs in the communities where they're located and more," says Kimbrough.

Over the years, Hancock Timber has demonstrated that high-quality timberlands are a good long-term investment – one that can generate sound financial performance while helping reduce investors portfolio risk by providing diversification. The company has also shown that managing timberlands with these objectives in mind is best achieved by embracing responsible forest stewardship. The Sensitive Lands Program is an excellent example of this concept in action.

Greening Our Urban Environment

Manulife's environmental activities include helping to preserve and enhance parks, green spaces and bodies of water in and around the communities where we work. In addition to providing a home for many species of fish, mammals, trees and other plants, these green spaces can help to improve air quality, reduce noise levels, encourage active living and otherwise improve the quality of life of area residents. Here are a few examples of Manulife's continued commitment to greening the urban environment in 2012.



> (Left) Mount Royal lies in the midst of Montreal island, and includes the highest spot in the city. (Photo Credit - © Les amis de la montagne/Samuel Montigné) (Right) Close to 600 mountain enthusiasts gathered to take part in Tuques Bleues Celebration, a benefit event in support of education and conservation programs on Mount Royal.

Preserving and Protecting a Mountain in the Heart of a City: *Les Amis de la Montagne*

In addition to being Canada's second-largest city, Montreal is known for its beloved hockey team, the Canadiens, its European-influenced architecture and for being the second-largest French-speaking city in the world, after Paris. Montreal is also known for the distinctive, three-peaked mountain near its downtown area.

Reaching 233 metres (764 feet) at its highest point, Mount Royal is an urban green space that is home to 180

species of birds, 20 types of mammals, 600 varieties of plants and more than 200,000 trees. In 1986, a group of concerned citizens founded *Les amis de la montagne* (Friends of the Mountain, in English). The group's mission is to encourage the preservation, enhancement and appreciation of Mount Royal.

Manulife has been actively involved with *Les amis de la montagne* since 2006, helping the organization raise awareness and funds for this sprawling urban park that attracts five million visitors every year. We're also a proud sponsor of the group's flagship annual

fundraising event, Tuques Bleues, a nighttime, lantern-lit snowshoe race up the mountain.

This past year, approximately 600 participants made the 2.5 km trek up Mount Royal, raising more than \$200,000 for education and conservation programs to help preserve this precious urban greenspace. In addition to helping organize Tuques Bleues, Manulife employees came out in force to participate and volunteer in the event. We also provided participants with Manulife-branded blankets to keep them warm while they took in the breathtaking view of the city from atop the mountain following the race.



> Manulife-Sinochem employees participate in tree planting events in Beijing.

Forests for the Future: Planting Trees in Beijing

For the eighth consecutive year, employees, agents and customers of Manulife-Sinochem Life Insurance Co. Ltd. came out in force to participate in an annual tree-planting event in Beijing's Huarou District. More than 100 volunteers took part in the event, contributing a combined 740 hours to plant trees that will provide environmental, social and communal benefits for generations to come.

Regenerating a River in Downtown Toronto: The Manulife Paddle the Don Event

Each May, the Toronto and Region Conservation Authority (TRCA) provides an opportunity for residents to paddle down the Don River, which winds through the heart of Canada's largest city.

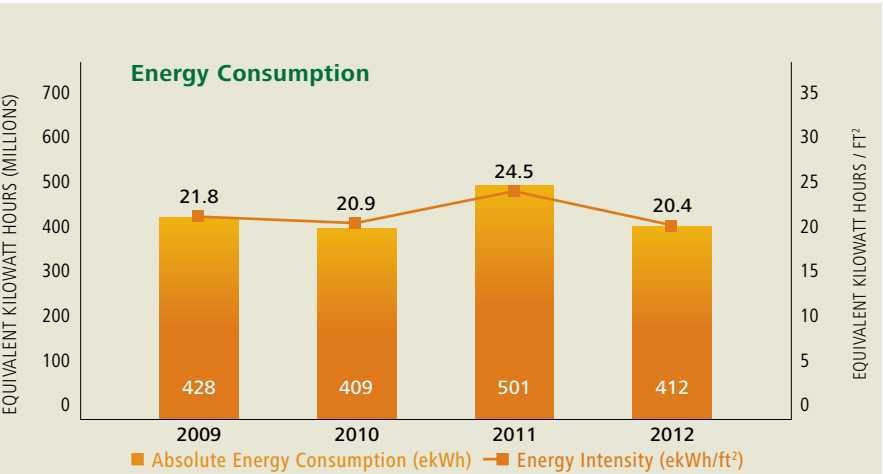
2012 marked the 19th annual running of this event, which raises awareness and funds to help protect, regenerate and enhance the Don River watershed. Manulife has been the title sponsor of this event for the past three years.

"Manulife has been instrumental in helping us to grow the Paddle the Don event and engage a larger cross-section of the public over the past several years," says Arlen Leeming with the TRCA.



Minimizing Our Operational Footprint

We continue to pursue opportunities to increase the efficiency of our business operations and to minimize their impact on the environment. These efforts include the use of property management technologies such as building automation systems, the introduction of data server virtualization and initiatives to encourage the reuse and recycling of electronic waste, to name a few. Priority areas include carbon emissions, energy and water consumption, paper use and waste diversion. Overall, we continue to pursue energy consumption reduction targets of 2 per cent per year in our real estate portfolio.



Note 1: Absolute amounts and intensity rates for energy, greenhouse gases, waste and water are reported based on Manulife Real Estate’s portfolio of 20.2 million square feet of commercial office property. Additional property types (industrial, retail, and residential) are excluded as we do not have a complete set of data for these portfolios.

Note 2: Figures for energy, greenhouse gases, and water are based on gross utility data, i.e. actual consumption. In past years we have published “weather-normalized” utility data, and so data published in past years is not directly comparable.

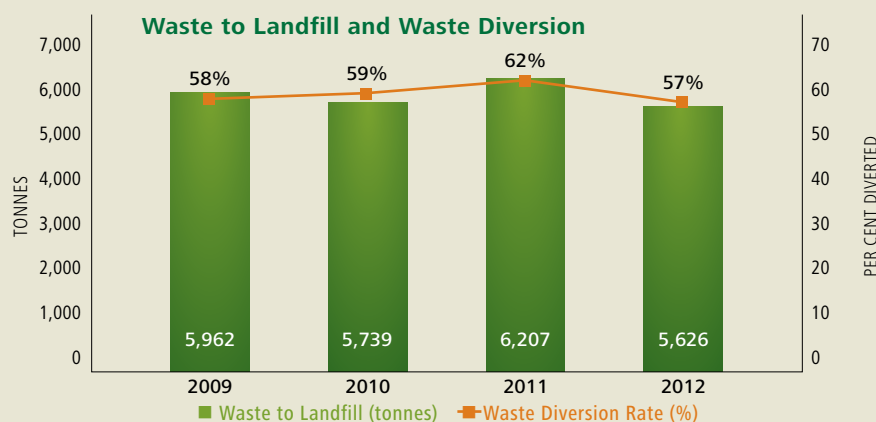
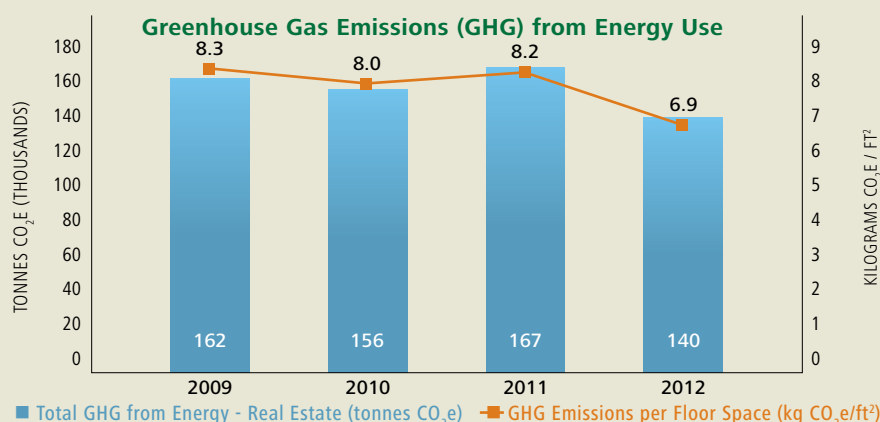
Virtual Servers Deliver Real Energy Savings

A data server is a physical computer dedicated to serving the needs of a number of users on a computer network. New server virtualization software, however, is enabling companies like ours to divide one physical server into multiple isolated server environments, which reduces the number of physical servers required to achieve the same level of data processing and storage capacity.

Our IT department has led the introduction of a server virtualization program helping us reduce the Company’s physical server inventory and, in turn, decreasing the physical footprint of our data centre and its associated power consumption.

With the addition of each virtual server, we’re also able to limit our carbon footprint by reducing power and cooling costs. Hardware maintenance costs have also declined as a result of this program.

We continue to pursue opportunities to increase the efficiency of our business operations and to minimize their impact on the environment.



Building Automation Helps Reduce Energy Usage and Costs

With a global real estate portfolio totalling more than 36 million square feet, Manulife is aware of the economic and environmental benefits achieved by maximizing operational efficiency. We currently focus our efforts on the 20 million square feet of commercial

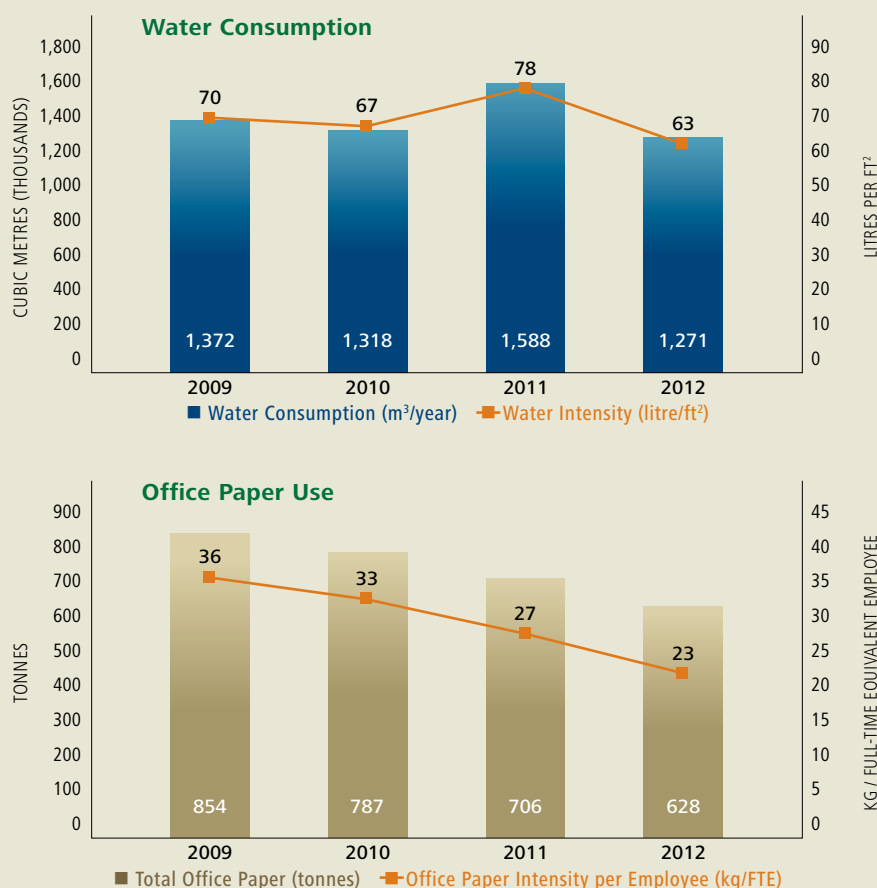
office space that we directly own and manage because we can more fully influence operational and capital decisions for those properties. For this portfolio, our key objective is to maintain or lower our footprint while we grow our business. Therefore we track and report our environmental impacts by both absolute and intensity indicators.

We continue to introduce new energy-saving measures, such as:

- Computerized scheduling and programming of lighting systems and HVAC controls
- Reducing perimeter lighting to benefit from daylight harvesting
- Using chilled water from cooling towers to cool the air in interior spaces
- Occupancy sensors for lighting systems in stairwells, garages and meeting and equipment rooms
- Energy-efficient LED lighting where 24/7 illumination is required
- Use of Grey water and installation of trickle irrigation for landscaping
- Installation of low flush toilets and automatic faucets

Despite an increase in our owned and managed building floor space, we have reduced both our overall energy consumption and energy consumption per square foot by 4 and 7% respectively since 2009. This has been achieved through energy efficiency investments and good operational practices. Similarly, energy consumption per employee has been reduced by 6% per year during the period 2009-2012. As a result of our energy reduction initiatives, carbon emissions in the real estate portfolio have declined on both an absolute and intensity basis.

In addition, Manulife Real Estate continues to purchase renewable, green power to further reduce its environmental footprint.



Note 3: Paper data includes office paper used in our North American operations.

In 2012, the Company collaborated with BlackBerry and, as part of a hardware recycling program, was able to recycle approximately 1,000 smartphone devices.

Reducing Our Water and Paper Consumption

Water saving investments are also making a difference. Our total water footprint decreased by 7% between 2009 and 2012, while water consumption per square foot decreased by 4% per year on average and 7% per year per employee.

By making changes to our customer-facing processes, implementing sustainable paper-sourcing policies and encouraging reduced paper

consumption internally, we have decreased our paper footprint significantly. The result has been a 26% reduction in office paper use in our North American operations between 2009 and 2012. Office paper consumption per employee has decreased by 37%, while the average recycled content in all purchased paper has increased from 46% in 2009 to 54% in 2012.

Recycling Our Electronic Devices

Rapid developments in technology and falling prices for electronics have resulted in a dramatic increase in the amount of electronic waste generated around the globe. An estimated 50 million tonnes of e-waste is produced each year globally and the U.S. Environmental Protection Agency estimates that only 15 per cent is recycled, with the remainder ending up in landfill sites and incinerators. This e-waste can contain hazardous substances but also valuable and scarce materials.

Wherever possible, Manulife seeks to take advantage of programs and initiatives to recycle its used electronics. In 2012, the Company collaborated with BlackBerry and, as part of a hardware recycling program, was able to recycle approximately 1,000 smartphone devices. The devices were securely wiped prior to leaving Manulife's premises and were either refurbished or recycled. As part of the recycling program, Manulife also secured significant discounts on new smartphone models for its employees, representing a win-win proposition for the manufacturer, Manulife and the environment.

A Long-Time Supporter of Renewable Energy

Manulife is a leading arranger and provider of financing for the renewable power sector in both Canada and the United States. The professionals leading our dedicated project finance groups in Toronto and Boston have developed specialized expertise, with investments spanning the spectrum of renewable energy technologies, including wind, photovoltaic solar, hydroelectric, geothermal, landfill gas and biomass waste-to-energy projects. Manulife is also a leader in energy efficiency systems investment.

In 2012, Manulife's investments in renewable energy projects and energy efficiency totalled \$1.0 billion. Since establishing our dedicated renewable energy teams in 2002, Manulife's aggregate investment in renewable power and energy-efficient projects has exceeded \$5.5 billion.

Here are a few of the North American renewable energy projects in which Manulife invested in 2012:

- 138-megawatt Mountain Air wind power project in Idaho
- 250-megawatt Genesis solar power project in California (see photo on page 33)
- 25-megawatt Clear Skies portfolio of ground mount solar projects in North Carolina, Florida and Arizona
- 127-megawatt Arlington Valley solar power project in Arizona
- 45-megawatt Lameque and 99-megawatt Caribou wind power projects, located in New Brunswick
- 50-megawatt Kwoiek Creek hydroelectric power project in British Columbia

- 99-megawatt East Lake St. Clair and 27-megawatt Plateau wind power projects in Ontario
- 13-megawatt portfolio of commercial solar power rooftop projects in Ontario
- 100-megawatt De l'Erable wind power project in Quebec
- 14-megawatt Green Soldier and 8.5-megawatt Canadian Solar 1 ground mount solar power projects in Ontario

Over the past year alone we have invested in 1,000 megawatts of clean power providing enough electricity to power more than 250,000 homes, avoiding an estimated 473,000 tonnes of carbon dioxide equivalents, or greenhouse gases, annually.

Equator Principles

Manulife voluntarily adopted the Equator Principles in April 2005. These principles apply to all new project financings globally with total

project capital costs of US\$10 million or more and across all industry sectors. Participating financial institutions commit to report at least once per year on their Equator Principles implementation processes.

In 2011, Manulife Financial reviewed 50 projects that qualified under the Equator Principles: 31 in North America and 19 in other jurisdictions, all within Category C.

Table 4: Manulife Financial's 2011 Equator Principles Reporting

EP Category	Description	Aggregated	By Region		By Sector		
		Projects Reviewed	North America	Other	Timber	Agriculture	Other
A	Projects with potential significant adverse social or environmental impacts that are diverse, irreversible or unprecedented.	—	—	—	—	—	—
B	Projects with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.	—	—	—	—	—	—
C	Projects with minimal or no social or environmental impacts.	50	31	19	28	22	—
Totals		50	31	19	28	22	—

For more information, please visit equator-principles.com

Embracing Green Practices Where We Work



> Manulife Financial's operational headquarters in Hong Kong.

Manulife was an early adopter of environmentally friendly practices in its offices and facilities.

Cultivating an Environmentally Friendly Workplace in Hong Kong

Manulife was an early adopter of environmentally friendly practices in its offices and facilities. Our offices in Hong Kong are a prime example, having actively embraced a comprehensive list of green practices over the past two decades.

The “Green Teams” in our Hong Kong offices lead a long list of Company-driven activities aimed at reducing our impact on the environment, including the collection and recycling or re-use of outdated printers and computer equipment, office-wide recycling programs for paper and other waste and more.

In addition to using recycled materials for carpets, walls and other building components, our Hong Kong operations have led the way with their ambitious recycling programs, harvesting daylight from perimeter office spaces to provide employees with more natural light, as well as a continued focus on air quality.

For its efforts, Manulife has received the Class of Excellence Wastewi\$e Label from the Hong Kong Awards for Environmental Excellence, given to companies that excel in the area of environmental management.

Harnessing the Power of the Sun in California

Building on its long-standing commitment to sustainable energy, Manulife embarked on a project this past year to transform the roof of one of its industrial warehouse properties in California into a giant solar panel array.



> Manulife, through its John Hancock Division, provided \$350 million in loan guarantees for the 250-MW Genesis concentrated solar power (CSP) facility in Riverside County, California. The Genesis facility uses an advanced solar technology with mirrors or lenses that can concentrate a large area of sunlight. When completed in January 2014, the project will be one of the largest of its kind in the world.

When you combine the building's enormous flat roof, 8,000 solar panels and one of the sunniest regions in the United States, you end up with a significant amount of clean electricity from a renewable, dependable source. The system, which came online in May 2012, is capable of producing approximately 1.5 megawatts (MW) of electric capacity to power nearly 1,500 homes.

Manulife is one of several property owners in the area participating in a program to have solar arrays installed on the rooftops of their buildings with the electricity that's generated sold to local utilities. We're currently in the process of having similar solar energy generating systems installed on three other buildings in the area.

Celebrating Earth Hour for a Fifth Consecutive Year

On Saturday, March 31, 2012, Manulife once again turned off the lights in its offices and properties worldwide, joining cities around the world for Earth Hour, the global event organized by the World Wildlife Fund to raise awareness about climate change. For the fifth consecutive year, all non-essential lighting, including exterior signage, was turned off at all of Manulife's offices, as well as owned and managed properties across Asia, the United States and Canada, as part of the world's largest climate change awareness initiative.



JOHN HANCOCK HEADQUARTERS BUILDING CONTINUES TO MAKE HISTORY IN NEW ENGLAND

Originally LEED certified for new construction, the Company's 601 Congress building in Boston is the headquarters of Manulife's U.S. division, John Hancock. Last year it became the first building in New England to obtain LEED-EB Platinum certification for an existing building. Developed in 2004, 601 Congress has been widely recognized for its many sustainable design features, most notably its unique double-skin glass façade and green roof garden. The Company also achieved LEED-EB Gold certification for three other buildings in Boston in 2012.

MANULIFE COLLABORATING WITH TENANTS TO REDUCE CARBON EMISSIONS

While the office building sector is a vital component of Toronto's economy, the office towers also contribute close to 20 per cent of the region's total carbon emissions. In 2011, the Greater Toronto CivicAction Alliance (CivicAction) launched a friendly corporate challenge aimed at reducing these emissions.

Dubbed the Race to Reduce, the initiative challenges landlords and tenants to work together to reduce energy use in their buildings by at least 10 per cent over four years. This past year, Manulife Real Estate won Engagement Awards for two of its properties: North American Centre and the York Mills Centre. The Engagement Awards recognize the top 30 per cent of buildings with the highest percentage of tenants signed up for the initiative in a range of building size categories.

Manulife has been an active participant in the Race to Reduce since 2011.

Social Impact



“ Our people continue to demonstrate how small gifts of time can make profound, lasting changes in the lives of others ”

> **(Left)** John Hancock employees have been participating in the Pan-Mass Challenge by volunteering, riding or fundraising for life-saving cancer research. **(Right)** In 2012, Manulife employee teams participated in the Food Sort Challenge at the Waterloo Region Food Bank. In only five days, 57,165 pounds of food was sorted by more than 120 Manulife employees.

Social Impact

In every market in which it operates, Manulife continues to deliver on a wide range of commitments related to facilitating, cultivating and creating positive social impacts, in areas such as workplace safety, diversity and flexibility, employee health and wellness, or our long standing track record of goodwill generated by our corporate philanthropy program.

In 2012, Manulife continued its long-time support of a wide array of charities, programs, initiatives and institutions dedicated to enhancing the lives of people of all ages and walks of life. Through these programs and activities, we were able to once again have a profound and positive impact in the communities where our employees live and work around the world.

Our organization continues to demonstrate leadership, not only through the funds we give, but also through the time, attention and expertise that our people donate as volunteers.

Manulife has always been there for our employees, our customers and their families. One of the ways we

demonstrate this commitment is through our involvement in the annual United Way campaign. In 2012, Manulife contributed nearly \$4.5 million to the United Way through employee contributions and corporate matching donations.

Likewise, we are proud of our tradition of giving back to the communities where we do business, through volunteerism as well as traditional philanthropic efforts and initiatives. This past year, Manulife contributed over \$22 million to more than 1,000 non-profit associations around the world. We continue to be an active, enthusiastic supporter of many of the most respected and well-managed charitable organizations in the world.



> Manulife Taiwan supports the "Vision for the Future" campaign which conducts eye-care related programs at 2,700 elementary schools. Employees participate in the campaign through volunteer work and fundraising activities.

HEALTH AND SAFETY POLICY

It is the policy of Manulife Financial to provide a safe and healthy workplace for all employees. The protection of employees from injury and occupational disease, as well as the promotion of wellness and the prevention of violence and harassment, are a significant ongoing commitment on the part of the Company.

HOURS OF WORK AND BREAK POLICIES

Employees are paid to work 37.5 to 40 hours per week depending on the business needs of the work area. Employees, can consult with supervisors to arrange flexible arrival and departure times, subject to work requirements.

PRIVACY POLICY FOR CANADIAN-BASED EMPLOYEES

Manulife has always taken its role of safeguarding the privacy of employee information very seriously. Long-standing policies and practices to ensure information security are outlined in the Statement of Corporate Privacy Principles and the Privacy Code for Canadian-based Employees.

VOLUNTEERISM AND SOCIAL IMPACT

Each year, thousands of Manulife employees volunteer their time at hundreds of events and initiatives around the world. Whether they're mentoring young leaders, providing breakfasts to hungry students, organizing food drives, planting community gardens, lending their skills and expertise to the boards of non-profit organizations, conducting relief efforts in areas hit by earthquakes, hurricanes or much more – our people continue to demonstrate how small gifts of time can make profound, lasting changes in the lives of others. Manulife remains committed to providing our people with the tools and opportunities to volunteer their time to the causes and organizations that matter to them.

Manulife's Approach to Charitable Giving

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 2012:

Harnessing the Power of Volunteering

Manulife continues to demonstrate leadership 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 positive, lasting effects at the community level.

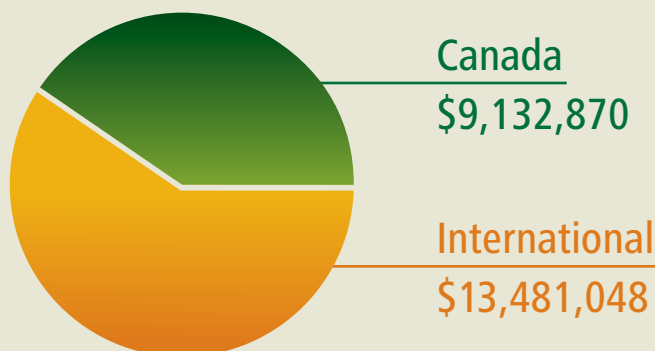
Promoting Health and Wellness

As one of the world's largest life insurance companies, we believe strongly in the importance of promoting health and wellness and supporting the prevention of disease through active, healthy living.

Supporting Education

We remain committed to ensuring children have a safe, healthy and sound environment in which to learn. Manulife supports a wide range of educational programs and initiatives aimed at empowering our youth.

Manulife, its employees and programs contributed a total of CDN \$22,613,918 to more than 1,000 non-profit organizations around the world.



Charitable Giving Highlights in 2012



BLOOMBERG MANULIFE PRIZE FOR THE PROMOTION OF ACTIVE HEALTH

Dr. James Sallis Wins the 2012 Bloomberg Manulife Prize

Renowned researcher Dr. James Sallis has been awarded the 2012 Bloomberg Manulife Prize for the Promotion of

Active Health. The \$50,000 prize is awarded each year by McGill University to an academic whose research has had a significant impact on the health and well-being of a wide spectrum of people. Dr. Sallis, a Professor of Family and Preventive Medicine at the University of California, San Diego, was chosen as the 2012 winner for his research on physical activity in youth and how the urban environment impacts fitness levels.

Dr. Sallis has spent much of his career devising ways to encourage people to incorporate physical activity into their daily lives. Early on, however he learned that, while people could be influenced

to change their routines to include regular exercise, these changes were almost always temporary, and within six to 12 months, individuals would typically revert to their earlier habits.

This dilemma was at the centre of his celebrated research into the role that our physical environment plays in our ability to stay fit.

Providing a Village with Clean Drinking Water

This past year, as part of its work with Habitat for Humanity in Indonesia, Manulife took part in a project to



build a new water system to replace one that was damaged after the eruption of Mount Merapi in 2010. Access to clean drinking water had been a serious concern for the residents of Jelok Village since the cold lava flooding destroyed their water system. They were forced to resort to sometimes inconvenient and costly measures to acquire water for their families, leading to an increase in stress levels and potentially putting the health of their family members at risk.

The project to build the new water system, which took place between May and July, was successful in restoring a supply of clean drinking water to 234 households in this community in Indonesia's Central Java province. Fifteen Manulife employee volunteers participated in the construction work as part of a Global Village volunteering event. The initiative was deemed a resounding success for restoring a safe, reliable supply of drinking water to these families.

Terry Fox Run for Children

2012 was the 12th year that Manulife participated in the Terry Fox Run for Children in Ho Chi Minh City in

Vietnam. The Company's 1,000-person team, comprised of Manulife employees and agents, was one of the largest in the 14,000-participant event and raised VMD100 million for the event.

Helping Children Overcome Learning Barriers

The Manulife Centre for Children with Specific Learning Disabilities has been a key corporate social responsibility program of Manulife Hong Kong since 1999. The program contributes to the community through training, research and services for children with specific learning disabilities (SLDs) and their families. The sponsorship also helps alleviate the impact of SLDs, which affect more than 12 per cent of school-age children in Hong Kong. The support has enabled the Centre to help the community to identify, understand and encourage these disadvantaged youngsters and bring out the best in them.

The centre has held more than 300 seminars, workshops and training programs for 8,000 local students with various special educational needs and provided training for 6,000 parents, teachers and other in-service professionals over the past 13 years.



IMAGINE CANADA COMPANY

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 our 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 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
- Encourage other companies, as appropriate, to pledge to Imagine Canada's Corporate Citizenship Commitment

Commitment to Our Employees

At Manulife, we recognize our workforce is the key to our long-term success. We believe strongly in supporting our employees and empowering them to achieve their full potential. This support includes innovative learning and development opportunities,

continuous learning subsidies, competitive total rewards programs, global employment opportunities, recognition programs and formal talent and succession processes that help promote career advancement and leadership development.

We're proud to provide our employees around the world with safe and accessible workplaces. We value workplace diversity and support both internal and community initiatives that advance employment of a diverse workforce.

Table 5: Workforce Data by Employment Type and Country

Data as at December 31, 2012

Country	Employment Type			Total
	Regular	Temporary	Contractors	
Australia	8	—	—	8
Barbados	18	—	—	18
Belgium	24	—	—	24
Bermuda	2	—	—	2
Brazil	3	—	—	3
Cambodia	59	—	1	60
Canada	10,643	250	438	11,331
China	1,497	33	21	1,551
Hong Kong	1,495	55	—	1,550
India	1	—	—	1
Indonesia	1,673	—	45	1,718
Japan	1,313	—	29	1,342
Macau	11	1	—	12
Malaysia	491	8	—	499
New Zealand	98	—	5	103
Philippines	3,246	15	3	3,264
Singapore	274	2	—	276
Taiwan	325	8	7	340
Thailand	115	—	—	115
United Kingdom	16	—	—	16
United States	4,946	5	269	5,220
Uruguay	1	—	—	1
Vietnam	449	10	—	459
Total	26,708	387	818	27,913

Note: Includes active regular/temporary employees, contractors and employees on paid leave

Our support of employees comprises 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
- True geographic diversity, with operations in Asia, the United States and Canada

Table 6: Workforce Data in Canada by Employment Type and Province

Data as at December 31, 2012

Province	Full-time	Part-time	Total
British Columbia	164	2	166
Alberta	314	7	321
Saskatchewan	64	2	66
Manitoba	45	2	47
Ontario	8,772	311	9,083
Quebec	770	62	832
New Brunswick	3	1	4
Nova Scotia	782	30	812
Total	10,914	417	11,331

Note: Includes active regular/temporary employees, contractors and employees on paid leave

Table 7: Gender Mix by Region

Data as at December 31, 2012

Region	Female	Male
Canada	64%	36%
United States	47%	53%
Asia*	59%	41%
Other**	36%	64%
Total	59%	41%

* Asia: Cambodia, China, Hong Kong, Indonesia, Japan, Macau, Malaysia, Philippines, Singapore, Taiwan, Thailand and Vietnam

** Caribbean, Europe, Latin America, Australia, New Zealand and India

Note: Regular employees only, all statuses.

Creating a Better Work Environment

Employees' expectations about the places and ways in which they work are changing. Manulife has heard these requests and is undertaking a transformation – not only of our physical office environments, but also the concept and structure of the traditional work day.

Challenging the Notion of the "9 to 5" Work Day: Manulife's Workplace Flexibility Program

In addition to transforming the spaces where our employees work, Manulife is also challenging the premise of the "9 to 5, office tower" work day. We are currently implementing a program that will allow our employees to pursue more flexible work arrangements.

The Workplace Flexibility program goes beyond simply giving people the option to work from home. Driven by the findings of an internal survey that indicates our employees crave greater flexibility in the way they work, the program is about providing our workforce with new options to help cultivate a healthier career/life balance and fuel superior performance. This program evolved from a successful pilot with our John Hancock employees in Canada and the United States.

So...what does a flexible workplace look like? It's one in which people can request a compressed work week or unconventional office hours so they

Ultimately, Manulife is hoping this project will also serve to strengthen the Company's overall competitiveness, helping it continue to attract and retain top talent.



> Manulife Financial's 600 Weber Street office allows employees to take advantage of two Walk While You Work stations (treadmills).



> (Left) Formal or informal meetings happen in the Interactive Meeting Xchange (IMX) stations and (Right) Manulife employees can utilize the adjustable sit-stand work stations.

can better tend to personal obligations such as children or elderly parents. It's one where employees can work two or three days a week in a home office environment in which they have the tools and technology to service their customers and collaborate with peers seamlessly. And where those same employees can take advantage of shared workspaces at Manulife for the remainder of the week, and can plug in at a non-dedicated workstation.

The benefits to employees include reduced commute times, savings on fuel and public transit costs, a lighter combined carbon footprint and increased employee satisfaction. In return, we're creating a more engaged, productive workforce, not to mention the real estate cost savings that can accompany such programs.

At the end of 2012, nearly 1,000 employees were taking advantage of the workplace flexibility program globally, and by the middle of 2013, it is expected that as many as 1,400 will be participating.

Giving the Corporate Office Environment a Facelift: Workspace Innovation

The workstations and office environments employees have become accustomed to are undergoing a major transformation aimed at increasing productivity, improving staff morale and enabling enhanced collaboration.

The Company's building at 600 Weber Street North in Waterloo, Ontario is an example of this innovation and features a long list of enhancements, including:

- Workstations that convert to standing desks at the push of a button
- Treadmill-based "walk while you work" stations that allow employees to get some exercise on the job
- Wider aisles and hallways to encourage "walk and talk" meetings
- Computer monitors mounted on movable arms to allow for optimum flexibility and viewing comfort
- New IMX (interactive media exchange) areas for enhanced collaboration and problem-solving

- Visitor's perches at each workstation to encourage face-time and collaboration
- Desks redesigned with larger working surfaces
- Ergonomic chairs for improved comfort

Employees can also take advantage of more open-air meeting spaces. And since natural light has been shown to have a positive impact on productivity, we moved work stations from the interior to the outer walls of each floor, increasing employees' access to natural light.

"Upon seeing the new furniture, monitors, walking stations, updated media equipment, and the bright and open working space for the first time, we all felt like we'd received promotions," said Sandy Eckert, Senior Business Analyst at 600 Weber. "It's like the gift that keeps on giving."

Ultimately, Manulife is hoping this project will also serve to strengthen the Company's overall competitiveness, helping it continue to attract and retain top talent.

Fostering a Healthier Workforce

We believe the healthier our employees are, the happier, more engaged and more productive they will be. Laying the foundations for a healthier workforce can also help lower employees' stress levels, improve their immune systems and potentially lower their risk factors for certain types of disease, while at the same time reducing the Company's benefit costs. Here's a quick overview of some of the health and wellness initiatives Manulife undertook in its global operations in 2012.



> (Left) Manulife Thailand had over 200 employees participate in the "Cancer Care" Charity Fun Run. (Right) Manulife Vietnam members enthusiastically support the Terry Fox Run in Ho Chi Minh City.

Asia

Employees in Manulife's Asia operations continued their tradition of participating in programs in support of health and wellness in 2012. Manulife Taiwan was just one of the regions where employees took their health to heart this past year.

One program in particular saw 160 employees, including members of the senior management team, take part in a fitness challenge. Other events were held to remind employees about the risks associated with obesity and chronic illness and to provide them with ideas and tips for healthy lifestyle changes and choices.

The Bureau of Health Promotion awarded Manulife Taiwan the Badge of an Accredited Healthy Workplace in 2012 for its various activities to create and sustain a positive and healthy work environment.

Nearly 800 employees, agents and family members took part in the Vision for the Future charity walkathon. The event was held to raise funds and awareness for children's vision health in Taiwan, and to date has raised more than \$100,000. These funds go toward eye screenings in schools and to help maintain eye care programs in underprivileged schools.

United States

John Hancock employees in the United States have access to their own health and wellness program called HealthMatters, with initiatives and activities centred around fitness, nutrition, stress management and more. The following are just a few of the specific initiatives and activities available to employees through HealthMatters:

- **Healthy Returns:** These quarterly sessions are available to employees in Boston and Portsmouth, New Hampshire and help participants set realistic goals with respect to blood pressure, cholesterol levels, BMI (body mass index) and smoking cessation. Employees earn gift certificates for participating in the program and meeting their health-related goals.
- **Stay Fit Benefit:** Under this initiative, employees can be reimbursed up to \$400 for eligible gym memberships, exercise classes, smoking cessation or weight loss programs.
- **Boston Heart Walk:** Employees are encouraged to sign up for a 1-, 2- or 6-mile walk as a member of Team John Hancock to raise money for the American Heart Association.
- **The Business Unit Challenge:** This friendly competition pits John Hancock business unit teams against



> **(Left)** John Hancock's Second Wave Health & Fitness Center is a state-of-the-art facility featuring a 17-station strength training circuit as well as Life Fitness cardio equipment including treadmills, cross trainers, stair steppers and bikes. **(Right)** The Manulife Financial Fitness Centre is one of Canada's largest corporate fitness facilities. Located in North Tower – B2, the centre is managed by fitness industry professionals and provides affordable, comprehensive fitness services to Manulife Financial employees and their families.

one another. The team that logs the most physical activity over the course of the event period is crowned the champion and has the opportunity to make a contribution to the charity of their choice.

- **Work Your Way to a 5K:** Nearly 40 employees took part in this 12-week program that prepared non-runners to enter and complete their first 5-kilometre road race. "I lost a lot of weight during the training and I feel great," said one participant. "It speaks volumes that the Company not only supports the health of its employees but gives us access to programs that help promote a healthy lifestyle change."

The program is rounded out with monthly e-mails, tips for healthy living, recipes to encourage healthy eating, ongoing health-related seminars, webinars, a walking club, a "take the

stairs" program and more. For its efforts, John Hancock received a "Start! Fit Friendly Company" award from the American Heart Association in 2012 for the fourth consecutive year.

Canada

Manulife's health and wellness program, Wellness Matters, provides employees with a wide range of services, activities and tips to help them identify and achieve their wellness goals.

With an emphasis on prevention, the program features activities such as flu shot clinics, ergonomic assessments and a series of monthly health habit bulletins on topics including reducing stress, healthy eating and more. The program also featured three high-profile challenges for employees in 2012:

- **Winning@Losing:** A 10-week challenge aimed at helping participants reach their weight loss goals. In 2012, 775 participants lost a cumulative total of nearly 1,200 kilograms.
- **Everyday in May:** A month-long, team-based challenge that awarded points to employees for activities such as eating healthy foods, increasing their water intake and engaging in stress reduction activities.
- **Walktober:** A month-long walking/step-count challenge that saw Manulife employees log more than 37,000 kilometres.

The year-long program also saw more than 1,000 Manulife employees receive flu shots in the workplace and complete more than 300 ergonomic assessments. Employees also have access to online nutrition and fitness information.

Manulife Bank

Public Accountability Statement

During the course of 2012, Manulife Bank surpassed \$1 billion in shareholder's equity. It is beyond this threshold that companies are required to submit a separate report outlining their respective public accountability activities. As such, we are pleased to include Manulife Bank's first Public Accountability Statement for the financial year ended December 31, 2012 on the following pages.



About Manulife Bank

In 1993, Manulife Bank became the first chartered bank in Canada to distribute its products and services solely through independent financial advisors. In doing so, Manulife Bank pioneered the concept of advisor-based banking. Now in our twentieth year we hold firm to the belief that debt and cash flow management is an integral part of an effective financial plan. By working with independent financial advisors, we seek to help Canadians improve their financial health by bringing efficient, flexible banking solutions to the core of every financial plan.

Efficient, Integrated Banking Solutions

Manulife Bank encourages Canadians to simplify their banking and make their money work harder. In addition to offering competitive rates on all of its products, Manulife Bank helps Canadians bank more efficiently with two innovative, integrated banking solutions – Manulife One and Manulife Bank Select:

- Manulife One allows clients to combine nearly all of their banking needs within a single, efficient account, which can 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 for Canadians.

With both products, clients can customize the structure of their debt and mitigate the risk of rising interest rates by dividing their debt among a variety of fixed- and variable-rate options.

To help ensure our products are affordable to those who may have retired, we offer a discounted monthly fee for seniors on both Manulife One and Manulife Bank Select.

Personalized, Local Access

Manulife Bank leverages a referral network of more than 16,000 independent financial advisors across

Canada to distribute its mortgages, loans and deposit products. This approach allows our customers to access objective, customized advice in their community and at their convenience. The integration of customized advice with innovative, flexible banking solutions helps empower them to confidently build effective financial plans and achieve their financial goals.

Manulife Bank supports our clients and partners through a nationwide team of banking consultants. More than 200 mobile banking consultants are available to meet with clients at their convenience, often in their homes.

Online and Telephone Access

Manulife Bank provides easy access to daily finances through Internet and telephone banking.

In 2012, Manulife Bank undertook a complete refresh of its websites to make it easier for visitors to find relevant information and, if needed, get in touch with an independent financial advisor or banking consultant in their community.

Manulife Bank also leverages online application systems for independent financial advisors and mobile banking consultants. These systems allow clients to get up and running with many of Manulife Bank's deposit and loan products quickly and efficiently.



The Bank continues to build its two client service 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. 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. local time, Monday to Friday and, new in 2012, on Saturday from 8:00 a.m. to 5:00 p.m. Eastern time. 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 English and French provides optimal accessibility throughout Canada.

ABM Access

Manulife Bank is a member of THE EXCHANGE® Network⁶, 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 use of technology provides clients with access to their financial products virtually anywhere, anytime. It's an innovative service model that we like to refer to as "Banking – the way it should be®."

⁶ Fiserv EFT is the owner of THE EXCHANGE® trademark and its associated rights. Fiserv EFT has granted FICANEX® the exclusive right to use, market and sublicense THE EXCHANGE® trademark and the intellectual property rights associated with the operation of THE EXCHANGE® Network throughout Canada. Manulife Bank is an authorized user of the mark.

Corporate Giving

Manulife Bank shares Manulife Financial's commitment to volunteerism, community development and corporate giving as described in Manulife's 2012 Public Accountability Statement and is fully integrated into the information provided for those initiatives.

Our Corporate Structure

Manulife Bank of Canada ("MBC") (Manulife Bank) is a Schedule I federally chartered bank and a wholly owned subsidiary of The Manufacturers Life Insurance Company, which is a wholly owned subsidiary of Manulife Financial Corporation. Manulife Trust Company (Manulife Trust), a subsidiary of Manulife Bank, is a federally incorporated trust company licensed to operate as a trust company in Canada.

Manulife Bank employed 682 employees as at December 31, 2012. Of these employees, 411 were in Ontario, 130 were in Nova Scotia and the remainder were located across the rest of the country. Manulife Bank incurred \$22.9 million in income taxes and an additional \$2.3 million in capital taxes in 2012. Manulife Trust incurred \$0.02 million in income taxes and an additional \$0.14 million in capital taxes in 2012.

Manulife Trust Company

Manulife Trust is a federally incorporated trust company licensed to operate in Canada. Manulife Trust leverages the Bank's brand, technology, operational and customer service platforms and processes, product set, distribution network and management expertise.

Manulife Trust offers simple deposit products that are available electronically, as well as fixed-term residential mortgages, available through Manulife Bank's nationwide network of banking consultants. Data provided for Manulife Bank includes Manulife Trust data.

Table 8: Debt Financing for Business Provided by Manulife Bank

Amount of debt financing authorized in 2012 (CDN\$ 000s)

	\$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	Grand Total
British Columbia	\$ –	\$ –	\$ 261	\$ 767	\$ 800	\$ –	\$ –	\$ 1,828
Alberta	–	142	–	659	–	1,836	–	2,637
Saskatchewan	–	–	394	730	850	–	–	1,974
Manitoba	–	–	–	–	–	–	–	–
Ontario	–	487	1,737	4,796	7,601	4,408	–	19,029
Quebec	–	–	210	747	1,206	2,640	–	4,803
New Brunswick	–	–	–	351	–	–	–	351
Nova Scotia	–	197	241	–	–	–	–	438
Prince Edward Island	–	–	–	–	–	–	–	–
Newfoundland	–	–	–	–	–	–	–	–
Yukon	–	–	–	–	–	–	–	–
Nunavut	–	–	–	–	–	–	–	–
Northwest Territories	–	–	–	–	–	–	–	–
Total Canada	\$ –	\$ 826	\$ 2,843	\$ 8,050	\$ 10,457	\$ 8,884	\$ –	\$ 31,060
Total United States	–	–	–	–	–	–	–	–
Total Asia	–	–	–	–	–	–	–	–
Grand Total	\$ –	\$ 826	\$ 2,843	\$ 8,050	\$ 10,457	\$ 8,884	\$ –	\$ 31,060

Number of customers for whom debt financing was authorized in 2012

	\$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	Grand Total
British Columbia	–	–	2	2	1	–	–	5
Alberta	–	2	–	2	–	1	–	5
Saskatchewan	–	–	2	2	1	–	–	5
Manitoba	–	–	–	–	–	–	–	–
Ontario	–	6	9	13	11	2	–	41
Quebec	–	–	1	2	2	2	–	7
New Brunswick	–	–	–	1	–	–	–	1
Nova Scotia	–	3	1	–	–	–	–	4
Prince Edward Island	–	–	–	–	–	–	–	–
Newfoundland	–	–	–	–	–	–	–	–
Yukon	–	–	–	–	–	–	–	–
Nunavut	–	–	–	–	–	–	–	–
Northwest Territories	–	–	–	–	–	–	–	–
Total Canada	–	11	15	22	15	5	–	68
Total United States	–	–	–	–	–	–	–	–
Total Asia	–	–	–	–	–	–	–	–
Grand Total	–	11	15	22	15	5	–	68

Note: The data presented in this table is a subset of the data provided on page 12.

External Recognition and Achievements

The following are just some of the awards presented to Manulife in 2012 for its achievements in business and its community contributions. A complete list of awards can be found at manulife.com/awards

Business Achievement

Manulife Financial Named One of Canada's Top Employers

Toronto, October 10, 2012

For the second consecutive year, Manulife Financial was recognized by Mediacorp as one of Canada's Top 100 Employers, an honour distinguishing the Company as one of the country's best places to work.

Manulife Financial Recognized for Best Overall Corporate Governance

New York, January 8, 2013

Manulife Financial was recognized as having the Best Overall Corporate Governance in the International category at the annual Corporate Governance Awards.

John Hancock Named a Top Overall Winner for 2012 by the American Business Awards

Boston, October 4, 2012

John Hancock was one of the top overall winners in the "Best of the American Business Awards" for 2012, after sweeping several categories at the annual awards event in June.

Manulife-Sinochem Wins 2012 Insurance Product Golden Award

China, December 15, 2012

Manulife-Sinochem received a 2012 Insurance Product Golden Award for its par product Fu Gui Nian Hua,

which helps clients enjoy life insurance protection while making applicable retirement plans with an efficient solution for life security and retirement needs.

Manulife Singapore Maintains Top-Tier Standing in a National Customer Satisfaction Index Survey

Manulife Singapore was ranked No. 1 & 2 for 2010 and 2011 in the financial services sector in a national Customer Satisfaction Index Survey conducted by the Institute of Service Excellence of Singapore.

Community Achievement

Manulife Wins Volunteer Impact Award

Kitchener, April 16, 2012

In recognition of the volunteer efforts of a team of Group Disabilities employees at 25 Water Street, Manulife Financial was awarded the Business Community Partner Award at the KW Volunteer Action Centre's 2012 Volunteer Impact Awards celebration.

Manulife Receives Caring Company Designation for the Tenth Time

Hong Kong, May 3, 2012

Manulife has again earned the Caring Company designation in 2012 from the Hong Kong Council of Social Services for the tenth consecutive year. The award recognizes Manulife's proactive corporate social responsibility initiatives ranging from community health and children's well-being to education and the environment.

John Hancock Financial Services Honoured for Leadership in Corporate Social Responsibility

Boston, October 23, 2012

John Hancock Financial Services received the Boston Cares Award 2012 for Outstanding Corporate Partnership. John Hancock was recognized for its commitment to the community through projects such as the MLK Summer Scholars program in Boston, the largest privately funded summer jobs initiative of its kind in the United States.

Manulife Japan Receives CSR Program Recognition from Tokyo Metropolitan Government

Japan, December 18, 2012

Manulife Japan received the Chairman's Appreciation Certificate Award from the Tokyo Council of Social Welfare in recognition of its contribution to recovery efforts in the area affected by the 2011 Great Eastern Japan Earthquake.

Manulife's 2012 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 Canada Ltd. and First North American Insurance Company.

Manulife Bank's 2012 Public Accountability Statement is produced and filed as the consolidated public accountability statement required for Manulife Bank and the following affiliate: Manulife Trust Company.

All dollar amounts in this report 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, 2012.

Donations and Sponsorships

All requests for charitable donations or sponsorships should be submitted using our online application process at 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.

Go Paperless

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 our annual report. Manulife Financial Annual Report available online at manulife.com.

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Manulife Financial Corporation's 2012 Public Accountability Statement is also available to view and download from our website at manulife.com.

To find this report online visit manulife.com/governance.



> Nearly 800 staff, agents and their families took part in Manulife Taiwan – ORBIS International second annual “Vision for the Future” charity walkathon.

- > **(Back Cover) (Left)** Manulife employees enthusiastically participate in the Food Sort Challenge at the Waterloo Region Food Bank.
- (Right)** Manulife makes a donation to the Hatsadin Elephant Farm in Huahin, Thailand to help preserve the Thai elephant.



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