



Keys to Sustaining Success - Manulife in Japan



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Manulife Financial - Vision and Strength

Vision

To be the most professional life insurance company in the world

Strengths

Solid
Financials

Well-suited to
Changing
Demographics

Effective Risk
Management

High Quality
Investment

Innovative
Products

Excellent
Distribution

Conservative
Balance
Sheet

Strong
Management
Team



Manulife Financial – Operating in over 19 Different Countries and Territories Globally

Canada

- Individual Insurance
- Individual Wealth Management
- Group Insurance

United States

- Insurance
- Long Term Care
- Annuities
- Group Pensions
- Mutual Funds
- Fixed Products

Investment

United States, Canada, United Kingdom, Japan, Australia, Hong Kong, Southeast Asia

Asia

Hong Kong, Philippines, Singapore, Indonesia, Vietnam, Malaysia, Thailand, Taiwan

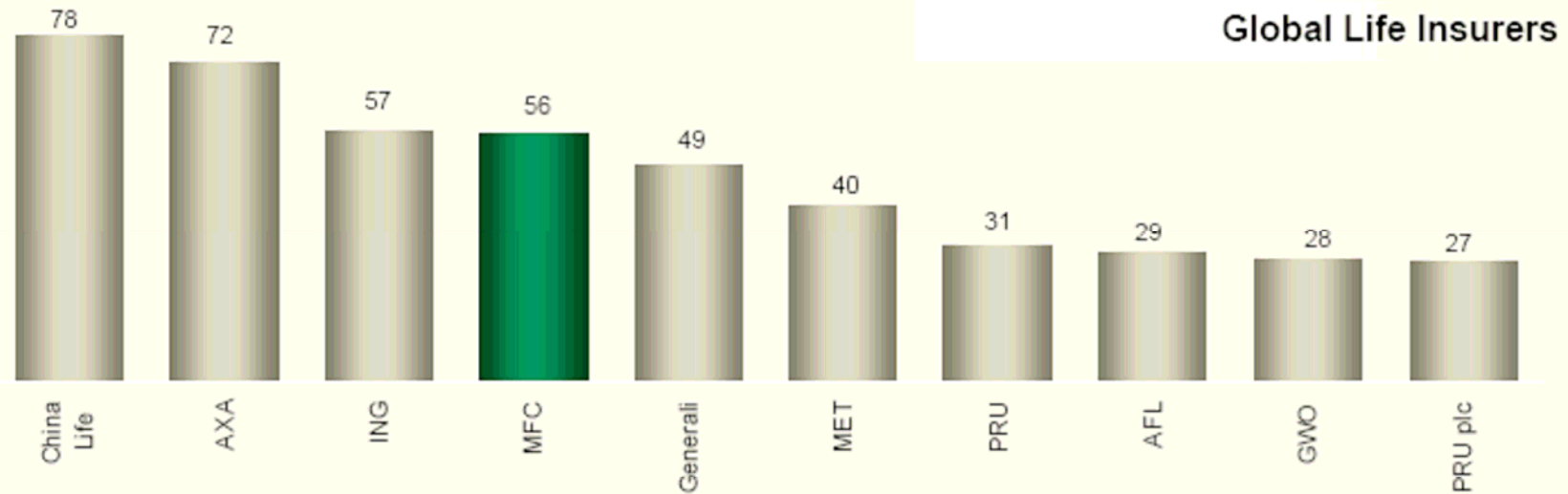
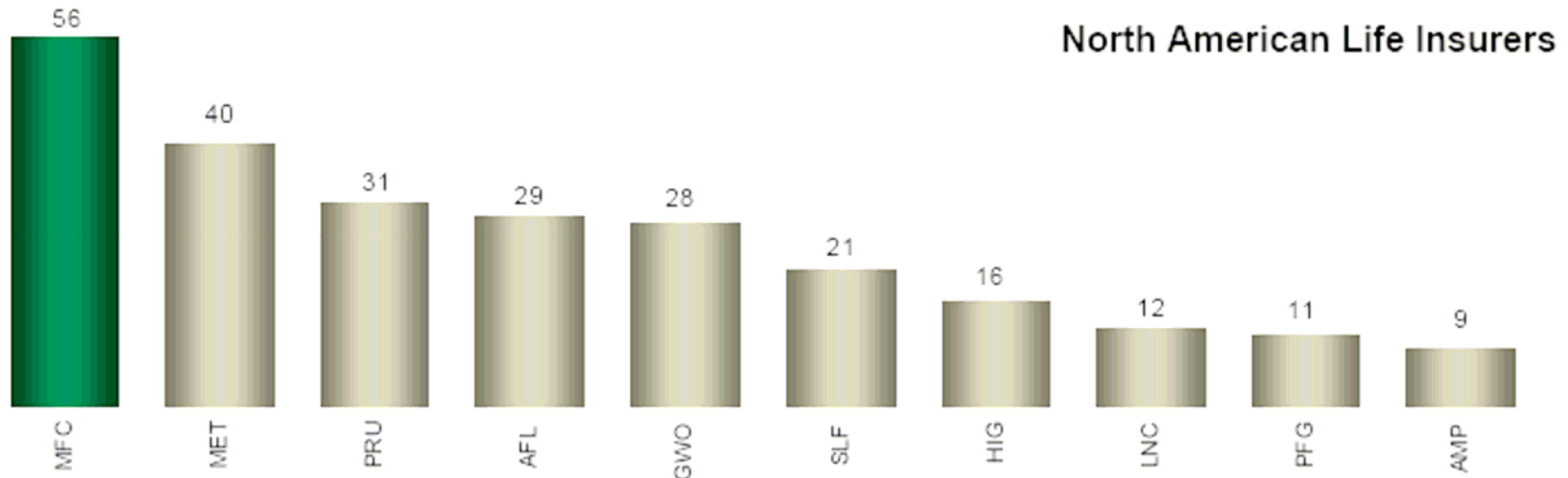
Japan

- Individual Insurance
- Variable Annuities

Reinsurance

United States
Canada
Europe
Asia

Significant Scale



Market cap data as at September 25, 2008 in US\$. Source: Thomson Reuters



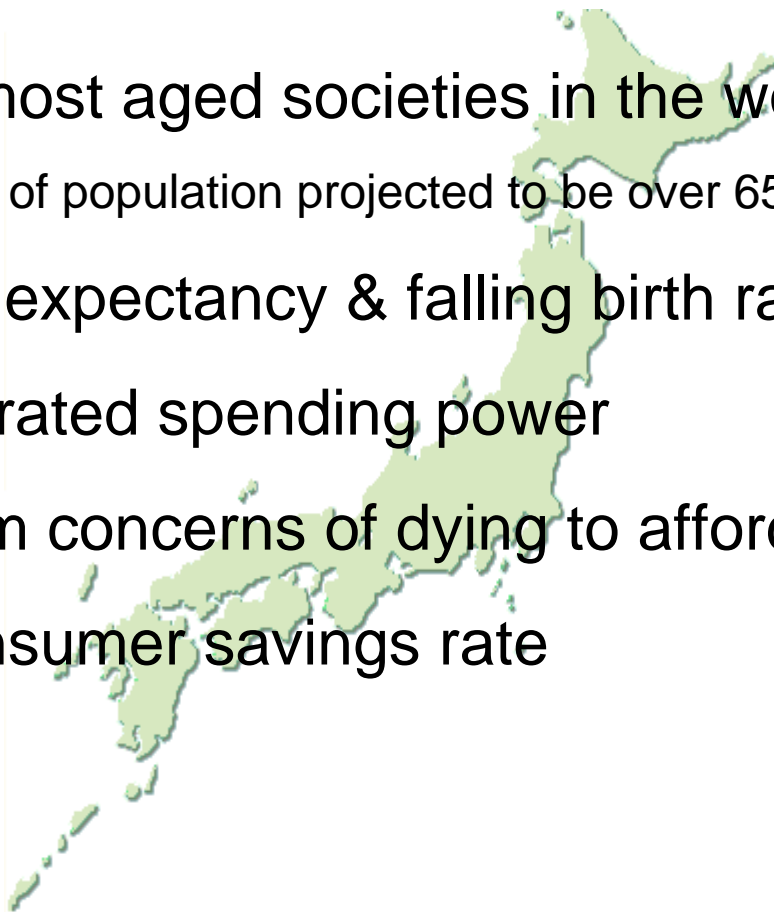
Reasons Why MFC Entered Japan

- Second largest economy & second largest insurance market in the world
- Sophisticated consumers with high standard of living
- Substantial potential for savings & inter-generational wealth transfer needs
- Under-serviced by product innovation
- MFC has over 100 years of experience in Asia



Demographic Characteristics

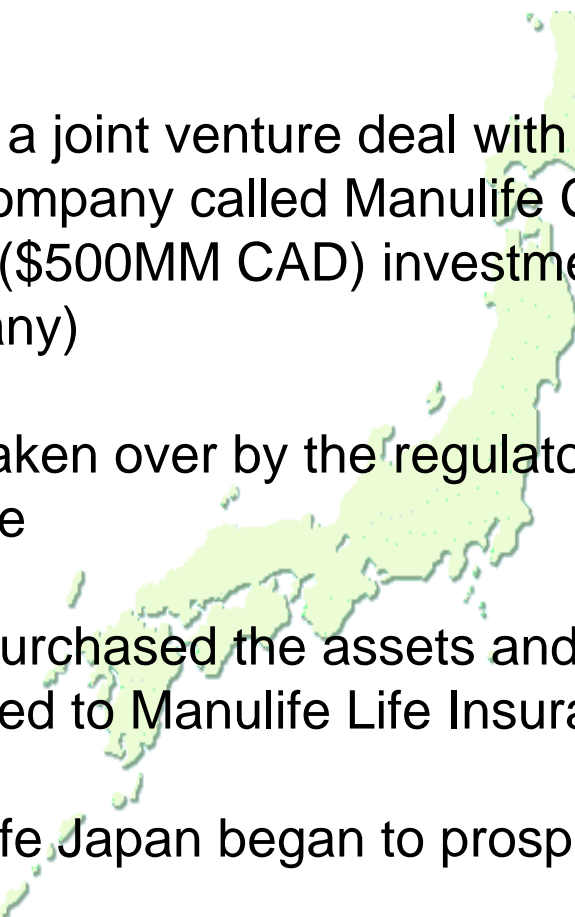
- One of most aged societies in the world
 - 40% of population projected to be over 65 by 2050
- High life expectancy & falling birth rates
- Concentrated spending power
- Shift from concerns of dying to affordability of living
- High consumer savings rate



Sources: World Population Ageing 2007 and Towers Perrin Changing Life Insurance in Japan, 2008.



How Manulife Japan Was Established

- 
- 1999: Struck a joint venture deal with Daihyaku & capitalized a new company called Manulife Century Life with a ¥40 billion (\$500MM CAD) investment (approx. 50% of the company)
 - 2000: DHY taken over by the regulator, MCL continued to operate
 - 2001: MCL purchased the assets and liabilities of DHY and was renamed to Manulife Life Insurance Company
 - 2003: Manulife Japan began to prosper



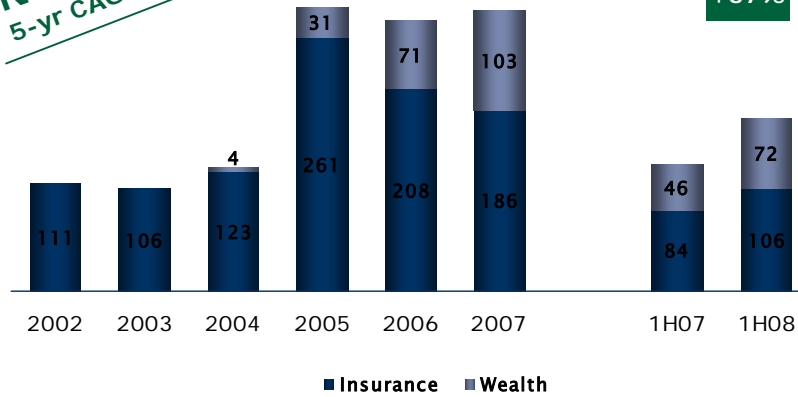
Strategy After Acquiring Daihyaku

- Leverage global experience and recruit top-quality Japanese talent
- Introduce a more modern, capital efficient and profitable product portfolio
 - Introduced a variety of innovative products including universal life and variable annuity products
- Revitalize and expand channels of distribution
 - Formed partnerships with banks and retail brokerages (Jan 04: Strategic alliance with the Bank of Tokyo Mitsubishi)
- Reduce expense bases
 - Eliminated duplication
 - Centralized administration
 - Re-negotiated supply contracts

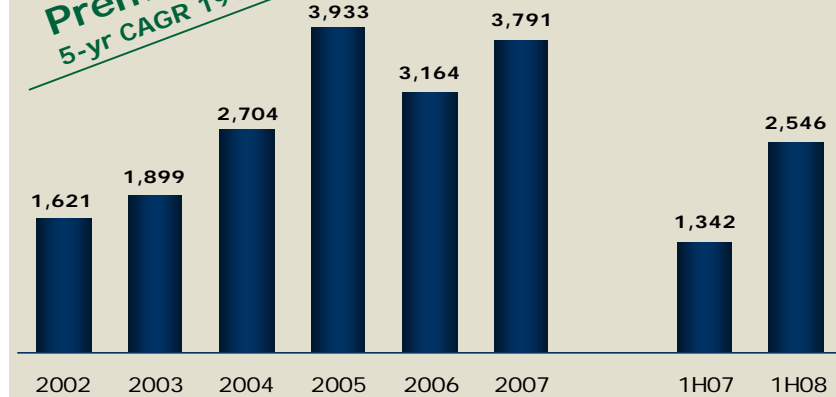
As a result of diligently pursuing the above strategy...

MLJ - Significant Growth

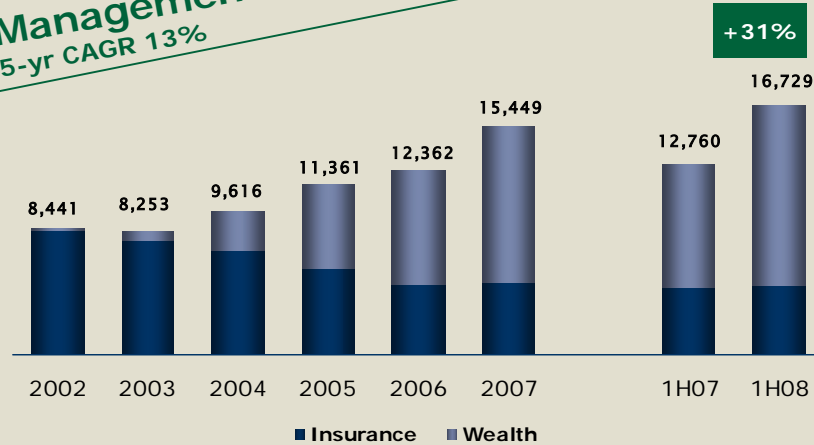
Net Income
5-yr CAGR 21%



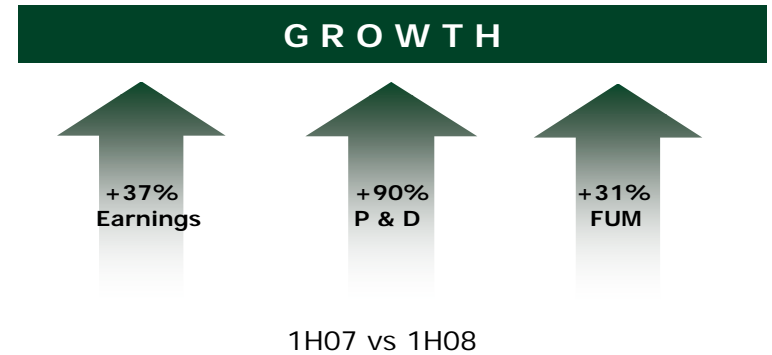
Premiums & Deposits
5-yr CAGR 19%



Fund Under Management
5-yr CAGR 13%

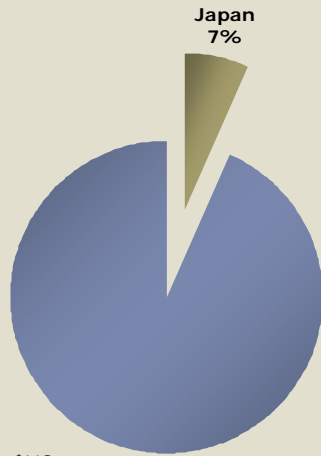


Recent Japan Successes¹



Significant Contribution to MFC

Net Income



Data as at 31Dec07 in \$US

■ 37% YoY Earnings Growth Key contributors:

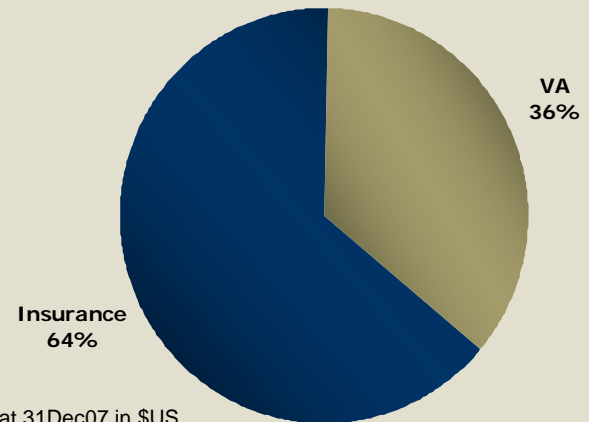
- **Inforce growth**
- **Impact of strong sales in Insurance & Wealth**
- **Favorable currency**

YoY based on 1H08 vs 1H07

“In order to meet our ambitious objectives, we will leverage the positive momentum achieved and grow our business even faster”

***– Craig Bromley
EVP & GM, Japan***

Business Unit Net Income




Data as at 31Dec07 in \$US



Our Distribution Partners





Core Strategy & Implementation

To be the fastest growing insurance provider in Japan

Expand existing distribution channels

Focus on developing innovative products

Expand infrastructure to meet growth

Develop new markets & strategically invest in areas of growth



Strengths & Challenges

■ Strengths

- “AAA” credit rating
- Strong products development capability
- Recognized market leader of VA in Japan
- Excellent account management appreciated by distributors
- Move quickly to catch opportunities

Challenges

- Changing regulations
- Shrinking overall market in Japan
- Fiercer competition and new entrants
- Turbulent economic environment



What are we facing today?



Source: Towers Perrin Changing Life Insurance in Japan, 2008.



Looking Forward

We will keep ourselves well positioned, no matter what.

- Strong market position
- A track record of successful industry leading products
- Growth of alternative distribution channels
- Lever large customer base and sell products through multiple channels