



News Release

C\$ unless otherwise stated

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Manulife Financial Fortifies its Capital Position with \$2.5 Billion Common Equity Raise

TORONTO – Manulife Financial Corporation (MFC) today announced that it will issue \$2,500,400,000 in common equity in a bought deal arranged by Scotia Capital Inc. and RBC Dominion Securities Inc. Upon closing, The Manufacturers Life Insurance Company (MLI) will have access to the highest level of capital since MFC became a public company.

Manulife Financial Chief Executive Officer Donald Guloien said, “We are positioning Manulife for the long term. We believe this transaction achieves the fortress level of capital necessary to buffer against more conservative economic scenarios and to position us to take advantage of highly attractive acquisition and growth opportunities.”

“Our action today is consistent with Manulife’s conservative approach to capital management,” he added. “Achieving these strong capital levels enables us to offer an even higher degree of security to present and future customers. It also gives us tremendous flexibility.”

Manulife Chief Financial Officer Michael Bell said, “Manulife continues to enjoy solid operating performance and excellent credit experience given challenging markets. Although equity markets, interest rates and credit will continue to impact the Company’s balance sheet and earnings, this transaction will strengthen Manulife’s flexibility to respond to both risks and opportunities.”

On a pro forma basis after giving effect to the \$2.5 billion offering of common equity, if the entire amount of the proceeds of the offering were invested in MLI, and reflecting market conditions as of the end of our third quarter, Manulife estimates that the pro forma Minimum Continuing Capital and Surplus Requirements (MCCSR) ratio of MLI as at September 30, 2009 would have been approximately 256% versus the 229% MCCSR reported at the end of its third quarter. This ratio, on a pro forma basis, would be the highest since MFC became a public company.

A Syndicate of underwriters being led by Scotia Capital Inc. and RBC Dominion Securities Inc. in a bought deal public offering has agreed to buy \$2.5 billion in Manulife common shares at a price of \$19.00. The public offering is expected to close on or about November 30, 2009, subject to satisfaction of customary closing conditions.

The Company has granted the underwriters an over-allotment option, exercisable in whole or in part at any time up to 30 days after closing, to purchase up to an additional \$375,060,000 in common shares at the same offering price. Should the over-allotment option be exercised in full, the total gross proceeds of the offering would be \$2,875,460,000.

The estimated net proceeds from the offering will be approximately \$2.413 billion, after deducting the underwriting fee and before the estimated offering expenses payable by the Company. The Company expects to use the net proceeds from this offering for general corporate purposes, which may include contributions of capital to its insurance and other subsidiaries, potential acquisitions or other growth initiatives. The Company has not yet made a determination as to how much of the proceeds will be invested in MLI and how much will be used for other corporate purposes. Following the offering, the Company also intends to retire the approximately \$1 billion outstanding

indebtedness under its Credit Facility with Canadian chartered banks using other cash resources of the Company.

Michael Bell said, "While the common equity issue is expected to be dilutive to the Company's Earnings Per Share (EPS) and Return on Equity (ROE), the Company believes that strengthening its capital position is in the best long term interests of the Company and its shareholders."

The common shares to be offered have not been and will not be registered under the *U.S. Securities Act of 1933*, as amended (U.S. Securities Act), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act. This press release is not an offer to sell or the solicitation of an offer to buy such common shares in the United States or in any other jurisdiction where such offer is unlawful.

Manulife Financial is a Canadian-based financial services group serving millions of customers in 22 countries and territories worldwide. Operating as Manulife Financial in Canada and Asia, and primarily through John Hancock in the United States, the Company offers customers a diverse range of financial protection products and wealth management services through its extensive network of employees, agents and distribution partners. Funds under management by Manulife Financial and its subsidiaries were \$437 billion (US\$407 billion) as at September 30, 2009.

Manulife Financial Corporation trades as 'MFC' on the TSX, NYSE and PSE, and under '945' on the SEHK. Manulife Financial can be found on the Internet at www.manulife.com.

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Caution Regarding Forward-Looking Statements

This document contains forward-looking statements within the meaning of the "safe harbour" provisions of Canadian provincial securities laws and the U.S. *Private Securities Litigation Reform Act of 1995*. These forward-looking statements include, but are not limited to, statements with respect to the anticipated benefits of the offering, the expected use of the net proceeds of the offering, the intention to retire indebtedness and the expected impact of the offering on MFC's Earnings Per Share (EPS) and Return of Equity (ROE). The forward-looking information contained in this document is presented for the purpose of assisting our shareholders and analysts in understanding our financial position and intentions as at the date of this release and may not be appropriate for other purposes. The forward-looking statements in this document relate to our objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and can be identified by the use of words such as "may", "will", "could", "should", "would", "expect", "intend", "estimate", "anticipate", "believe", "objective", "continue" and "potential" and words and expressions of similar import, and include statements concerning possible or assumed future results. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements and they should not be interpreted as confirming market or analysts' expectations in any way. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements.

Important factors that could cause actual results to differ materially from expectations include but are not limited to: general business and economic conditions (including but not limited to performance of equity markets, interest rate fluctuations and movements in credit spreads, currency rates, investment losses and defaults, market liquidity and creditworthiness of guarantors, reinsurers and counterparties); Company liquidity, including the availability of financing to satisfy existing financial liabilities on their expected maturity dates when required; changes in laws and regulations; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; accuracy of estimates used in applying accounting policies and actuarial methods used by the Company; the ability to implement effective hedging strategies; the ability to maintain the Company's reputation; legal and regulatory proceedings; level of competition and consolidation; the ability to adapt products and services to the changing market; the ability to attract and retain key executives; acquisitions and the ability to complete acquisitions including the availability of equity and debt financing for this purpose; the ability to execute strategic plans and changes to strategic plans; the disruption of or changes to key elements of the Company's or public infrastructure systems; and environmental concerns. Additional information about material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in our Third Quarter 2009 Report to Shareholders as well as under "Risk Factors" in our most recent Annual Information Form, under "Risk Management" and "Critical Accounting and Actuarial Policies" in the Management's Discussion and Analysis in our most recent annual and interim reports, in the "Risk Management" note to consolidated financial statements in our most recent annual and interim reports and elsewhere in our filings with Canadian and U.S. securities regulators. We do not undertake to update any forward-looking statements except as required by law.