

*John Hancock*

Financial Strength  
2005



# Performance at a Glance

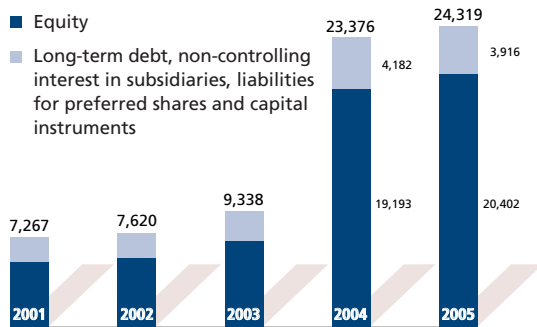
On April 28, 2004, Manulife Financial Corporation (“the Company”) and John Hancock Financial Services, Inc. (“John Hancock”) merged and became one of the largest life insurers worldwide. Based on market capitalization as at December 31, 2005, the combined company now ranks as the 4th largest life insurance company in the world, up from the number five position a year ago, and continues to be the 2nd largest in North America. The merger combined two exceptionally strong companies into a single, integrated global market leader whose scale and capital base is expected to drive greater short-and long-term growth, and shareholder value.

As a result of the merger, the Company has significantly expanded its operational and distribution strength in North America. In addition to expanding the reach of existing businesses, the merger has provided the Company with well-established presence in new product markets.

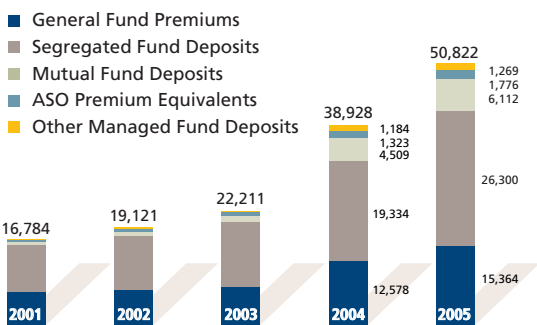
The Company also benefited from the acquisition of the John Hancock brand name, and effective January 1, 2005, all of its U.S. operations adopted the John Hancock name and logo – one of the most recognized and highly regarded financial services brands in the United States.

As at and for the years ended December 31.

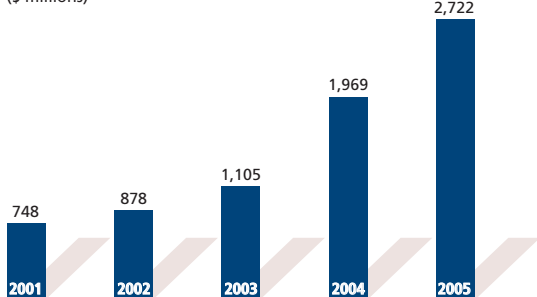
## Capital (\$ millions)



## Premiums and Deposits (\$ millions)



## Net Income Available to Common Shareholders (\$ millions)



## Financial Strength

Capital is one the best measures of financial strength. Our continued capital growth enables us to maintain high ratings, provide financing of new opportunities, and ensure long-term claims-paying ability and commitment to policyholders. Capital increased significantly in 2004 primarily as a result of the merger.

## Premium and Deposit Growth

The continued growth in premiums and deposits demonstrates our ability to adjust to the changing economic environment and respond to customer needs by providing a streamlined product portfolio, introducing innovative products and services, and by expanding distribution networks. 2005 includes twelve months of premiums and deposits for John Hancock businesses compared to eight months (post-acquisition) in 2004. Increases in 2005 general fund premiums were due to in-force business growth in Asia, partially offset by lower premiums in Canadian Individual Wealth Management fixed interest products due to a shift toward equity-based investments in segregated funds. Growth in 2005 segregated fund deposits was driven by record sales of variable annuities in the U.S. and Japan, record deposits in John Hancock Retirement Plan Services, as well as growth in Canadian and Hong Kong wealth management businesses.

## Earnings Growth

Shareholders’ net income measures the earnings from a company’s business activities. The 2005 shareholders’ net income includes twelve months of John Hancock earnings compared to eight months (post-acquisition) in 2004. The increase in 2005 earnings was fueled by business growth, favorable investment returns, merger related expense synergies, and the positive impact of equity markets. Current year changes to actuarial methods and assumptions also contributed positively to earnings. Included in the 2005 results were several non-recurring items that reduced earnings, such as the impact of Hurricanes Katrina and Wilma, costs to cover guarantees made to clients referred to Portus Alternative Asset Management Inc., and finalization of the John Hancock purchase equation, that were partially offset by non-recurring gains in the Japan Division.



## Our Vision

To be the most professional life insurance company in the world by providing the very best financial protection and investment management services tailored to customers in every market where we do business.

**Dominic D'Alessandro**

PRESIDENT AND CHIEF EXECUTIVE OFFICER

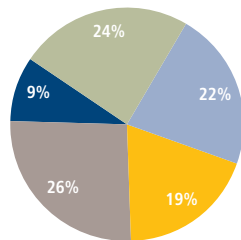
## Financial Highlights

As at and for the years ended December 31.

Millions	2005	2004
Premiums and Deposits	\$ 50,822	\$ 38,928
Total Revenue	\$ 26,484	\$ 20,832
Policyholders' Dividends	\$ 1,297	\$ 1,077
Shareholders' Net Income	\$ 2,722	\$ 1,969
Funds Under Management	\$ 319,301	\$ 288,598
General Fund Invested Assets	\$ 143,436	\$ 140,530
Equity	\$ 20,402	\$ 19,193

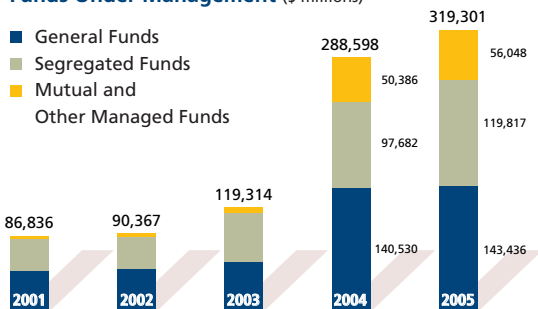
### Divisional Net Income

- Canada
- Asia and Japan
- U.S. Insurance
- U.S. Wealth Management
- Reinsurance, Corporate and Other



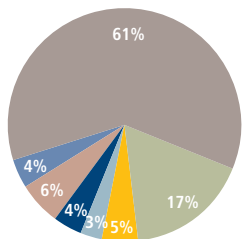
### Funds Under Management (\$ millions)

- General Funds
- Segregated Funds
- Mutual and Other Managed Funds



### General Fund Invested Asset Mix

- Bonds
- Mortgages
- Stocks
- Real Estate
- Policy Loans
- Cash and Short-Term
- Other



## Geographic Diversification

The Company provides a wide range of financial products and services to individual and group customers in the United States, Canada, and Asia. We have a long history of international diversification and currently operate in 19 countries and territories. Combined with diversified product offerings, our broad geographic presence provides earnings stability and translates into new growth opportunities, which help us maintain our long-term financial strength.

## Asset Strength and Mix

Consistent with our earnings growth, funds under management have continued to steadily increase. The increase from 2004 was driven primarily by higher segregated funds reflecting strong net sales and market value appreciation. General fund invested assets also increased but were partially offset by scheduled maturities of institutional annuities in the U.S. Wealth Management line of business. Our general fund invested assets maintain a mix of diversified bonds, stocks, mortgages and real estate assets. The largest invested asset component is bonds, of which 94% were rated investment grade at year end 2005. Our conservative investment mix ensures that our asset base continues to remain stable, even in volatile market conditions. In addition, our investment policy of diversification allows us to be flexible in changing markets, thereby minimizing the impact of sharp market swings in specific sectors. Funds under management increased significantly in 2004 primarily as a result of the merger.

All figures in this brochure are shown in U.S. dollars, unless otherwise noted, and are based on the consolidated Canadian generally accepted accounting principles (GAAP) results for the Manulife Financial group of companies reported in Canadian dollars. These balances are converted to U.S. dollars at the relevant exchange rates during the applicable year. Canadian GAAP differs in certain material respects from accounting principles generally accepted in the United States ("U.S. GAAP").

## Demonstrating Financial Strength

Selecting any financial partner requires a great deal of evaluation. This is especially true when your purchase involves a product with a long-term obligation such as life insurance. You want to feel confident that the partner you choose will be there when needed most. We understand that and invite you to closely inspect our financial strength and our performance record.

Manulife Financial has consistently pursued a strategy of strengthening its core operations. Strong organic growth, as well as mergers and acquisitions, have more than tripled shareholders' net income since 2001, while our capital base has increased by almost \$17 billion. Our financial results over the years demonstrate that our strategy works.

### Credit Ratings for Manulife Financial Operating Companies that sell John Hancock Insurance products in the United States

As of November 7, 2006	A.M. Best <sup>1</sup>	Fitch <sup>2</sup>	Standard & Poor's <sup>3</sup>	Moody's <sup>4</sup>
John Hancock Life Insurance Company (U.S.A.)	A++	AA+	AAA	Aa2
John Hancock Life Insurance Company of New York	A++	AA+	AAA	not rated
John Hancock Life Insurance Company and John Hancock Variable Life Insurance Company	A++	AA+	AAA	Aa2

<sup>1</sup> A++ is the 1st category of 16: Superior ability to meet ongoing obligations.

<sup>2</sup> AA+ is the 2nd category of 24: Very strong capacity to meet policyholder and contract obligations.

<sup>3</sup> AAA is the 1st category of 21: Extremely strong financial security characteristics.

<sup>4</sup> Aa2 is the 3rd category of 21: Excellent in financial strength.

\* These ratings represent the Financial Strength/Claims-Paying Ability Credit Ratings of Operating Companies that sell John Hancock Insurance products in the United States. Ratings are current as of November 7, 2006 and are subject to change. These ratings are a measure of each company's ability to honor the death benefit and life annuitization guarantees, but not specifically to its products, the performance of these products, the value of any investment in these products upon withdrawal or to individual securities held in any portfolio. Insurance ratings do not apply to the safety and performance of separate accounts.



Insurance products issued by John Hancock Life Insurance Company (U.S.A.), John Hancock Life Insurance Company, and John Hancock Variable Life Insurance Company, Boston, MA 02116.

In New York, insurance products issued by John Hancock Life Insurance Company of New York, Valhalla, NY 10595 and John Hancock Life Insurance Company, Boston, MA 02116.

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