

Accessible Banking and Taxation

Manulife Bank is more than a virtual bank. Service-focused Internet and telephone banking operations ensure client accessibility throughout Canada, supported by personal contact from one of the largest financial advisor networks in the country.

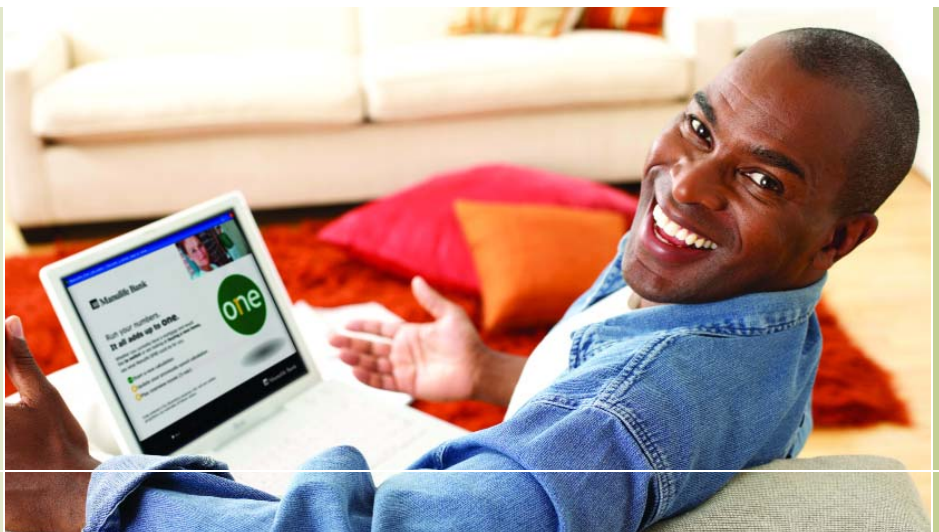
Manulife Bank's innovative mortgage, loan and deposit products are distributed across Canada by 7,000 financial advisors associated with Manulife Financial. These professionals work actively with clients, developing strategies that enable them to benefit from an innovative integration of banking solutions and financial planning.

The Bank's flagship product, Manulife One, puts clients in control of their banking portfolio and provides immediate access to daily finances. In 2006, the Bank implemented new technology allowing its team of more than 100 banking consultants across the country to give clients conditional approvals for Manulife One accounts within minutes. In addition, the all-encompassing monthly administration fee was reduced from \$14 to \$7 for seniors.

Improving clients' online experience, the Company reengineered Manulife Bank's marketing web site and enhanced the transactional Internet banking site. Several new features were added, such as streamlined transfer screens, and functional improvements made, including the ability to pay multiple bills, transfer funds between a Manulife One main account and a subaccount, and search for transactions.

The Bank extended its Customer Service Centre hours in 2006. Now clients can call and speak to a representative any time between 8 a.m. and 8 p.m., regardless of their time zone. In the fall, the opening of a new call centre in Halifax was announced. It provides additional resources for the administration of client accounts. As a member of The EXCHANGE® Network, which includes more than 2,000 automated bank machines across Canada, Manulife Bank allows clients to deposit and withdraw funds without paying a convenience fee.

Manulife Bank's network of independent financial advisors and knowledgeable banking consultants, as well as sophisticated use of technology, enable customers to access its products virtually anywhere in Canada. This commitment to service is an essential component of the Bank's mission to offer "Banking, the way it *should* be.®"



Manulife taxation report

Taxes, levies and assessments are a significant component of Manulife's expenses. In addition to Canadian income and capital-based taxes, the Company is subject to other Canadian taxes reported as part of its operating expenses. These include property and business taxes, premium taxes, employer payroll taxes, commodity and consumption taxes, and investment income taxes.

Manulife incurred \$526 million of income and other taxes paid or payable to all levels of Canadian government for 2006 – \$207 million in income taxes, \$7 million in capital taxes and \$312 million in other taxes.

The following table presents the federal and provincial income and capital taxes paid or payable in Canada for 2006.

Taxes paid or payable in Canada

For the year ended December 31, 2006

(\$ THOUSANDS)	INCOME TAXES	CAPITAL TAXES
Federal	\$ 115,288	\$ 3,273
Provincial and territorial:		
British Columbia	5,176	0
Alberta	11,069	0
Saskatchewan	1,273	0
Manitoba	1,345	128
Ontario	63,521	2,914
Quebec	5,352	3
New Brunswick	809	0
Nova Scotia	1,619	460
Prince Edward Island	219	0
Newfoundland and Labrador	925	0
Yukon, Northwest Territories and Nunavut	77	0
Total provincial and territorial	91,385	3,506
TOTAL	\$206,673	\$6,778

Note: Income tax amounts are estimates based on information available for the year as at December 31, 2006.

