Manulife | John Hancock

Fourth Quarter 2014
Financial & Operating Results

February 12, 2015

Manulife Financial Corporation operates as John Hancock in the United States, and Manulife in other parts of the world.

Caution regarding forward-looking statements

From time to time, Manulife makes written and/or oral forward-looking statements, including in this presentation. In addition, our representatives may make forward-looking statements orally to analysts, investors, the media and others. All such statements are made pursuant to the "safe harbour" provisions of Canadian provincial securities laws and the U.S. Private Securities Litigation Reform Act of 1995.

The forward-looking statements in this presentation include, but are not limited to, statements with respect to our 2016 management objectives for core earnings and core ROE, and long-term leverage as disclosed in our 2012 Investor Day press release. These forward-looking statements also relate to, among other things, Manulife's objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and can generally be identified by the use of words such as "may", "will", "could", "should", "would", "likely", "suspect", "outlook", "expect", "intend", "estimate", "anticipate", "believe", "plan", "forecast", "objective", "seek", "aim", "continue", "goal", "restore", "embark" and "endeavour" (or the negative thereof) and words and expressions of similar import, and include statements concerning possible or assumed future results. Although Manulife believes 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, including in the case of MFC's 2016 management objectives for core earnings and core ROE, the assumptions described under "Key Planning Assumptions and Uncertainties" in our most recent annual report and our most recent interim financial report, 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: the factors identified in "Key Planning Assumptions and Uncertainties" in our most recent annual report and our most recent interim financial report; general business and economic conditions (including but not limited to the performance, volatility and correlation of equity markets, interest rates, credit and swap spreads, currency rates, investment losses and defaults, market liquidity and creditworthiness of guarantors, reinsurers and counterparties); changes in laws and regulations; changes in accounting standards; our ability to execute strategic plans and changes to strategic plans; downgrades in our insurance subsidiaries' financial strength or credit ratings; our ability to maintain our reputation; impairments of goodwill or intangible assets or the establishment of provisions against future tax assets; the accuracy of estimates relating to morbidity, mortality and policyholder behaviour; the accuracy of other estimates used in applying accounting policies and actuarial methods; our ability to implement effective hedging strategies and unforeseen consequences arising from such strategies; our ability to source appropriate assets to back our long-dated liabilities; level of competition and consolidation; our ability to market and distribute products through current and future distribution channels; unforeseen liabilities or asset impairments arising from acquisitions and dispositions of businesses, including with respect to the acquisition; the realization of losses arising from the sale of investments classified as available-for-sale; our liquidity, including the availability of financing to satisfy existing financial liabilities on expected maturity dates when required; obligations to pledge additional collateral; the availability of letters of credit to provide capital management flexibility; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; the availability, affordability and adequacy of reinsurance; legal and regulatory proceedings, including tax audits, tax litigation or similar proceedings; our ability to adapt products and services to the changing market; our ability to attract and retain key executives, employees and agents; the appropriate use and interpretation of complex models or deficiencies in models used; political, legal, operational and other risks associated with our non-North American operations; acquisitions and our ability to complete acquisitions including the availability of equity and debt financing for this purpose.

Additional information about material risk 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 the prospectus supplement to be filed in respect of the public offering of subscription receipts, under "Risk Factors" in our most recent AIF, under "Risk Management and Risk Factors" and "Critical Accounting and Actuarial Policies" in the management's discussion and analysis in our most recent annual report, under "Risk Management and Risk Factors Update" and "Critical Accounting and Actuarial Policies" in the management's discussion and analysis in our most recent interim report, in the "Risk Management" note to the consolidated financial statements in our most recent annual and interim reports, and elsewhere in our filings with Canadian securities regulators. The forward-looking statements in this presentation are, unless otherwise indicated, stated as of the date hereof and are presented for the purpose of assisting investors and others in understanding our financial position and results of operations, our future operations if the acquisition is completed, as well as our objectives and strategic priorities, and may not be appropriate for other purposes. We do not undertake to update any forward-looking statement, except as required by law.

Conference Call Participants

Donald Guloien
President & Chief Executive Officer

Steve Roder
SEVP & Chief Financial Officer

Paul Rooney
SEVP & Chief Operating Officer

Robert Cook
SEVP & General Manager, Asia

Marianne Harrison
SEVP & General Manager, Canada

Craig Bromley
SEVP & General Manager, U.S. Division

Warren Thomson
SEVP & Chief Investment Officer

Scott Hartz
EVP, General Account Investments

Kai Sotorp
EVP, Global Head of Wealth and Asset Management

Rahim Hirji
EVP & Chief Risk Officer

Cindy Forbes
EVP & Chief Actuary

Steven Moore
SVP & Treasurer

Manulife John Hancock

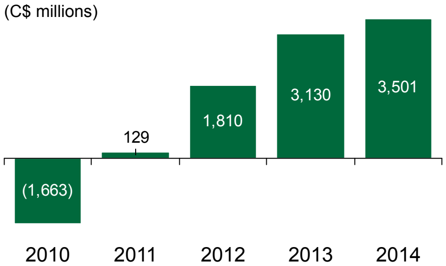
CEO's remarks

Donald Guloien
President & Chief Executive Officer

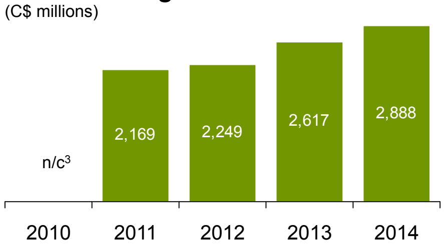
Manulife John Hancock

2014 financial highlights

Net Income attributed to shareholders
(C$ millions)



Core Earnings[1]
(C$ millions)



Delivered strong full year 2014 financial results

- Delivered net income of $3.5 billion, up 12% vs. 2013
- Generated core earnings of $2.9 billion, up 10% vs. 2013
- Achieved record wealth sales[1] of $52.6 billion
- Generated insurance sales[1] of $2.5 billion, up 13%[2] when excluding Group Benefits
- Achieved 25th consecutive quarter of record assets under management
- Increased quarterly dividend by 19% to 15.5¢ per share

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.
[2] All sales growth (decline) figures stated on a constant currency basis, a non-GAAP measure. Insurance sales exclude our Taiwan insurance business which was sold.
[3] Not comparable as 2010 core earnings does not reflect the hedging undertaken in 2011-2013.

2014 strategic highlights

Developing our Asian opportunity to the fullest
- Achieved record[1] insurance sales
- Delivered record[1] wealth sales
- Strengthened our bancassurance footprint

Growing our wealth and asset management businesses around the world
- Achieved our 25th consecutive quarter of record assets under management
- Delivered record institutional sales at Manulife Asset Management
- Generated over $18 billion of net flows into our asset management and group retirement businesses

Building on our balanced Canadian business
- Delivered solid Group Retirement Solutions and mutual fund sales
- Generated growth in retail insurance sales
- Reported lower bank lending volumes and a decline in Group Benefits sales
- Acquired the Canadian-based operations of Standard Life plc (closed on January 30, 2015)

Continuing to drive sustainable earnings and opportunistic growth in the U.S.
- Delivered record wealth sales with strong mutual fund volumes outweighing the decline in Retirement Plan Services sales
- Continued to build momentum in insurance sales
- Announced our agreement to acquire New York Life's Retirement Plan Services business

Please refer to the 4Q14 press release for more information.
[1] Record sales was on a constant currency basis.

CFO's remarks

Steve Roder
SEVP & Chief Financial Officer

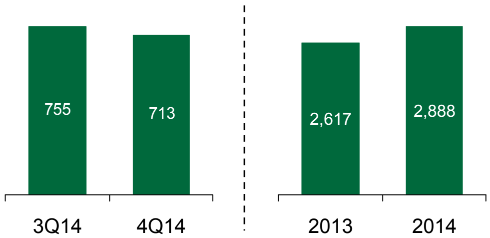
4Q14 and Full Year financial summary

	(C$ millions, unless noted)	Fourth Quarter 4Q13	4Q14	Change[2]	Full Year 2013	2014	Change[2]
Profitability	Net Income Attributed to Shareholders	1,297	640	▼ 51%	3,130	3,501	▲ 12%
	Core Earnings[1]	685	713	▲ 4%	2,617	2,888	▲ 10%
	Diluted Core Earnings per Share[1]	$0.35	$0.36	▲ 3%	$1.34	$1.48	▲ 10%
	Core Return on Equity (annualized)[1]	10.4%	9.0%	▼ 140 bps	10.6%	9.8%	▼ 80 bps
	Return on Equity (annualized)	20.2%	8.1%	▼ 12.1 pts	12.8%	11.9%	▼90 bps
Growth	Insurance Sales[1,3] / (ex. Group Benefits)	617	760	▲ 20% / (▲ 21%)	2,757	2,544	▼ 10% / (▲ 13%)
	Wealth Sales / (ex. Manulife Bank) (C$ billions)	12.2	13.8	▲ 6% / (▲ 9%)	49.7	52.6	▲ 1% / (▲ 3%)
	New Business Embedded Value[1]	316	355	▲ 12%	1,202	1,274	▲ 6%
	Assets Under Management[1] (C$ billions)				599	691	▲ 9%
Financial Strength	MCCSR Ratio[4]				248%	248%	n/c
	Remittances[5] (C$ billions)				2.5	2.4	▼ 4%
	Financial Leverage Ratio				31.0%	27.8%	▼ 320 bps

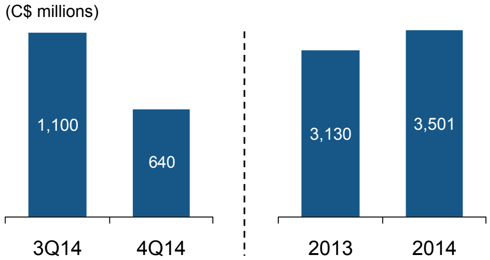
[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.
[2] Insurance sales, wealth sales and assets under management growth (decline) figures stated on a constant currency basis, a non-GAAP measure.
[3] Insurance sales exclude the Taiwan insurance business that was sold at the end of 2013.
[4] Minimum Continuing Capital and Surplus Requirements (MCCSR) of The Manufacturers Life Insurance Company (MLI).
[5] Remittances are defined as cash remitted by operating subsidiaries and excess capital generated by stand-alone Canadian operations, and available for deployment by Manulife.

Achieved double-digit growth in net income and core earnings in 2014

Core Earnings[1]
(C$ millions)



Net Income attributed to shareholders
(C$ millions)



4Q14 core earnings of $713 million, down 6%:
- \- Unfavourable policyholder experience
- \- Timing of certain expenses
- \+ Lower DAC amortization
- \+ New business volumes

2014 core earnings of $2.9 billion, up 10%:
- \+ Fee income from higher assets
- \+ Lower net hedging costs
- \+ Currency impact
- \- Unfavourable policyholder experience

4Q14 net income attributed to shareholders of $640 million, impacted by:
- \+ Market-related factors
- \- Investment-related experience

2014 net income attributed to shareholders of $3.5 billion, impacted by:
- \+ Market-related factors
- \+ Strong investment-related experience

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

Net income impacted by fair value adjustments on our oil & gas holdings

Earnings reconciliation for the fourth quarter of 2014

	C$ millions	Per Share
Core earnings[1,2]	**$713**	**$0.36**
Investment-related experience in excess of amounts included in core earnings	(403)	(0.21)
Core earnings and investment-related experience above[2]	**$310**	**$0.15**
Impact of the following items excluded from core earnings:		
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	377	0.20
Changes in actuarial methods and assumptions	(59)	(0.03)
Adjustment to Taiwan insurance sale	12	0.01
Net Income attributed to shareholders[2]	**$640**	**$0.33**

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.
[2] Diluted per share amounts available to common shareholders, including the impact of preferred share dividends.

Lower DAC amortization drove improvement in expected profit on in-force

Source of Earnings[1]
(C$ millions)

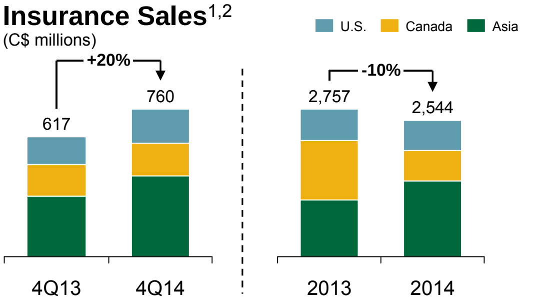
	3Q14	4Q14
Expected Profit on In-Force	943	981
Impact of New Business	(60)	(42)
Experience Gains (Losses)	565	(102)
Mgmt Actions & Chgs in Assumptions	(96)	(323)
Earnings on Surplus Funds	97	111
Other	(62)	32
Income Before Taxes	1,387	657
Income Taxes	(287)	(17)
Net Income	**1,100**	**640**
Preferred Dividends	(28)	(28)
Common Shareholders' Net Income	**1,072**	**612**
Currency Adjusted Expected Profit on In-force	***964***	***981***

- **Expected Profit on In-Force** increased 2%[2] from the prior quarter largely due to lower DAC amortization
- **Impact of New Business** improved due to the impact of higher insurance volumes and favourable business mix
- **Experience Gains/(Losses)** reflect favourable market-related impacts more than offset by Oil & Gas investment-related losses and unfavourable policyholder experience
- **Management Actions & Changes in Assumptions** reflect expected macro hedge costs and reserve strengthening for changes in actuarial methods and assumptions
- **Earnings on Surplus Funds** increased due to higher realized gains on AFS equities
- **Income Taxes** reflect income earned in low tax jurisdictions, losses or lower income earned in high tax jurisdictions, and tax exempt investment income

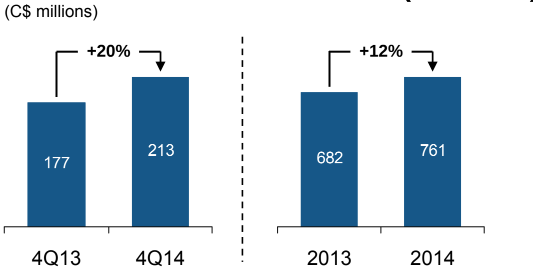
[1] The Source of Earnings (SOE) analysis is prepared following OSFI regulatory guidelines and draft guidelines of the Canadian Institute of Actuaries. The SOE is used to identify the primary sources of gains or losses in each reporting period. Per OSFI instructions, Expected Profit on In-Force denominated in foreign currencies is translated at the prior quarter's balance sheet exchange rates, with the difference between those rates and the average rates used in the Statement of Income being included in Experience gains (losses).
[2] Expected Profit on In-Force growth (decline) is on a constant currency basis.

Record insurance sales in Asia, and continued momentum in North America

Insurance Sales[1,2]
(C$ millions)



New Business Embedded Value[1] **(Insurance)**
(C$ millions)



4Q14 insurance sales of $760 million, up 20%:

- \+ Record[3] sales in Asia, with double-digit growth in most territories
- \+ Recently launched simplified UL product in Canada and large case Group Benefits sales
- \+ Continued strong momentum in the U.S.

2014 insurance sales of $2.5 billion. Excluding Group Benefits, insurance sales up 13%:

- \+ Record[3] Asia insurance sales, up 31% with double-digit growth in most territories
- ± Higher Canada retail sales, more than offset by lower large case Group Benefits sales
- ± U.S. sales declined vs. 2013, but improving momentum due to product enhancements and targeted pricing changes

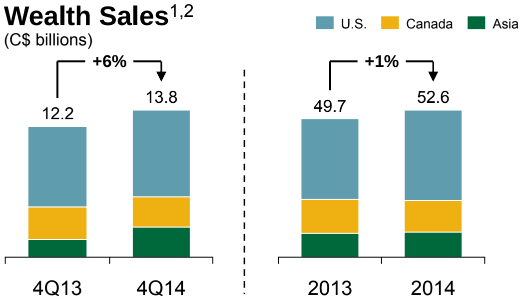
Insurance NBEV of $213 million in 4Q14, up 20% vs. 4Q13:

- \+ Strong sales in Asia
- \+ Improved business mix
- \- Lower interest rates

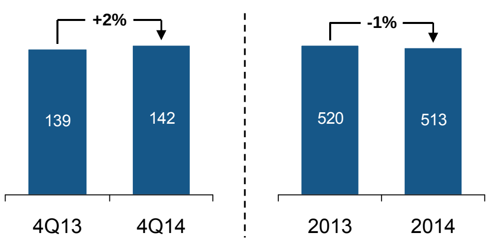
[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.
[2] Excludes Taiwan insurance business that was sold at the end of 2013. All sales growth (decline) figures stated on a constant currency basis, a non-GAAP measure.
[3] Record sales was on a constant currency basis

Record wealth sales in 2014, driven by continued strong mutual fund sales

Wealth Sales[1,2]
(C$ billions)



New Business Embedded Value[1] **(Wealth)**
(C$ millions)



4Q14 wealth sales of $13.8 billion. Excluding Manulife Bank, wealth sales up 9%:

- \+ New product launches, marketing campaigns and improved market sentiment in Asia
- ± Strong group retirement sales in Canada, offset by lower bank loan volumes
- ± Continued strong mutual fund sales in the U.S., offset by a challenging sales environment for 401(k)

Record 2014 wealth sales of $52.6 billion, in-line with a very strong 2013:

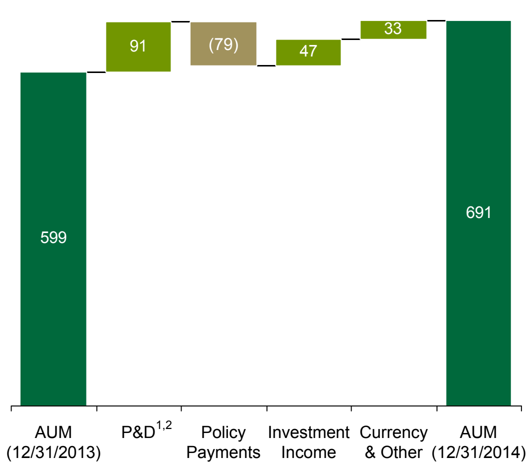
- \+ Record[3] wealth sales in Asia
- ± Strong group retirement and mutual fund sales in Canada, offset by lower bank loan volumes
- \+ Record wealth sales in the U.S. led by mutual funds

Wealth NBEV of $142 million in 4Q14, up 2% vs. 4Q13

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.
[2] All sales growth (decline) figures stated on a constant currency basis, a non-GAAP measure.
[3] Record sales was on a constant currency basis

Achieved 25th consecutive quarter of record assets under management

Assets Under Management[1]
(C$ billions)



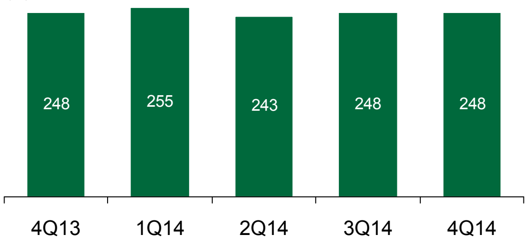
Record assets under management (AUM) of $691 billion, up $92 billion from 4Q13:

- \+ Investment income
- \+ Currency
- \+ Net policy cash flows

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.
[2] Excludes Administrative Services Only premium equivalents and Group Benefits ceded premiums.

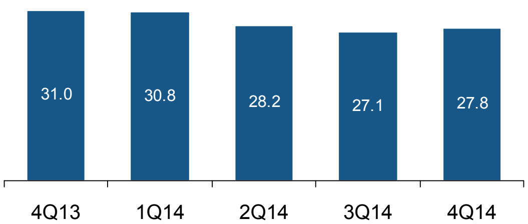
Maintained strong capital levels while reducing leverage in 2014

MCCSR[1] Ratio
(%)



MLI ended 4Q14 with an MCCSR ratio of 248%, in-line with 4Q13

Financial Leverage Ratio
(%)



Financial Leverage Ratio of 27.8%, down 320 bps from 4Q13, reflecting:

+ Higher retained earnings
+ Favourable currency impacts

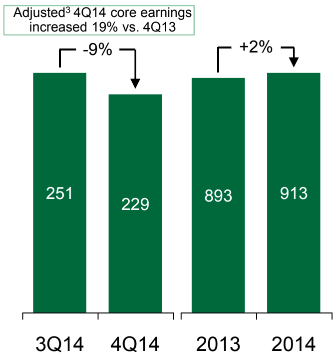
[1] Minimum Continuing Capital and Surplus Requirements (MCCSR) ratio of The Manufacturers Life Insurance Company (MLI).

Operating performance by division

- Asia Division
- Canadian Division
- U.S. Division (John Hancock)

Asia achieved record insurance and wealth sales in 2014

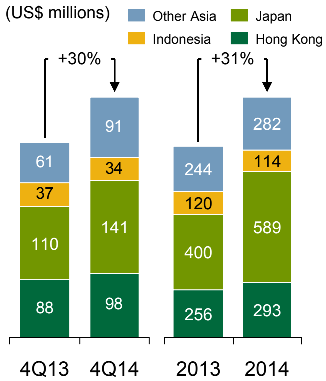
Core Earnings[1]
(US$ millions)



4Q14 **core earnings** of US$229 million, down 9% vs. 3Q14:
- \- Currency impact
- \- Timing of expenses
- \+ Favourable policyholder experience

2014 **core earnings** of US$913 million, up 16%[3] vs. 2013

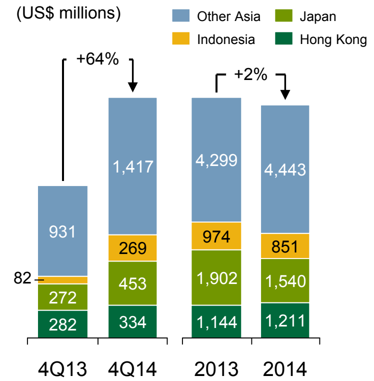
Insurance Sales[1,2]
(US$ millions)



Record 4Q14 **insurance sales** of US$364 million, up 30% vs. 4Q13
- \+ Japan corporate and retail products
- \+ Recent product launches in Hong Kong
- \+ Record sales in Other Asia territories

Record 2014 **insurance sales** of US$1.3 billion, up 31% vs. 2013

Wealth Sales[1,2]
(US$ millions)



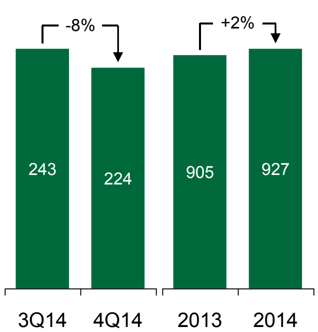
4Q14 **wealth sales** of US$2.5 billion, up 64% vs. 4Q13
- \+ Double-digit growth in most territories
- \+ Bancassurance sales in Japan
- \+ Record pension sales in Indonesia

Record 2014 **wealth sales** of US$8 billion, up 2% vs. 2013

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.
[2] All sales growth (decline) figures stated on a constant currency basis, a non-GAAP measure. Insurance sales exclude Taiwan insurance business that was sold.
[3] Adjusted to remove the impact of currency movements, the sale of Taiwan insurance operations in 4Q13, and additional dynamic hedging

Canada achieved record wealth AUM, driven by strong group retirement and mutual fund sales

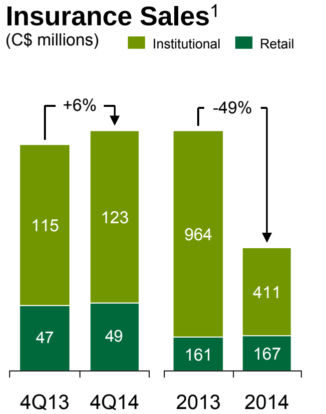
Core Earnings[1]
(C$ millions)



4Q14 **core earnings** of $224 million, down 8% vs. 3Q14:
- \- Unfavourable policyholder experience
- \+ Lower DAC amortization

2014 **core earnings** of $927 million, up 2% vs. 2013

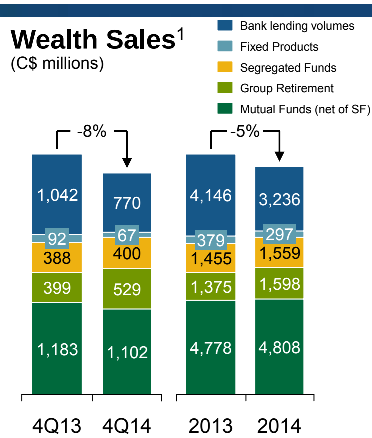
Insurance Sales[1]
(C$ millions)



4Q14 **insurance sales** of $172 million, up 6% vs. 4Q13:
- \+ Continued momentum in simplified UL
- \+ Large case Group Benefits sales

2014 **insurance sales** of $578 million, down 49% vs. 2013. Excluding Group Benefits, insurance sales were up 3%

Wealth Sales[1]
(C$ millions)



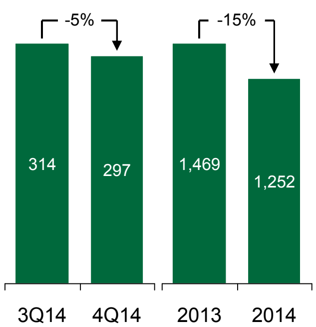
4Q14 **wealth sales** of $2.9 billion, down 8% vs. 4Q13. Excluding Manulife Bank, 4Q14 sales were up 2%:
- \- Lower Bank loan volumes
- \+ Large case group retirement sales

2014 **wealth sales** of $11.5 billion, down 5% vs. 2013. Excluding Manulife Bank, 2014 sales were up 3%.

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

U.S. achieved record wealth sales and continued to build momentum in insurance sales

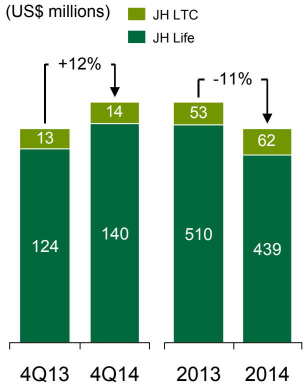
Core Earnings[1]
(US$ millions)



4Q14 **core earnings** of US$297 million, down 5% vs. 3Q14:
- Unfavourable policyholder experience
+ Improved new business strain

2014 **core earnings** of US$1,252 million, down 15% vs. 2013

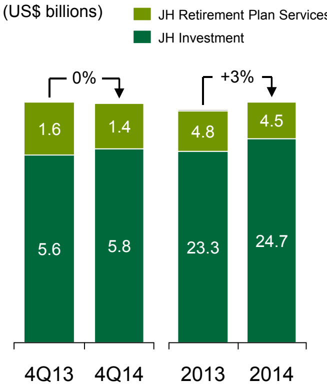
Insurance Sales[1]
(US$ millions)



4Q14 **insurance sales** of US$154 million, up 12% vs. 4Q13 :
+ Strong momentum from product enhancements and pricing changes
+ Group LTC sales

2014 **insurance sales** of US$501 million, down 11% vs. 2013

Wealth Sales[1]
(US$ billions)



4Q14 **wealth sales** of US$7.1 billion, were flat vs. 4Q13:
+ Continued strong mutual fund sales
- Lower group retirement sales due to intense market competition

Record 2014 **wealth sales** of US$29.2 billion, up 3% vs. 2013

[1] Non-GAAP measure. See "Note to Users – Performance and Non-GAAP Measures" below.

Summary

In 2014, Manulife:
- Generated strong net income and core earnings
- Achieved record wealth sales
- Built strong insurance sales momentum
- Achieved record assets under management
- Increased the dividend
- Announced two acquisitions

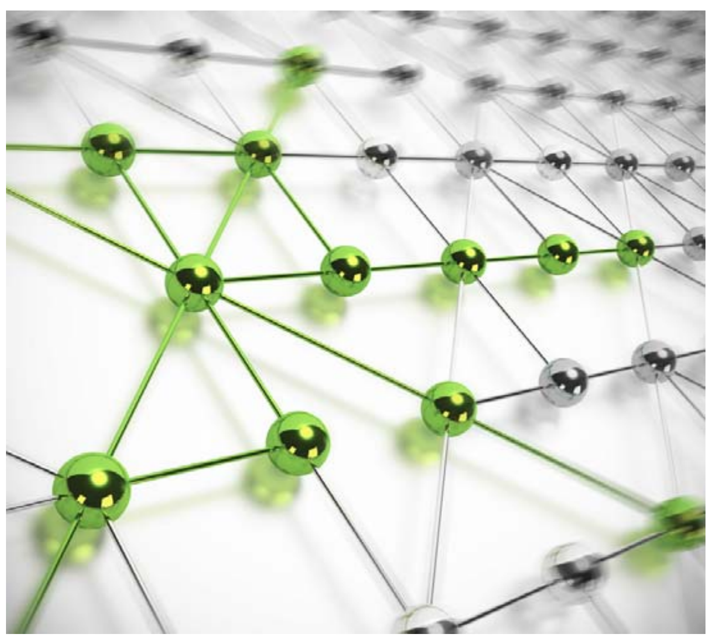
Manulife invites you to our 2015 Institutional Investor Day

Manulife is pleased to invite you to its 2015 Institutional Investor Day in Toronto.

Monday, May 11, 2015
8:30 am – 12:30 pm ET

Please access the live webcast at:
www.manulife.com/presentations

Question & Answer session



Appendix

- Core Earnings Change
- Invested Asset Mix & Credit Experience
- Earnings Sensitivities & Equity Exposure by Market

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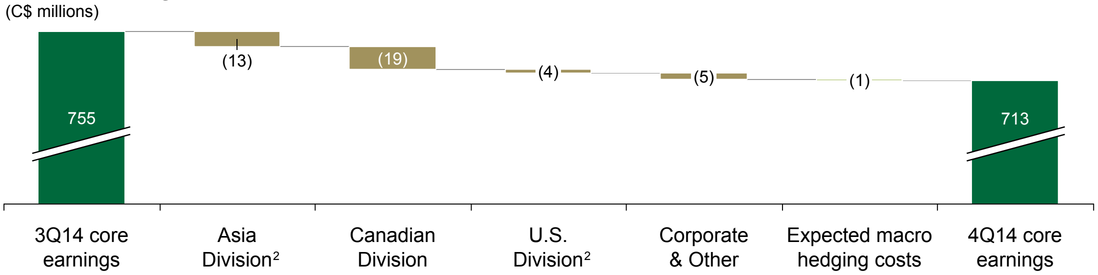
Core earnings reconciliation

Core Earnings[1]
(C$ millions)



- **Asia Division** core earnings declined reflecting timing of expenses partially offset by favourable policyholder experience
- **Canadian Division** core earnings declined largely due to unfavourable policyholder experience in our insurance businesses, partially offset by lower DAC amortization
- **U.S. Division** core earnings declined as improved new business strain from higher sales and favourable business mix was more than offset by unfavourable policyholder experience
- **Corporate & Other** core earnings declined due to the timing of certain expenses
- **Expected macro hedging costs** were in-line with the prior quarter

[1] Non-GAAP measure. See “Note to Users – Performance and Non-GAAP Measures” below.
[2] Core earnings changes for Asia Division and the U.S. Division are presented on a Canadian dollar basis.

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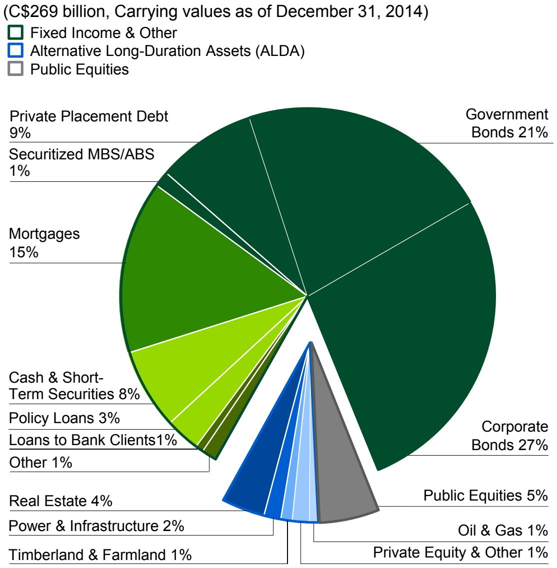
Diversified high quality asset mix avoids risk concentrations

Total Invested Assets

(C$269 billion, Carrying values as of December 31, 2014)



Fixed Income & Other

- 86% of the total portfolio, of which 96% is Investment Grade

Alternative Long-Duration Assets

- Diversified by asset class and geography
- Historically generated enhanced yields without having to pursue riskier fixed income strategies
- Oil & Gas ALDA holdings represent less than 1% of our total invested asset portfolio

Public Equities

- Diversified by industry and geography
- Primarily backing participating or pass-through liabilities

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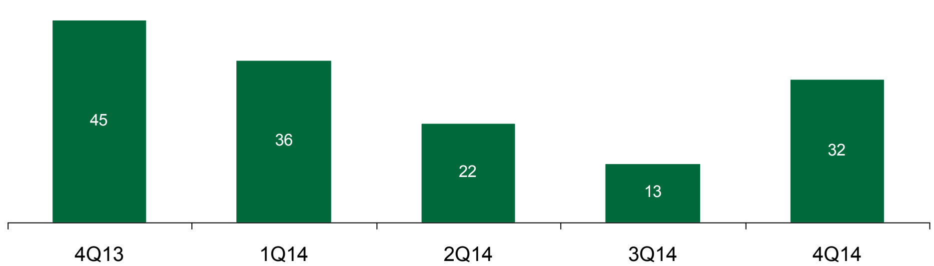
Continued favourable credit experience reflects the strength of our underwriting

Net Credit Experience

(C$ millions)



Impact on Earnings

(C$ millions, post-tax)	4Q13	1Q14	2Q14	3Q14	4Q14
Credit (impairments) / recoveries	$(3)	$6	-	$3	$9
Credit (downgrades) / upgrades	20	2	$(6)	(19)	(6)
Total Credit Impacts	**$17**	**$8**	**$(6)**	**$(16)**	**$3**
Assumed in policy liabilities	28	28	28	29	29
Net Credit Experience Gain	**$45**	**$36**	**$22**	**$13**	**$32**

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Interest rate related sensitivities remain well within our risk appetite limits

Potential Impact[1] of an immediate parallel change in "all rates": (C$ millions)	4Q13 -50 bps	4Q13 +50 bps	4Q14 -50 bps	4Q14 +50 bps
Excluding change in market value of AFS bonds held in surplus	$(200)	$100	$(100)	$100
From fair value changes in AFS bonds held in surplus, if realized[2]	$300	$(300)	$500	$(400)

MCCSR Ratio Impact:				
- Excluding change in market value of AFS bonds held in surplus	(7) pts	8 pts	(7) pts	5 pts
- From fair value changes in AFS bonds held in surplus, if realized	2 pts	(2) pts	3 pts	(3) Pts

Potential Impact[1] of a parallel change in corporate bond spreads: (C$ millions)	4Q13 -50 bps	4Q13 +50 bps	4Q14 -50 bps	4Q14 +50 bps
Corporate Spreads	$(400)	$400	$(500)	$500

Potential Impact[1] of a parallel change in swap spreads: (C$ millions)	4Q13 -20 bps	4Q13 +20 bps	4Q14 -20 bps	4Q14 +20 bps
Swap Spreads	$400	$(400)	$500	$(500)

[1] All estimated sensitivities are approximate and based on a single parameter. No simple formula can accurately estimate ultimate future impact. Please refer to "Caution related to sensitivities" in section D3 of the fourth quarter 2014 press release.
[2] The amount of gain or loss that can be realized on AFS fixed income assets held in the surplus segment depends on the aggregate amount of unrealized gain or loss.

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Equity exposure by market

Potential impact on net income attributed to shareholders arising from a 10% decline in public equity returns[1,2]

(C$ millions)	3Q14	4Q14
S&P	(70)	(50)
TSX	(40)	(40)
TOPIX	(30)	(20)
EAFE (Europe, Australasia & Asia ex. Japan)[3]	(100)	(110)
Net income impact assuming full hedge offset	**(240)**	**(220)**
Assumed partial hedge offset	(240)	(260)
Net income impact assuming partial hedge offset	**(480)**	**(480)**

[1] All estimated sensitivities are approximate and based on a single parameter. No simple formula can accurately estimate ultimate future impact.
[2] Please note the Company's disclosures which describe risk factors for hedging and reinsurance strategies.
[3] EAFE ex Japan exposure is mainly to Hong Kong and Singapore markets.

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Note to users - Performance and Non-GAAP Measures

We use a number of non-GAAP financial measures to measure overall performance and to assess each of our businesses. A financial measure is considered a non-GAAP measure for Canadian securities law purposes if it is presented other than in accordance with generally accepted accounting principles used for the Company's audited financial statements. Non-GAAP measures include: Core Earnings (Losses); Core return on common shareholders' equity ("Core ROE"); Diluted Core Earnings Per Share; Constant Currency Basis; Premiums and Deposits (P&D); Assets under Management; New Business Embedded Value and Sales. Non-GAAP financial measures are not defined terms under GAAP and, therefore, with the exception of Net Income Attributed to Shareholders in Accordance with U.S. GAAP (which is comparable to the equivalent measure of issuers whose financial statements are prepared in accordance with U.S. GAAP), are unlikely to be comparable to similar terms used by other issuers. Therefore, they should not be considered in isolation or as a substitute for any other financial information prepared in accordance with GAAP. **Core earnings (losses)** is a non-GAAP measure we use to better understand the long-term earnings capacity and valuation of the business. Core earnings excludes the direct impact of equity markets and interest rates as well as a number of other items that are considered material and exceptional in nature. While this metric is relevant to how we manage our business and offers a consistent methodology, it is not insulated from macro-economic factors which can have a significant impact. **Core ROE** is a non-GAAP profitability measure that presents core earnings available to common shareholders as a percentage of the capital deployed to earn the core earnings. The Company calculates core ROE using average common shareholders' equity. **Diluted Core earnings per share** is core earnings available to common shareholders expressed per diluted weighted average common share outstanding. The Company uses financial performance measures that are prepared on a **constant currency basis**, which exclude the impact of currency fluctuations and which are non-GAAP measures. Quarterly amounts stated on a constant currency basis in this presentation are calculated, as appropriate, using the income statement and balance sheet exchange rates effective for the fourth quarter of 2014. **Premiums and deposits** (P&D) is a non-GAAP measure of top line growth. The Company calculates premiums and deposits as the aggregate of (i) general fund premiums, net of reinsurance, reported as premiums on the Consolidated Statement of Income, (ii) segregated fund deposits, excluding seed money, ("deposits from policyholders"), (iii) investment contract deposits, (iv) mutual fund deposits, (v) deposits into institutional advisory accounts, (vi) premium equivalents for administration services only group benefits contracts, (vii) premiums in the Canadian Group Benefits reinsurance ceded agreement, and (viii) other deposits in other managed funds. **Assets under management** is a non-GAAP measure of the size of the Company. It represents the total of the invested asset base that the Company and its customers invest in. **New business embedded value ("NBEV")** is the change in shareholders' economic value as a result of sales in the reporting period. NBEV is calculated as the present value of expected future earnings, after the cost of capital, on actual new business sold in the period using future mortality, morbidity, policyholder behaviour, expense and investment assumptions that are consistent with the assumptions used in the valuation of our policy liabilities. **Sales** are measured according to product type. (i) For individual insurance, sales include 100 per cent of new annualized premiums and 10 per cent of both excess and single premiums. For individual insurance, new annualized premiums reflect the annualized premium expected in the first year of a policy that requires premium payments for more than one year. Single premium is the lump sum premium from the sale of a single premium product, e.g. travel insurance. Sales are reported gross before the impact of reinsurance. (ii) For group insurance, sales include new annualized premiums and administrative services only premium equivalents on new cases, as well as the addition of new coverages and amendments to contracts, excluding rate increases. (iii) For individual wealth management contracts, all new deposits are reported as sales. This includes individual annuities, both fixed and variable; mutual funds; college savings 529 plans; and authorized bank loans and mortgages. As we have discontinued sales of new VA contracts in the U.S., beginning in the first quarter of 2013, subsequent deposits into existing U.S. VA contracts are not reported as sales. (iv) For group pensions/retirement savings, sales of new regular premiums and deposits reflect an estimate of expected deposits in the first year of the plan with the Company. Single premium sales reflect the assets transferred from the previous plan provider. Total sales include both new regular and single premiums and deposits. Sales include the impact of the addition of a new division or of a new product to an existing client. For further information regarding these subjects, see our press release announcing our fourth quarter of 2014 results.

Thank you

Manulife John Hancock

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