



**Manulife**

**Statistical Information Package**

**Q4 2018**



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**Use of this document:**

Information in the document is supplementary to the Company's current quarter Press Release, MD&A and audited financial statements in the most recent Annual Report and should be read in conjunction with those documents.

**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. Non-GAAP measures include premiums and deposits, assets under management and administration, constant exchange rate basis ("CER"), new business value ("NBV"), NBV margin, core earnings (loss), core ROE, Diluted core earning per common share, core EBITDA, total annualized premium equivalents, total weighted premium income, capital, gross flows, net flows and sales. Non-GAAP financial measures are not defined terms under GAAP and, therefore, 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.

**Reporting Segments** are Asia, Canada, U.S., Global Wealth and Asset Management, and Corporate and Other.

**Premiums and deposits** is a 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 and investment contract deposits, (ii) premium equivalents for administration only group benefit contracts, (iii) premiums in the Canadian Group Benefit's reinsurance ceded agreement, (iv) segregated fund deposits, excluding seed money, (v) mutual fund deposits, (vi) deposits into institutional advisory accounts, and (vii) other deposits in other managed funds.

**Assets under management and administration** is a measure of the size of the Company. Assets Under Management include both assets of general account and external client assets for which we provide investment management services. Assets Under Administration include assets for which we provide administrative services only.

The definition we use for **capital** serves as a foundation of our capital management activities at the MFC level. For regulatory reporting purposes, the numbers are further adjusted for various additions or deductions to capital as mandated by the guidelines used by OSFI. Capital is calculated as the sum of (i) total equity excluding Accumulated Other Comprehensive Income (Loss) on cash flow hedges and (ii) liabilities for preferred shares and capital instruments.

**Annualized Premium Equivalent ("APE") Sales** are comprised of 100% of regular premiums/deposits sales and 10% of single premiums/deposits sales.

(i) For individual insurance, APE and Insurance Sales 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, APE and Insurance Sales includes annualized premiums and administrative services only (ASO) premium equivalents on new cases, as well as the addition of new coverages and amendments to contracts, excluding rate increases.

(iii) For annuities, APE reflect the annualized premium expected in the first year of a policy that requires premium payments for more than one year. This includes certain single premium wealth accumulation products and individual annuities, both fixed and variable.

**Annuities Sales** are comprised of 100% of all new deposits. This includes certain single premium wealth accumulation products in Asia and individual annuities, both fixed and variable. 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.

**Total Weighted Premium Income** is comprised of 10% of single premiums/deposits and 100% of first year and renewal premiums/deposits before reinsurance. This applies to general fund and segregated funds of Insurance & Annuity business lines.

**Gross Flows** is a new business measure for Manulife's wealth and asset management ("WAM") businesses and includes all deposits into the Company's retirement, retail, and institutional asset management businesses. Gross flows are a common industry metric for WAM businesses as it provides a measure of how successful the businesses are at attracting assets.

**Net flows** is presented for our WAM businesses and includes gross flows less redemptions for our retirement, retail and institutional asset management businesses. For our retail businesses, it includes net flows for ETF products. Net flows are a common industry metric for WAM businesses as it provides a measure of how successful the businesses are at attracting and retaining assets.

**Core earnings** is a non-GAAP profitability measure. It shows what the net income (loss) attributed to shareholders would have been assuming that interest and equity markets performed as assumed in our policy valuation and certain other items had not occurred. It 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.

**Expense Efficiency Ratio** is calculated as Pre-Tax Total Core General Expenses over Pre-Tax Total Core General Expenses plus Pre-Tax Total Core Earnings.

**Items excluded from core earnings** are disclosed at the Reporting Segment level as these items are managed at that level.

**Core earnings before income tax, depreciation and amortization ("Core EBITDA")** is a non-GAAP profitability measure for our global wealth and asset management business. It shows core earnings adjusted to remove the impacts of amortization and impairment of intangible assets acquired in business combinations, amortization of deferred acquisition costs, interest income and expenses, and income tax. Core EBITDA excludes certain acquisition expenses related to insurance contracts in our retirement businesses which are deferred and amortized over the expected life time of the customer relationship under the Canadian Asset Liability Method (CALM).

**New business value ("NBV")** is the change in embedded value as a result of sales in the reporting period. NBV is calculated as the present value of shareholders' interests in expected future distributable earnings, after the cost of capital, on actual new business sold in the period using assumptions that are consistent with the assumptions used in the calculation of embedded value. NBV excludes businesses with immaterial insurance risks, such as Manulife's wealth and asset management businesses and Manulife Bank. NBV is a useful metric to evaluate the value created by the Company's new business franchise.

**NBV margin** is calculated as NBV divided by annualized premium equivalents ("APE") excluding non-controlling interests. APE is calculated as 100% of annualized first year premiums for recurring premium products, and as 10% of single premiums for single premium products. Both NBV and APE used in the NBV margin calculation are after non-controlling interests and exclude wealth and asset management businesses and Manulife Bank. The NBV margin is a useful metric to help understand the profitability of our new business.

**Actual exchange rate basis ("AER")**

Quarterly amounts stated on an actual exchange rate basis are calculated using actual income statement and statement of financial position exchange rates for the respective periods as appropriate.

**Constant exchange rate basis ("CER")**

Quarterly amounts stated on a constant exchange rate basis are calculated using Q4 2018 income statement and statement of financial position exchange rates as appropriate.

**Core earnings per share** is core earnings less preferred share dividends divided by weighted average outstanding common shares.

**FINANCIAL HIGHLIGHTS**

(Canadian \$ in millions unless otherwise stated and per share information, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4 AER <sup>1</sup>	2018 Q4 vs. 2017 Q4 CER <sup>1</sup>	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017 AER <sup>1</sup>	YTD 2018 vs. YTD 2017 CER <sup>1</sup>
<b>Shareholders' Net Income (loss) by Reporting Segment<sup>3</sup></b>											
Asia	314	562	363	448	260	21%	13%	1,687	1,834	-8%	-9%
Canada	(67)	109	510	459	(29)	-131%	-131%	1,011	554	82%	82%
U.S.	524	640	630	538	(2,898)	-	-	2,332	(1,201)	-	-
Global Wealth and Asset Management	218	281	233	223	496	-56%	-58%	955	1,078	-11%	-12%
Corporate and other	(396)	(19)	(474)	(296)	565	-	-	(1,185)	(161)	-636%	-636%
<b>Net income (loss) attributed to shareholders</b>	<b>593</b>	<b>1,573</b>	<b>1,262</b>	<b>1,372</b>	<b>(1,606)</b>	-	-	<b>4,800</b>	<b>2,104</b>	<b>128%</b>	<b>139%</b>
Preferred share dividends	(43)	(42)	(44)	(39)	(40)	-8%	-	(168)	(159)	-6%	-
<b>Common shareholders' net income (loss)</b>	<b>550</b>	<b>1,531</b>	<b>1,218</b>	<b>1,333</b>	<b>(1,646)</b>	-	-	<b>4,632</b>	<b>1,945</b>	<b>138%</b>	<b>150%</b>
<b>Common shareholders' net income (loss) CER</b>	<b>550</b>	<b>1,544</b>	<b>1,214</b>	<b>1,358</b>	<b>(1,698)</b>	-	-	<b>4,666</b>	<b>1,867</b>	-	<b>150%</b>

**Earnings Analysis**

<b>Core earnings</b>											
Asia	459	457	406	427	372	23%	20%	1,749	1,453	20%	20%
Canada	312	351	403	290	273	14%	14%	1,356	1,209	12%	12%
U.S.	465	477	456	432	463	0%	-3%	1,830	1,609	14%	14%
Global Wealth and Asset Management	231	289	239	227	198	17%	13%	986	816	21%	21%
Corporate and other (excl. core investment gains)	(230)	(135)	(177)	(169)	(201)	-14%	-14%	(711)	(922)	23%	23%
Core investment gains	100	100	104	96	100	0%	0%	400	400	0%	0%
<b>Total core earnings</b>	<b>1,337</b>	<b>1,539</b>	<b>1,431</b>	<b>1,303</b>	<b>1,205</b>	<b>11%</b>	<b>8%</b>	<b>5,610</b>	<b>4,565</b>	<b>23%</b>	<b>23%</b>
<b>Total core earnings CER</b>	<b>1,337</b>	<b>1,548</b>	<b>1,444</b>	<b>1,336</b>	<b>1,240</b>	-	<b>8%</b>	<b>5,665</b>	<b>4,603</b>	-	<b>23%</b>
<b>Items excluded from core earnings</b>											
Investment-related experience outside of core earnings	(130)	312	18	-	18	-	-	200	167	-	-
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	(675)	(277)	45	50	(68)	-	-	(857)	209	-	-
Change in actuarial methods and assumptions	-	(51)	-	-	(33)	-	-	(51)	(35)	-	-
Charge related to decision to change portfolio asset mix supporting our legacy businesses	-	-	-	-	(1,032)	-	-	-	(1,032)	-	-
Impact related to U.S. Tax Reform	-	124	-	-	(1,777)	-	-	124	(1,777)	-	-
Restructuring charge	(63)	-	(200)	-	-	-	-	(263)	-	-	-
Reinsurance transactions and other	124	(74)	(32)	19	81	-	-	37	7	-	-
<b>Net income (loss) attributed to shareholders</b>	<b>593</b>	<b>1,573</b>	<b>1,262</b>	<b>1,372</b>	<b>(1,606)</b>	-	-	<b>4,800</b>	<b>2,104</b>	<b>128%</b>	<b>139%</b>

<sup>1</sup> AER percentage changes are calculated using actual exchange rates. CER percentage changes are calculated on a constant exchange rate basis.

**Components of Direct Impact of Equity Markets and Interest Rates and Variable Annuity Guarantee Liabilities**

Direct impact of equity markets and variable annuity guarantee liabilities	(723)	8	(26)	(187)	130	-	-	(928)	533	-	-
Fixed income reinvestment rates assumed in the valuation of policy liabilities	112	(246)	175	313	(155)	-	-	354	(200)	-	-
Sale of AFS bonds and derivative positions in the Corporate and Other segment	(64)	(39)	(104)	(76)	40	-	-	(283)	(41)	-	-
Risk reduction related items	-	-	-	-	(83)	-	-	-	(83)	-	-
<b>Direct impact of equity markets and interest rates and variable annuity guarantee liabilities</b>	<b>(675)</b>	<b>(277)</b>	<b>45</b>	<b>50</b>	<b>(68)</b>	-	-	<b>(857)</b>	<b>209</b>	-	-

**Selected Performance Measures**

Basic earnings (loss) per common share	\$0.28	\$0.77	\$0.61	\$0.67	(\$0.83)	-	-	\$ 2.34	\$0.98	139%	-
Basic earnings (loss) per common share CER	\$0.28	\$0.78	\$0.61	\$0.68	(\$0.86)	-	-	-	-	-	-
Diluted core earnings per common share	\$0.65	\$0.75	\$0.70	\$0.64	\$0.59	10%	-	\$ 2.74	\$2.22	23%	-
Diluted earnings (loss) per common share	\$0.28	\$0.77	\$0.61	\$0.67	(\$0.83)	-	-	\$ 2.33	\$0.98	138%	-
Return on common shareholders' equity (annualized) (%)	5.3%	15.1%	12.3%	14.1%	(17.1)%	22.4 pps	-	11.6%	5.0%	6.6 pps	-
Core ROE (annualized) (%)	12.5%	14.8%	14.0%	13.4%	12.1%	0.4 pps	-	13.7%	11.3%	2.4 pps	-

**FINANCIAL HIGHLIGHTS (CONT'D)**

(Canadian \$ in millions unless otherwise stated and per share information, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4 AER	2018 Q4 vs. 2017 Q4 CER	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017 AER	YTD 2018 vs. YTD 2017 CER
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**Earnings Analysis (Pre-tax)**

	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4 AER	2018 Q4 vs. 2017 Q4 CER	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017 AER	YTD 2018 vs. YTD 2017 CER
<b>Core earnings</b>											
Asia	527	560	508	517	457	15%	12%	2,112	1,805	17%	16%
Canada	407	460	478	385	361	13%	13%	1,730	1,458	19%	19%
U.S.	570	584	556	545	645	-12%	-15%	2,255	2,224	1%	2%
Global Wealth and Asset Management	262	307	271	258	243	8%	6%	1,098	983	12%	12%
Corporate and other (excl. core investment gains)	(363)	(172)	(218)	(217)	(280)	-30%	-30%	(970)	(1,290)	25%	25%
Core investment gains	174	127	114	130	96	81%	81%	545	522	4%	4%
<b>Total core earnings</b>	1,577	1,866	1,709	1,618	1,522	4%	1%	6,770	5,702	19%	19%
<b>Items excluded from core earnings</b>											
Investment-related experience outside of core earnings	(183)	395	19	-	17			231	220		
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	(780)	(384)	72	65	(98)			(1,027)	209		
Change in actuarial methods and assumptions	-	(65)	-	-	(31)			(65)	(172)		
Charge related to decision to change portfolio asset mix supporting our legacy businesses	-	-	-	-	(1,341)			-	(1,341)		
Charge related to U.S. Tax Reform	-	(196)	-	-	(2,245)			(196)	(2,245)		
Restructuring charges	(96)	-	(250)	-	-			(346)	-		
Reinsurance transactions and Other	158	(94)	(34)	32	151			62	(18)		
<b>Net income attributed to shareholders</b>	676	1,522	1,516	1,715	(2,025)	-	-	5,429	2,355	131%	140%

**Earnings Analysis (Tax Rate)**

	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4 AER	2018 Q4 vs. 2017 Q4 CER	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017 AER	YTD 2018 vs. YTD 2017 CER
<b>Core earnings</b>											
Asia	13%	18%	20%	17%	19%			17%	20%		
Canada	23%	24%	16%	25%	24%			22%	17%		
U.S.	18%	18%	18%	21%	28%			19%	28%		
Global Wealth and Asset Management	12%	6%	12%	12%	19%			10%	17%		
Corporate and other (excl. core investment gains)	(37)%	(22)%	(19)%	(22)%	(28)%			(27)%	(29)%		
Core investment gains	43%	21%	9%	26%	(4)%			27%	23%		
<b>Total core earnings<sup>1</sup></b>	15%	18%	16%	19%	21%			17%	20%		
<b>Items excluded from core earnings</b>											
Investment-related experience outside of core earnings	(29)%	21%	5%	-	(6)%			13%	24%		
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	(13)%	(28)%	38%	23%	(31)%			(17)%	0%		
Change in actuarial methods and assumptions	-	(22)%	-	-	6%			(22)%	(80)%		
Charge related to decision to change portfolio asset mix supporting our legacy businesses	-	-	-	-	(23)%			-	(23)%		
Charge related to U.S. Tax Reform	-	(163)%	-	-	(21)%			(163)%	(21)%		
Restructuring charge	(34)%	-	(20)%	-	-			(24)%	-		
Reinsurance transactions and other	22%	(21)%	(6)%	41%	46%			40%	(139)%		
<b>Net income attributed to shareholders</b>	12%	(3)%	17%	20%	(21)%			12%	11%		

**Core General Expenses**

	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4 AER	2018 Q4 vs. 2017 Q4 CER	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017 AER	YTD 2018 vs. YTD 2017 CER
Asia	575	546	521	481	530	8%	6%	2,123	1,981	7%	7%
Canada	354	329	324	334	336	5%	5%	1,341	1,323	1%	1%
U.S.	270	284	275	268	270	0%	-3%	1,097	1,095	0%	0%
Global Wealth and Asset Management	570	539	552	539	568	0%	-2%	2,200	2,090	5%	5%
Corporate and Other	174	132	124	133	214	-19%	-19%	563	602	-6%	-6%
<b>Total core general expenses</b>	1,943	1,830	1,796	1,755	1,918	1%	-1%	7,324	7,091	3%	3%
<b>Non-core general expenses</b>											
Restructuring charge	96	-	250	-	-	-		346	-	-	
Integration and acquisition costs	19	9	9	8	24	-21%		45	81	-44%	
Other	119	14	37	72	5	nm		242	61	297%	
<b>Total general expenses</b>	2,177	1,853	2,092	1,835	1,947	12%	10%	7,957	7,233	10%	10%

**Expense Efficiency**

	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4 AER	2018 Q4 vs. 2017 Q4 CER	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017 AER	YTD 2018 vs. YTD 2017 CER
Asia	52.2%	49.4%	50.5%	48.3%	53.7%			50.1%	52.4%		
Canada	46.5%	41.7%	40.5%	46.4%	48.2%			43.7%	47.6%		
U.S.	32.2%	32.7%	33.1%	33.0%	29.4%			32.7%	33.0%		
Global Wealth and Asset Management	68.4%	63.7%	67.1%	67.6%	70.1%			66.7%	68.0%		
<b>Total company</b>	55.2%	49.5%	51.2%	52.0%	55.7%			52.0%	55.4%		

## FINANCIAL HIGHLIGHTS - SOURCE OF EARNINGS

(Canadian \$ in millions, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4 AER	2018 Q4 vs. 2017 Q4 CER	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017 AER	YTD 2018 vs. YTD 2017 CER
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### Source of Earnings <sup>1,2</sup>

Expected profit from in-force business	939	1,016	967	935	932	1%	-2%	3,857	3,795	2%	2%
Impact of new business	276	275	195	171	204	35%	32%	917	774	18%	17%
Core investment gains	174	127	114	130	96	81%	81%	545	522	4%	4%
Experience gains (losses) (excl. core investment gains)	(832)	7	241	214	(175)	375%	343%	(370)	(304)	22%	24%
Management actions and changes in assumptions	(10)	(400)	(366)	18	(3,388)	-100%	-100%	(758)	(3,787)	-80%	-81%
Earnings on surplus funds	(39)	200	140	97	160	-	-	398	649	-39%	-38%
Other	9	50	17	(53)	53	-83%	-82%	23	70	-67%	-75%
Insurance	517	1,275	1,308	1,512	(2,118)	-	-	4,612	1,719	168%	184%
Global Wealth and Asset Management	247	300	263	253	232	6%	4%	1,063	932	14%	14%
Manulife Bank	41	45	38	49	47	-13%	-13%	173	189	-8%	-9%
Unallocated overhead <sup>3</sup>	(129)	(98)	(93)	(99)	(186)	-31%	-30%	(419)	(485)	-14%	-14%
<b>Income (loss) before income taxes</b>	676	1,522	1,516	1,715	(2,025)	-	-	5,429	2,355	131%	140%
Income tax (expense) recovery	(83)	51	(254)	(343)	419	-	-	(629)	(251)	151%	140%
<b>Net income attributed to shareholders</b>	593	1,573	1,262	1,372	(1,606)	-	-	4,800	2,104	128%	139%
Preferred share dividends	(43)	(42)	(44)	(39)	(40)	8%	-	(168)	(159)	6%	-
<b>Common shareholders' net income</b>	550	1,531	1,218	1,333	(1,646)	-	-	4,632	1,945	138%	150%
Expected profit from in-force business CER	939	1,017	978	965	969	-	-2%	3,899	3,818	-	2%

### Source of Earnings - Core

Expected profit from in-force business	939	1,016	967	935	932	1%	-2%	3,857	3,795	2%	2%
Impact of new business	276	275	195	171	204	35%	32%	917	774	18%	17%
Core investment gains	174	127	114	130	96	81%	81%	545	522	4%	4%
Experience gains (losses) (excl. core investment gains)	10	(30)	27	18	(69)	-	-	25	(718)	-	-
Management actions and changes in assumptions	(4)	(2)	(5)	(2)	(2)	100%	195%	(13)	(86)	-85%	-84%
Earnings on surplus funds	5	181	133	140	169	-97%	-97%	459	541	-15%	-15%
Other	4	44	62	18	87	-95%	-96%	128	184	-30%	-32%
Insurance	1,404	1,611	1,493	1,410	1,417	-1%	-4%	5,918	5,012	18%	18%
Global Wealth and Asset Management	263	307	271	258	243	8%	6%	1,099	983	12%	12%
Manulife Bank	41	45	38	49	47	-13%	-13%	173	189	-8%	-8%
Unallocated overhead <sup>3</sup>	(131)	(97)	(93)	(99)	(186)	-30%	-30%	(420)	(483)	-13%	-13%
<b>Core Earnings before income taxes</b>	1,577	1,866	1,709	1,618	1,521	4%	1%	6,770	5,701	19%	19%
Income tax (expense) recovery	(240)	(327)	(278)	(315)	(316)	-24%	-26%	(1,160)	(1,136)	2%	2%
<b>Total Core Earnings</b>	1,337	1,539	1,431	1,303	1,205	11%	8%	5,610	4,565	23%	23%

<sup>1</sup> Per OSFI instructions, the expected profit from in-force business denominated in foreign currencies is translated at the prior quarter's statement of financial position rate. 'Experience gains' includes the adjustment to get to the income statement rate.

<sup>2</sup> The 'Source of Earnings' lines excludes the portion related to non-controlling interest.

<sup>3</sup> Includes overhead expenses from the Corporate and Other reporting segment.

### Glossary

Expected profit from in-force business	Formula-driven release of PfADs (Provisions for Adverse Deviations).
Impact of new business	The capitalized value of future profits less PfADs in respect of new business.
Experience gains (losses)	Earnings impact of any differences between actual experience in the current period relative to expected experience implicit in the actuarial liabilities, and differences in current period fee income due to market performance.
Management actions and changes in assumptions	Earnings impact of: -management initiated actions in the period that generate a non-recurring current period impact. -changes in methods and assumptions that impact actuarial liabilities or other liabilities.
Earnings (loss) on surplus funds	Actual investment returns on the Company's surplus (shareholders' equity).
Other	Earnings items not included in any other line of the SOE.
Income taxes	Tax charges to income.

**FINANCIAL HIGHLIGHTS (CONT'D)**

(Canadian \$ in millions unless otherwise stated and per share information, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4 AER	2018 Q4 vs. 2017 Q4 CER	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017 AER	YTD 2018 vs. YTD 2017 CER
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**Annualized Premium Equivalents Sales**

Asia	1,040	1,070	918	984	884	18%	15%	4,012	3,747	7%	6%
Canada	277	210	198	290	222	25%	25%	975	1,366	-29%	-29%
U.S.	152	159	129	113	153	-1%	-5%	553	603	-8%	-8%
<b>Total Annualized premium equivalents sales</b>	<b>1,469</b>	<b>1,439</b>	<b>1,245</b>	<b>1,387</b>	<b>1,259</b>	<b>17%</b>	<b>14%</b>	<b>5,540</b>	<b>5,716</b>	<b>-3%</b>	<b>-3%</b>
<b>Total Annualized premium equivalents sales CER</b>	<b>1,469</b>	<b>1,445</b>	<b>1,240</b>	<b>1,395</b>	<b>1,287</b>		<b>14%</b>	<b>5,549</b>	<b>5,749</b>		<b>-3%</b>

**Insurance Sales <sup>1</sup>**

Asia	861	871	713	764	687	25%	22%	3,209	2,995	7%	6%
Canada	227	156	145	217	163	39%	39%	745	1,106	-33%	-33%
U.S.	152	159	129	113	153	-1%	-5%	553	603	-8%	-8%
<b>Total Insurance sales</b>	<b>1,240</b>	<b>1,186</b>	<b>987</b>	<b>1,094</b>	<b>1,003</b>	<b>24%</b>	<b>21%</b>	<b>4,507</b>	<b>4,704</b>	<b>-4%</b>	<b>-5%</b>
<b>Total Insurance sales CER</b>	<b>1,240</b>	<b>1,192</b>	<b>983</b>	<b>1,099</b>	<b>1,024</b>		<b>21%</b>	<b>4,514</b>	<b>4,729</b>		<b>-5%</b>

<sup>1</sup> Insurance sales consist of 100% of recurring premiums and 10% of both excess and single premiums.

**Annuities Sales <sup>2</sup>**

Asia	1,227	1,428	1,499	1,592	1,426	-14%	-16%	5,746	5,150	12%	11%
Canada	500	537	528	733	586	-15%	-15%	2,298	2,598	-12%	-13%
<b>Total Annuities sales</b>	<b>1,727</b>	<b>1,965</b>	<b>2,027</b>	<b>2,325</b>	<b>2,012</b>	<b>-14%</b>	<b>-16%</b>	<b>8,044</b>	<b>7,748</b>	<b>4%</b>	<b>3%</b>
<b>Total Annuities sales CER</b>	<b>1,727</b>	<b>1,970</b>	<b>2,024</b>	<b>2,345</b>	<b>2,054</b>		<b>-16%</b>	<b>8,066</b>	<b>7,801</b>		<b>3%</b>

<sup>2</sup> Annuities sales, including single premium accumulation products, in Asia is comprised of 100% regular premiums/deposits sales and 100% single premium/deposits sales.

**New Business Value ("NBV") <sup>3</sup>**

Asia	402	382	334	325	319	26%	23%	1,443	1,201	20%	19%
Canada	51	42	65	49	48	6%	6%	207	191	8%	8%
U.S.	48	28	12	10	16	200%	185%	98	51	92%	90%
<b>Total New business value</b>	<b>501</b>	<b>452</b>	<b>411</b>	<b>384</b>	<b>383</b>	<b>31%</b>	<b>27%</b>	<b>1,748</b>	<b>1,443</b>	<b>21%</b>	<b>20%</b>
<b>Total New business value CER</b>	<b>501</b>	<b>454</b>	<b>410</b>	<b>389</b>	<b>393</b>		<b>27%</b>	<b>1,754</b>	<b>1,456</b>		<b>20%</b>

<sup>3</sup> New Business Value is not calculated for Global Wealth and Asset Management businesses, Manulife Bank, Property and Casualty Reinsurance and GRS business.

**Global Wealth and Asset Management Gross Flows**

Asia	5,255	5,155	5,809	7,434	8,635	-39%	-39%	23,653	27,654	-14%	-15%
Canada	4,918	4,712	5,472	8,024	5,643	-13%	-13%	23,126	20,973	10%	10%
U.S.	16,133	17,261	17,821	21,008	17,965	-10%	-14%	72,223	73,342	-2%	-1%
<b>Total Global Wealth and Asset Management Gross flows</b>	<b>26,306</b>	<b>27,128</b>	<b>29,102</b>	<b>36,466</b>	<b>32,243</b>	<b>-18%</b>	<b>-20%</b>	<b>119,002</b>	<b>121,969</b>	<b>-2%</b>	<b>-2%</b>
<b>Total Global Wealth and Asset Management Gross flows CER</b>	<b>26,306</b>	<b>27,324</b>	<b>29,355</b>	<b>37,327</b>	<b>32,948</b>		<b>-20%</b>	<b>120,312</b>	<b>123,013</b>		<b>-2%</b>

**Global Wealth and Asset Management Net Flows**

Asia	1,078	1,008	1,612	2,008	2,298	-53%	-54%	5,706	6,636	-14%	-14%
Canada	(666)	(1,491)	694	3,461	723	-	-	1,998	3,725	-46%	-46%
U.S.	(9,366)	931	(2,214)	4,508	625	-	-	(6,141)	7,919	-	-
<b>Total Global Wealth and Asset Management Net flows</b>	<b>(8,954)</b>	<b>448</b>	<b>92</b>	<b>9,977</b>	<b>3,646</b>	<b>-</b>	<b>-</b>	<b>1,563</b>	<b>18,280</b>	<b>-91%</b>	<b>-90%</b>
<b>Total Global Wealth and Asset Management Net flows CER</b>	<b>(8,954)</b>	<b>479</b>	<b>42</b>	<b>10,215</b>	<b>3,696</b>		<b>-</b>	<b>1,782</b>	<b>18,356</b>		<b>-90%</b>

**FINANCIAL HIGHLIGHTS (CONT'D)**

(Canadian \$ in millions unless otherwise stated and per share information, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4 AER	2018 Q4 vs. 2017 Q4 CER	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017 AER	YTD 2018 vs. YTD 2017 CER
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**Premiums and Deposits - Insurance**

Net premiums and investment contract deposits <sup>1,2</sup>	1,928	5,209	8,859	8,437	8,029	-76%		24,433	32,455	-25%	
Segregated fund deposits	2,003	2,078	2,011	2,345	2,151	-7%		8,437	7,962	6%	
ASO premium equivalents	836	790	848	821	823	2%		3,295	3,189	3%	
<b>Total Premiums and deposits - Insurance</b>	<b>4,767</b>	<b>8,077</b>	<b>11,718</b>	<b>11,603</b>	<b>11,003</b>	<b>-57%</b>	<b>-57%</b>	<b>36,165</b>	<b>43,606</b>	<b>-17%</b>	<b>-17%</b>
<b>Total Premiums and deposits - Insurance CER</b>	<b>4,767</b>	<b>8,097</b>	<b>11,768</b>	<b>11,769</b>	<b>11,216</b>		<b>-57%</b>	<b>36,401</b>	<b>43,926</b>		<b>-17%</b>

<sup>1</sup> Net premiums include life, health and annuity premiums, and premiums in the Canada Group Benefits reinsurance ceded agreement.

<sup>2</sup> Includes the \$7.0 billion impact of the Group Pay-out Annuity transaction in Q4 2018 and \$3.7 billion impact of the Individual Pay-out Annuity transaction in Q3 2018.

**Premiums and Deposits - Global Wealth and Asset Management**

Pension premiums and investment contract deposits	-	1	8	12	12	-100%		21	47	-55%	
Segregated fund deposits	7,209	7,346	7,861	7,383	6,270	15%		29,799	26,809	11%	
Mutual fund deposits	13,920	16,063	16,450	21,610	20,999	-34%		68,043	79,377	-14%	
Institutional advisory accounts	4,957	3,528	4,592	7,222	4,758	4%		20,299	14,931	36%	
Other fund deposits <sup>3</sup>	220	190	191	239	204	8%		840	805	4%	
<b>Total Premiums and deposits - Global Wealth and Asset Management</b>	<b>26,306</b>	<b>27,128</b>	<b>29,102</b>	<b>36,466</b>	<b>32,243</b>	<b>-18%</b>	<b>-20%</b>	<b>119,002</b>	<b>121,969</b>	<b>-2%</b>	<b>-2%</b>
<b>Total Premiums and deposits - Global Wealth and Asset Management CER</b>	<b>26,306</b>	<b>27,324</b>	<b>29,355</b>	<b>37,327</b>	<b>32,948</b>		<b>-20%</b>	<b>120,312</b>	<b>123,013</b>		<b>-2%</b>

<sup>3</sup> Other funds include College Savings (529 plan), Privately Managed Accounts and Guaranteed Interest Accounts.

**Premiums and Deposits - Corporate & Other**

	27	24	24	23	20	35%	35%	98	110	-11%	-11%
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**Assets Under Management and Administration<sup>4</sup>**

Asia	106,656	98,321	98,574	96,087	91,694	16%	8%	106,656	91,694	16%	8%
Canada	142,920	145,250	146,003	144,421	144,620	-1%	-1%	142,920	144,620	-1%	-1%
U.S. <sup>2</sup>	225,273	227,320	233,546	229,777	228,835	-2%	-9%	225,273	228,835	-2%	-9%
Global Wealth and Asset Management <sup>5</sup>	608,799	643,995	639,926	626,877	609,002	0%	-6%	608,799	609,002	0%	-6%
Corporate and Other	(126)	2,574	305	885	(2,875)	-96%	-96%	(126)	(2,875)	-96%	-96%
<b>Total Assets under management and administration</b>	<b>1,083,522</b>	<b>1,117,460</b>	<b>1,118,354</b>	<b>1,098,047</b>	<b>1,071,276</b>	<b>1%</b>	<b>-5%</b>	<b>1,083,522</b>	<b>1,071,276</b>	<b>1%</b>	<b>-5%</b>
<b>Total Assets under management and administration CER</b>	<b>1,083,522</b>	<b>1,162,508</b>	<b>1,146,829</b>	<b>1,139,282</b>	<b>1,137,287</b>		<b>-5%</b>	<b>1,083,523</b>	<b>1,137,287</b>		<b>-5%</b>

<sup>4</sup> Assets under management and administration has been restated to include certain non-affiliated assets for which administrative services are provided.

<sup>5</sup> Global Wealth and Asset Management AUMA at December 31, 2018 is \$790 billion and includes \$182 billion of asset managed on behalf of other segments. (see page 23).

**Assets Under Management and Administration<sup>3</sup>**

<b>Assets Under Management</b>											
General fund <sup>2</sup>	353,664	344,568	348,974	342,389	334,222	6%		353,664	334,222	6%	
Segregated funds excluding institutional advisory accounts <sup>4</sup>	311,373	330,511	329,886	323,998	322,333	-3%		311,373	322,333	-3%	
Mutual funds <sup>6</sup>	182,219	203,340	201,839	197,854	191,507	-5%		182,219	191,507	-5%	
Institutional asset management	104,159	101,100	102,886	100,288	93,089	12%		104,159	93,089	12%	
Other funds <sup>7</sup>	7,658	7,850	7,711	7,247	6,937	10%		7,658	6,937	10%	
<b>Total assets under management</b>	<b>959,073</b>	<b>987,369</b>	<b>991,296</b>	<b>971,776</b>	<b>948,088</b>	<b>1%</b>	<b>-4%</b>	<b>959,073</b>	<b>948,088</b>	<b>1%</b>	<b>-4%</b>
Assets under administration	124,449	130,091	127,058	126,271	123,188	1%	-5%	124,449	123,188	1%	-5%
<b>Total assets under management and administration</b>	<b>1,083,522</b>	<b>1,117,460</b>	<b>1,118,354</b>	<b>1,098,047</b>	<b>1,071,276</b>	<b>1%</b>	<b>-5%</b>	<b>1,083,522</b>	<b>1,071,276</b>	<b>1%</b>	<b>-5%</b>

<sup>6</sup> Includes ETF assets.

<sup>7</sup> Other funds includes College Savings (529 plan).



**FINANCIAL HIGHLIGHTS (CONT'D)**

(Canadian \$ in millions unless otherwise stated and per share information, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017
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**Common Share Statistics**

Share Price - Toronto (in Canadian \$)									
high	23.04	24.76	25.20	27.77	27.54	-16%	27.77	27.54	1%
low	18.33	22.68	23.11	23.55	25.15	-27%	18.33	22.39	-18%
close	19.37	23.09	23.62	23.92	26.22	-26%	19.37	26.22	-26%
Share Price - New York (in U.S \$)									
high	17.97	18.95	19.63	22.16	21.70	-17%	22.16	21.70	2%
low	13.33	17.44	17.75	18.22	20.05	-34%	13.33	16.62	-20%
close	14.19	17.88	17.97	18.58	20.86	-32%	14.19	20.86	-32%
Common shares outstanding (millions)									
- end of period	1,971	1,985	1,984	1,983	1,982	-1%	1,971	1,982	-1%
- weighted average	1,980	1,984	1,984	1,983	1,980	0%	1,983	1,978	0%
- diluted weighted average	1,983	1,989	1,989	1,989	1,988	0%	1,988	1,986	0%
Dividend per common share paid in the quarter <sup>1</sup>	0.250	0.220	0.220	0.220	0.205	22%	0.910	0.820	11%
Common share dividend payout ratio	90.7%	28.5%	35.9%	32.2%	nm	-	38.9%	83.3%	-53%

<sup>1</sup> On February 13, 2019, the Board of Directors approved quarterly shareholders' dividend of 25.0 cents per share on the common shares of the Company, payable on or after March 19, 2019 to shareholders of record at the close of business on February 27, 2019.

**Change in Common Shares Outstanding**

Beginning Balance	1,985	1,984	1,983	1,982	1,979		1,982	1,975	
Repurchased for cancellation	(23)	-	-	-	-		(23)	-	
Issued under dividend reinvestment plans	9	-	-	-	-		9	-	
Issued on exercise of stock options and deferred share units	0	1	1	1	3		3	7	
Ending Balance	1,971	1,985	1,984	1,983	1,982		1,971	1,982	

**Valuation Data**

Book value per common share	21.38	20.24	20.32	19.72	18.89	13%	21.38	18.89	13%
Market value to book value ratio	0.91	1.14	1.16	1.21	1.39	-35%	0.91	1.39	-35%
Book value excluding goodwill per common share	18.41	17.32	17.38	16.80	16.01	15%	18.41	16.01	15%
Book value excluding AOCI per common share	18.23	18.23	17.68	17.28	16.83	8%	18.23	16.83	8%
Market value to book value excluding goodwill ratio	1.05	1.33	1.36	1.42	1.64	-36%	1.05	1.64	-36%
Market capitalization (\$ billions)	38.2	45.8	46.9	47.4	52.0	-27%	38.2	52.0	-27%

**Capital Information**

Consolidated capital <sup>2</sup>	56,010	54,444	54,345	52,510	50,659	11%	56,010	50,659	11%
Financial leverage ratio <sup>3</sup>	28.6%	29.2%	29.4%	29.7%	30.3%	-1.7 pps	28.6%	30.3%	-1.7 pps
LICAT Total Ratio - The Manufacturers Life Insurance Company <sup>4</sup>	143%	134%	132%	129%	n/a	-	143%	n/a	-
MCCSR - The Manufacturers Life Insurance Company <sup>4</sup>	n/a	n/a	n/a	n/a	224%	-	n/a	224%	-

<sup>2</sup> Consolidated capital includes total equity less AOCI on cash flow hedges and capital instruments. Total equity includes unrealized gains and losses on AFS bonds and AFS equities, net of taxes.

The net unrealized gain on AFS bonds, net of taxes, is no longer part of OSFI regulatory capital.

<sup>3</sup> Financial leverage ratio is calculated as the sum of long-term debt, capital instruments, and preferred shares divided by the sum of long-term debt, capital instruments, and total equity.

<sup>4</sup> The Office of the Superintendent of Financial Institutions' new Life Insurance Capital Adequacy Test ("LICAT") regulatory capital regime came into effect in Canada on January 1, 2018, replacing the Minimum Continuing Capital and Surplus Requirements ("MCCSR") framework. As we started reporting under LICAT starting Q1 2018, there are no prior period comparatives before Q1 2018.

**Foreign Exchange Information <sup>4</sup>**

- Statements of Financial Position	(CDN to \$ 1 US)	1.3642	1.2945	1.3168	1.2894	1.2545	9%
	(CDN to 1 YEN)	0.0124	0.0114	0.0119	0.0121	0.0111	11%
- Statements of Income	(CDN to \$ 1 US)	1.3204	1.3069	1.2912	1.2647	1.2712	4%
	(CDN to 1 YEN)	0.0117	0.0117	0.0118	0.0117	0.0113	4%

<sup>4</sup> Unless otherwise indicated, information contained in this supplement is in Canadian dollars. The exchange rates above are used for currency conversion from U.S. dollars and Japanese yen to Canadian dollars for financial statement purposes.

**CONSOLIDATED STATEMENTS OF INCOME**

(Canadian \$ in millions, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	9,990	9,863	9,831	9,466	9,035	11%	39,150	36,361	8%
Premiums ceded to reinsurers <sup>1</sup>	(8,158)	(4,762)	(1,077)	(1,141)	(2,092)	290%	(15,138)	(8,151)	86%
Net premiums	1,832	5,101	8,754	8,325	6,943	-74%	24,012	28,210	-15%
<b>Investment income</b>									
Investment income <sup>2</sup>	3,278	3,481	3,566	3,235	3,579	-8%	13,560	13,649	-1%
Realized/ unrealized gains (losses) on assets supporting insurance and investment contract liabilities and on macro hedge program <sup>2</sup>	1,113	(3,210)	(1,615)	(5,316)	2,988	-63%	(9,028)	5,718	-
Net investment income (loss)	4,391	271	1,951	(2,081)	6,567	-33%	4,532	19,367	-77%
<b>Other revenue</b>	2,291	2,671	2,964	2,502	2,737	-16%	10,428	10,746	-3%
<b>Total revenue</b>	8,514	8,043	13,669	8,746	16,247	-48%	38,972	58,323	-33%
<b>Contract benefits and expenses</b>									
To contract holders and beneficiaries									
Gross claims and benefits	7,521	6,533	7,177	6,647	5,807	30%	27,878	24,994	12%
Increase (decrease) in insurance contract liabilities <sup>3</sup>	4,893	(808)	1,389	(2,567)	9,919	-51%	2,907	20,023	-85%
Increase (decrease) in investment contract liabilities	47	(91)	35	44	31	52%	35	173	-80%
Benefits and expenses ceded to reinsurers	(1,437)	(1,160)	(1,343)	(1,213)	(1,887)	-24%	(5,153)	(8,158)	-37%
Decrease (increase) in reinsurance assets <sup>4</sup>	(7,563)	(2,624)	475	(21)	149	-	(9,733)	2,269	-
<b>Net benefits and claims</b>	3,461	1,850	7,733	2,890	14,019	-75%	15,934	39,301	-59%
General expenses	2,177	1,853	2,092	1,835	1,947	12%	7,957	7,233	10%
Investment expenses	487	399	416	406	495	-2%	1,708	1,673	2%
Commissions	1,576	1,619	1,457	1,521	1,526	3%	6,173	6,116	1%
Interest expense	359	312	318	286	295	22%	1,275	1,139	12%
Net premium taxes	95	99	118	94	88	8%	406	360	13%
<b>Total contract benefits and expenses</b>	8,155	6,132	12,134	7,032	18,370	-56%	33,453	55,822	-40%
<b>Income before income taxes</b>	359	1,911	1,535	1,714	(2,123)	-	5,519	2,501	121%
Income tax (expense) recovery	(43)	(6)	(246)	(337)	424	-	(632)	(239)	164%
<b>Net income</b>	316	1,905	1,289	1,377	(1,699)	-	4,887	2,262	116%
Less: net income (loss) attributed to non-controlling interests	10	83	67	54	46	-78%	214	194	10%
Less: net income (loss) attributed to participating policyholders	(287)	249	(40)	(49)	(139)	106%	(127)	(36)	253%
<b>Net income attributed to shareholders</b>	593	1,573	1,262	1,372	(1,606)	-	4,800	2,104	128%
Preferred share dividends	(43)	(42)	(44)	(39)	(40)	8%	(168)	(159)	6%
<b>Common shareholders' net income</b>	550	1,531	1,218	1,333	(1,646)	-	4,632	1,945	138%

<sup>1</sup> Includes the \$7.0 billion impact of the Group Pay-out Annuity transaction in Q4 2018 and the \$3.7 billion impact of the Individual Pay-out Annuity transaction in Q3 2018.

<sup>2</sup> The volatility in realized/unrealized gains (losses) on assets supporting insurance and investment contract liabilities relates primarily to the impact of interest rate changes on bond and fixed income derivative positions as well as interest rate swaps supporting the dynamic hedge program and gains and losses on macro equity hedges used as part of our equity risk management program. These items are mostly offset by changes in the measurement of our policy obligations. For fixed income assets supporting insurance and investment contracts, equities supporting pass through products and derivatives related to variable annuity hedging programs, the impact of realized/ unrealized gains (losses) on the assets is largely offset in the change in insurance and investment contract liabilities.

<sup>3</sup> The volatility in investment income largely related to gains and losses on AFS bonds related to the management of interest rate exposures. These activities in the surplus segment are mostly offset in the measurement of our policy liabilities (see Increase (decrease) in insurance contract liabilities).

<sup>4</sup> Includes the \$7.5 billion impact of the Group Pay-out Annuity transaction in Q4 2018 and the \$3.6 billion impact of the Individual Pay-out Annuity transaction in Q3 2018.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Canadian \$ in millions, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4
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**ASSETS**

Invested assets						
Cash and short-term securities	16,215	15,642	17,230	17,020	15,965	2%
Securities						
Debt securities	185,594	177,385	180,821	178,198	174,000	7%
Public equities	19,179	21,407	21,567	21,211	21,545	-11%
Loans						
Mortgages	48,363	47,902	47,019	45,527	44,742	8%
Private placements	35,754	35,236	34,701	33,373	32,132	11%
Policy loans	6,446	6,102	6,117	5,987	5,808	11%
Loans to bank clients	1,793	1,785	1,803	1,772	1,737	3%
Real estate	12,777	12,779	14,216	14,456	13,810	-7%
Other invested assets	27,543	26,330	25,500	24,845	24,483	12%
<b>Total invested assets</b>	<b>353,664</b>	<b>344,568</b>	<b>348,974</b>	<b>342,389</b>	<b>334,222</b>	<b>6%</b>
Other assets						
Accrued investment income	2,427	2,372	2,263	2,313	2,182	11%
Outstanding premiums	1,369	1,240	1,256	1,172	1,148	19%
Derivatives	13,703	11,238	13,145	13,821	15,569	-12%
Reinsurance assets	43,053	33,304	31,296	31,165	30,359	42%
Deferred tax asset	4,318	4,291	4,775	4,797	4,569	-5%
Goodwill and intangible assets	10,097	9,972	10,065	9,980	9,840	3%
Miscellaneous	8,431	8,597	8,456	8,175	7,337	15%
<b>Total other assets</b>	<b>83,398</b>	<b>71,014</b>	<b>71,256</b>	<b>71,423</b>	<b>71,004</b>	<b>17%</b>
<b>Segregated funds net assets</b>	<b>313,209</b>	<b>332,256</b>	<b>331,995</b>	<b>326,011</b>	<b>324,307</b>	<b>-3%</b>
<b>Total assets</b>	<b>750,271</b>	<b>747,838</b>	<b>752,225</b>	<b>739,823</b>	<b>729,533</b>	<b>3%</b>

**LIABILITIES AND EQUITY**

Policy liabilities						
Insurance contract liabilities	328,654	309,842	315,473	310,481	304,605	8%
Investment contract liabilities	3,265	3,160	3,201	3,161	3,126	4%
Deposits from bank clients	19,684	19,085	19,122	18,976	18,131	9%
Derivatives	7,803	7,268	7,183	7,433	7,822	0%
Deferred tax liabilities	1,814	1,506	1,457	1,448	1,281	42%
Other liabilities	15,190	15,866	14,985	15,043	14,927	2%
	376,410	356,727	361,421	356,542	349,892	8%
Long-term debt	4,769	4,525	4,603	4,906	4,784	0%
Capital instruments	8,732	8,843	8,888	8,275	8,387	4%
<b>Segregated funds net liabilities</b>	<b>313,209</b>	<b>332,256</b>	<b>331,995</b>	<b>326,011</b>	<b>324,307</b>	<b>-3%</b>
<b>Total liabilities</b>	<b>703,120</b>	<b>702,351</b>	<b>706,907</b>	<b>695,734</b>	<b>687,370</b>	<b>2%</b>
<b>Equity</b>						
Issued share capital						
Preferred shares	3,822	3,822	3,822	3,822	3,577	7%
Common shares	22,961	23,045	23,031	23,010	22,989	0%
Contributed surplus	265	274	274	275	277	-4%
Shareholders' retained earnings	12,704	12,862	11,768	10,987	10,083	26%
Shareholders' accumulated other comprehensive income (loss)						
Pension and other post-employment plans	(426)	(386)	(388)	(385)	(364)	17%
Available-for-sale securities	(265)	(611)	(115)	(159)	179	-
Cash flow hedges	(127)	(114)	(139)	(146)	(109)	17%
Real estate revaluation surplus	20	20	21	21	21	-5%
Translation of foreign operations	7,010	5,076	5,870	5,509	4,360	61%
<b>Total shareholders' equity</b>	<b>45,964</b>	<b>43,988</b>	<b>44,144</b>	<b>42,934</b>	<b>41,013</b>	<b>12%</b>
Participating policyholders' equity	94	380	132	173	221	-57%
Non-controlling interests	1,093	1,119	1,042	982	929	18%
<b>Total equity</b>	<b>47,151</b>	<b>45,487</b>	<b>45,318</b>	<b>44,089</b>	<b>42,163</b>	<b>12%</b>
<b>Total liabilities and equity</b>	<b>750,271</b>	<b>747,838</b>	<b>752,225</b>	<b>739,823</b>	<b>729,533</b>	<b>3%</b>

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Canadian \$ in millions, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	YTD 2018	YTD 2017
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**Preferred shares**

Balance, beginning of period	3,822	3,822	3,822	3,577	3,577	3,577	3,577
Issued	-	-	-	250	-	250	-
Issuance costs, net of tax	-	-	-	(5)	-	(5)	-
<b>Balance, end of period</b>	<b>3,822</b>	<b>3,822</b>	<b>3,822</b>	<b>3,822</b>	<b>3,577</b>	<b>3,822</b>	<b>3,577</b>

**Common shares**

Balance, beginning of period	23,045	23,031	23,010	22,989	22,930	22,989	22,865
Repurchased	(269)	-	-	-	-	(269)	-
Issued on exercise of stock options and deferred share units	3	14	21	21	59	59	124
Issued under Dividend Reinvestment and Share Purchase Plans	182	-	-	-	-	182	-
<b>Balance, end of period</b>	<b>22,961</b>	<b>23,045</b>	<b>23,031</b>	<b>23,010</b>	<b>22,989</b>	<b>22,961</b>	<b>22,989</b>

**Contributed surplus**

Balance, beginning of period	274	274	275	277	286	277	284
Exercise of stock options and deferred share units	-	(3)	(4)	(3)	(11)	(10)	(22)
Stock option expense	3	3	3	1	2	10	15
Tax benefit (loss) of stock options exercised	-	-	-	(1)	-	(1)	(1)
Acquisition of non-controlling interest	(12)	-	-	-	-	(12)	-
<b>Balance, end of period</b>	<b>265</b>	<b>274</b>	<b>274</b>	<b>275</b>	<b>277</b>	<b>265</b>	<b>277</b>

**Shareholders' retained earnings**

Balance, beginning of period	12,862	11,768	10,987	10,083	12,135	10,083	9,759
Net income attributed to shareholders	593	1,573	1,262	1,372	(1,606)	4,800	2,104
Preferred share dividends	(43)	(42)	(44)	(39)	(40)	(168)	(159)
Common share dividends	(499)	(437)	(437)	(429)	(406)	(1,802)	(1,621)
Common shares repurchased	(209)	-	-	-	-	(209)	-
<b>Balance, end of period</b>	<b>12,704</b>	<b>12,862</b>	<b>11,768</b>	<b>10,987</b>	<b>10,083</b>	<b>12,704</b>	<b>10,083</b>

**Shareholders' accumulated other comprehensive income (loss)**

Balance, beginning of period	3,985	5,249	4,840	4,087	3,593	4,087	5,347
Other comprehensive income (loss)							
Remeasurement of pension and other post-employment plans, net of tax recovery of \$12	(40)	2	(3)	(21)	39	(62)	53
Real estate revaluation reserve, net of tax expense of nil	-	(1)	-	-	20	(1)	20
Available-for-sale ("AFS") securities unrealized gains (losses), net of tax expense of \$81	340	(467)	(4)	(325)	197	(456)	604
AFS securities realized losses (gains) & impairments (recoveries), net of tax expense of \$11	7	(29)	48	(13)	(32)	13	(32)
Cash flow hedges unrealized gains (losses), net of tax recovery of \$18	(19)	21	4	(40)	8	(34)	110
Cash flow hedges realized (gains) losses, net of tax expense of \$1	6	4	3	3	5	16	13
Unrealized foreign exchange gains (losses), net of \$(366) hedges and tax recovery of \$60	1,933	(793)	361	1,149	257	2,650	(2,029)
Share of other comprehensive income (loss) of associates, net of tax expense of nil	-	(1)	-	-	-	(1)	1
<b>Balance, end of period</b>	<b>6,212</b>	<b>3,985</b>	<b>5,249</b>	<b>4,840</b>	<b>4,087</b>	<b>6,212</b>	<b>4,087</b>

**Total shareholders' equity, end of period**

	45,964	43,988	44,144	42,934	41,013	45,964	41,013
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**Participating policyholders' equity**

Balance, beginning of period	380	132	173	221	351	221	248
Net income (loss) attributed to participating policyholders	(287)	249	(40)	(49)	(139)	(127)	(36)
Other comprehensive income attributed to participating policyholders	1	(1)	(1)	1	9	-	9
<b>Balance, end of period</b>	<b>94</b>	<b>380</b>	<b>132</b>	<b>173</b>	<b>221</b>	<b>94</b>	<b>221</b>

**Non-controlling interests**

Balance, beginning of period	1,119	1,042	982	929	883	929	743
Net income (loss) attributed to non-controlling interests	10	83	67	54	46	214	194
Other comprehensive income (loss) attributed to non-controlling interests	1	(1)	-	(2)	(2)	(2)	(2)
Contributions (distributions), net	(37)	(5)	(7)	1	2	(48)	(6)
<b>Balance, end of period</b>	<b>1,093</b>	<b>1,119</b>	<b>1,042</b>	<b>982</b>	<b>929</b>	<b>1,093</b>	<b>929</b>

**Total equity, end of period**

	47,151	45,487	45,318	44,089	42,163	47,151	42,163
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**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Canadian \$ in millions, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017
<b>Operating activities</b>									
Net income (loss)	316	1,905	1,289	1,377	(1,699)	-	4,887	2,262	116%
Adjustments									
Increase (decrease) in insurance contract liabilities	4,893	(808)	1,389	(2,567)	9,919	-51%	2,907	20,023	-85%
Increase (decrease) in investment contract liabilities	47	(91)	35	44	31	52%	35	173	-80%
Decrease (increase) in reinsurance assets	(557)	996	475	(21)	149	-	893	2,269	-61%
Amortization of premium/discount on invested assets	42	57	57	56	52	-19%	212	230	-8%
Other amortization	261	177	170	139	155	68%	747	560	33%
Net realized (gains) losses, including impairments on assets	(1,159)	3,104	1,957	4,825	(3,226)	-64%	8,727	(7,188)	-
Deferred income tax expense (recovery)	228	633	68	1	(676)	-	930	(331)	-
Restructuring charge	(44)	-	200	-	-	-	156	-	-
Stock option expense	3	3	3	1	2	50%	10	15	-33%
Cash provided by operating activities before undernoted items	4,030	5,976	5,643	3,855	4,707	-14%	19,504	18,013	8%
Changes in policy related and operating receivables and payables	706	(333)	(682)	(7)	429	65%	(316)	(222)	42%
<b>Cash provided by (used in) operating activities</b>	<b>4,736</b>	<b>5,643</b>	<b>4,961</b>	<b>3,848</b>	<b>5,136</b>	<b>-8%</b>	<b>19,188</b>	<b>17,791</b>	<b>8%</b>
<b>Investing activities</b>									
Purchases and mortgage advances	(23,706)	(25,635)	(28,221)	(23,610)	(19,669)	21%	(101,172)	(87,224)	16%
Disposals and repayments	21,036	17,698	23,485	19,892	15,642	34%	82,111	70,720	16%
Changes in investment broker net receivables and payables	(1,094)	872	115	(21)	33	-3415%	(128)	227	-
Net cash decrease from sale and purchase of subsidiaries and businesses	187	-	-	-	-	-	187	(10)	-
<b>Cash provided by (used in) investing activities</b>	<b>(3,577)</b>	<b>(7,065)</b>	<b>(4,621)</b>	<b>(3,739)</b>	<b>(3,994)</b>	<b>-10%</b>	<b>(19,002)</b>	<b>(16,287)</b>	<b>17%</b>
<b>Financing activities</b>									
Increase (decrease) in repurchase agreements and securities sold but not yet purchased	(714)	477	(89)	137	(281)	154%	(189)	(29)	552%
Issue of long-term debt, net	-	-	-	-	-	-	-	-	-
Redemption of long-term debt, net	-	-	(400)	-	(600)	-	(400)	(607)	-34%
Issue (redemption) of capital instruments, net	(250)	-	597	(200)	469	-	147	1,310	-89%
Secured borrowings from securitization transactions	250	-	-	-	98	155%	250	741	-66%
Changes in deposits from bank clients, net	560	(36)	126	840	85	559%	1,490	261	471%
Shareholder dividends paid in cash	(360)	(479)	(481)	(468)	(446)	-19%	(1,788)	(1,780)	0%
NCI dividends paid in cash	-	-	(2)	-	1	-100%	(2)	-	-
Contributions from (distributions to) non-controlling interest, net	(49)	(5)	(5)	1	1	-	(58)	(6)	867%
Common shares repurchased	(478)	-	-	-	-	-	(478)	-	-
Common shares issued, net	3	14	21	21	59	-95%	59	124	-52%
Preferred shares issued, net	-	-	-	245	-	-	245	-	-
<b>Cash provided by (used in) financing activities</b>	<b>(1,038)</b>	<b>(29)</b>	<b>(233)</b>	<b>576</b>	<b>(614)</b>	<b>69%</b>	<b>(724)</b>	<b>14</b>	<b>-</b>
<b>Cash and short-term securities</b>									
Increase (decrease) during the period	121	(1,451)	107	685	528	-77%	(538)	1,518	-
Effect of foreign exchange rate changes on cash and short-term securities	572	(236)	141	345	60	853%	822	(658)	-
Balance, beginning of period	14,689	16,376	16,128	15,098	14,510	1%	15,098	14,238	6%
<b>Balance, end of period</b>	<b>15,382</b>	<b>14,689</b>	<b>16,376</b>	<b>16,128</b>	<b>15,098</b>	<b>2%</b>	<b>15,382</b>	<b>15,098</b>	<b>2%</b>
<b>Cash and short-term securities</b>									
<b>Beginning of period</b>									
Gross cash and short-term securities	15,642	17,230	17,020	15,965	15,251	3%	15,965	15,151	5%
Net payments in transit, included in other liabilities	(953)	(854)	(892)	(867)	(741)	29%	(867)	(913)	-5%
<b>Net cash and short-term securities, beginning of period</b>	<b>14,689</b>	<b>16,376</b>	<b>16,128</b>	<b>15,098</b>	<b>14,510</b>	<b>1%</b>	<b>15,098</b>	<b>14,238</b>	<b>6%</b>
<b>End of period</b>									
Gross cash and short-term securities	16,215	15,642	17,230	17,020	15,965	2%	16,215	15,965	2%
Net payments in transit, included in other liabilities	(833)	(953)	(854)	(892)	(867)	-4%	(833)	(867)	-4%
<b>Net cash and short-term securities, end of period</b>	<b>15,382</b>	<b>14,689</b>	<b>16,376</b>	<b>16,128</b>	<b>15,098</b>	<b>2%</b>	<b>15,382</b>	<b>15,098</b>	<b>2%</b>

**ASIA**

(U.S. \$ in millions, unless otherwise stated, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017
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**Statements of Income**

	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	3,608	3,712	3,472	3,691	3,120	16%	14,483	12,500	16%
Premiums ceded to reinsurers	(120)	(116)	(128)	(143)	(116)	3%	(507)	(384)	32%
<b>Investment income</b>	419	492	481	407	407	3%	1,799	1,543	17%
<b>Other revenue</b>	230	241	321	208	239	-4%	1,000	719	39%
<b>Subtotal revenue</b>	4,137	4,329	4,146	4,163	3,650	13%	16,775	14,378	17%
Realized/ unrealized gains on invested assets supporting insurance and investment contract liabilities <sup>1</sup>	(129)	(388)	(323)	(759)	368	-	(1,599)	1,563	-
<b>Total revenue</b>	4,008	3,941	3,823	3,404	4,018	0%	15,176	15,941	-5%
<b>Contract benefits and expenses</b>									
To contract holders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities <sup>1</sup>	2,965	2,615	2,611	2,171	2,923	1%	10,362	10,857	-5%
Ceded benefits and expenses and change in reinsurance assets	(76)	(221)	(69)	(89)	(50)	52%	(455)	(246)	85%
Change in investment contract liabilities	1	6	-	(6)	-	-	1	-	-
General expenses	436	417	403	381	417	5%	1,637	1,529	7%
Investment expenses	29	33	26	30	27	7%	118	91	30%
Commissions	495	491	434	458	434	14%	1,878	1,717	9%
Other	45	44	42	42	39	15%	173	150	15%
<b>Total contract benefits and expenses</b>	3,895	3,385	3,447	2,987	3,790	3%	13,714	14,098	-3%
<b>Income (loss) before income taxes</b>	113	556	376	417	228	-50%	1,462	1,843	-21%
Income tax (expense) recovery	(15)	(112)	(75)	(72)	(67)	-78%	(274)	(312)	-12%
<b>Net income (loss)</b>	98	444	301	345	161	-39%	1,188	1,531	-22%
Less net income (loss) attributed to non-controlling interests	4	63	50	44	35	-89%	161	145	11%
Less net income (loss) attributed to participating policyholders	(143)	(50)	(29)	(54)	(79)	81%	(276)	(24)	nm
<b>Net income (loss) attributed to shareholders</b>	237	431	280	355	205	16%	1,303	1,410	-8%
<b>Net income (loss) attributed to shareholders CER</b>	237	427	265	348	210	13%	1,277	1,401	-9%

<sup>1</sup> For fixed income assets supporting insurance and investment contract liabilities, equities supporting pass through products and derivatives related to variable annuity hedging programs, the impact of realized/unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits. The gains (losses) primarily relate to fair value movements on bonds and derivatives.

**ASIA (CONT'D)**

(U.S. \$ in millions, unless otherwise stated, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4 AER <sup>1</sup>	2018 Q4 vs. 2017 Q4 CER <sup>2</sup>	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017 AER <sup>1</sup>	YTD 2018 vs. YTD 2017 CER <sup>2</sup>
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**Earnings Analysis**

Hong Kong	160	144	140	145	140	14%	14%	589	471	25%	25%
Japan	118	126	94	105	103	15%	14%	443	440	1%	-1%
Asia Other	101	115	108	119	82	23%	29%	443	347	28%	28%
Regional Office	(32)	(36)	(27)	(31)	(32)	0%	0%	(126)	(137)	8%	8%
<b>Total Core earnings (loss)</b>	<b>347</b>	<b>349</b>	<b>315</b>	<b>338</b>	<b>293</b>	<b>18%</b>	<b>20%</b>	<b>1,349</b>	<b>1,121</b>	<b>20%</b>	<b>20%</b>
<b>Total Core earnings CER</b>	<b>347</b>	<b>348</b>	<b>306</b>	<b>327</b>	<b>290</b>		<b>20%</b>	<b>1,328</b>	<b>1,108</b>		<b>20%</b>
<b>Items excluded from core earnings</b>											
Investment-related experience outside of core earnings	75	71	35	38	49			219	186		
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	(185)	(13)	(68)	(21)	(110)			(287)	2		
Change in actuarial methods and assumptions	-	21	-	-	4			21	132		
Reinsurance transactions and Other	-	3	(2)	-	(31)			1	(31)		
<b>Net income (loss) attributed to shareholders</b>	<b>237</b>	<b>431</b>	<b>280</b>	<b>355</b>	<b>205</b>	<b>16%</b>	<b>13%</b>	<b>1,303</b>	<b>1,410</b>	<b>-8%</b>	<b>-9%</b>

**Source of Earnings - Core <sup>3</sup>**

Expected profit from in-force business	198	196	197	192	195	2%	2%	783	741	6%	5%
Impact of new business	177	184	140	150	142	25%	26%	651	564	15%	14%
Experience gains (losses)	(30)	(20)	(13)	-	(42)	-29%	-29%	(63)	(141)	-55%	-55%
Management actions and changes in assumptions	-	-	(3)	-	-	-	-	(3)	-	-	-
Earnings on surplus funds	34	33	34	33	27	26%	25%	134	108	24%	25%
Other	21	34	40	33	38	-45%	-44%	128	120	7%	6%
<b>Core earnings before income taxes</b>	<b>400</b>	<b>427</b>	<b>395</b>	<b>408</b>	<b>360</b>	<b>11%</b>	<b>12%</b>	<b>1,630</b>	<b>1,392</b>	<b>17%</b>	<b>16%</b>
Income tax (expense) recovery	(53)	(78)	(80)	(70)	(67)	-21%	-21%	(281)	(271)	4%	2%
<b>Total Core earnings</b>	<b>347</b>	<b>349</b>	<b>315</b>	<b>338</b>	<b>293</b>	<b>18%</b>	<b>20%</b>	<b>1,349</b>	<b>1,121</b>	<b>20%</b>	<b>20%</b>

<sup>1</sup> AER percentage changes are calculated using actual exchange rates.

<sup>2</sup> CER percentage changes are calculated on a constant exchange rate basis.

<sup>3</sup> The 'Source of Earnings - Core' lines excludes the portion related to non-controlling interest.

**ASIA (CONT'D)**

(U.S. \$ in millions, unless otherwise stated, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4 AER	2018 Q4 vs. 2017 Q4 CER	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017 AER	YTD 2018 vs. YTD 2017 CER
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**Annualized Premium Equivalents Sales**

Hong Kong	186	170	142	149	172	8%	8%	647	584	11%	11%
Japan	295	303	232	257	220	34%	34%	1,087	1,102	-1%	-3%
Asia Other	306	345	337	372	304	1%	4%	1,360	1,201	13%	13%
<b>Total Annualized premium equivalents sales</b>	<b>787</b>	<b>818</b>	<b>711</b>	<b>778</b>	<b>696</b>	<b>13%</b>	<b>15%</b>	<b>3,094</b>	<b>2,887</b>	<b>7%</b>	<b>6%</b>
<b>Total Annualized premium equivalents sales CER</b>	<b>787</b>	<b>813</b>	<b>689</b>	<b>747</b>	<b>686</b>		<b>15%</b>	<b>3,036</b>	<b>2,855</b>		<b>6%</b>

**Insurance Sales**

Hong Kong	161	137	111	111	135	19%	19%	520	466	12%	12%
Japan	195	205	127	150	125	56%	56%	677	728	-7%	-8%
Asia Other	295	325	314	343	281	5%	9%	1,277	1,113	15%	14%
<b>Total Insurance sales</b>	<b>651</b>	<b>667</b>	<b>552</b>	<b>604</b>	<b>541</b>	<b>20%</b>	<b>22%</b>	<b>2,474</b>	<b>2,307</b>	<b>7%</b>	<b>6%</b>
<b>Total Insurance sales CER</b>	<b>651</b>	<b>662</b>	<b>535</b>	<b>578</b>	<b>532</b>		<b>22%</b>	<b>2,426</b>	<b>2,279</b>		<b>6%</b>

**Annuities Sales**

Hong Kong	257	331	308	381	373	-31%	-31%	1,277	1,177	8%	8%
Japan	566	575	613	590	506	12%	12%	2,344	1,913	23%	21%
Asia Other	106	187	240	288	243	-56%	-55%	821	885	-7%	-7%
<b>Total Annuities sales</b>	<b>929</b>	<b>1,093</b>	<b>1,161</b>	<b>1,259</b>	<b>1,122</b>	<b>-17%</b>	<b>-16%</b>	<b>4,442</b>	<b>3,975</b>	<b>12%</b>	<b>11%</b>
<b>Total Annuities sales CER</b>	<b>929</b>	<b>1,085</b>	<b>1,134</b>	<b>1,220</b>	<b>1,112</b>		<b>-16%</b>	<b>4,368</b>	<b>3,940</b>		<b>11%</b>

**New Business Value (NBV)**

Hong Kong	127	110	89	92	119	7%	7%	418	347	21%	21%
Japan	91	84	79	75	61	49%	48%	329	299	10%	8%
Asia Other	86	99	90	90	71	21%	26%	365	280	30%	30%
<b>Total NBV</b>	<b>304</b>	<b>293</b>	<b>258</b>	<b>257</b>	<b>251</b>	<b>21%</b>	<b>23%</b>	<b>1,112</b>	<b>926</b>	<b>20%</b>	<b>19%</b>
<b>Total NBV CER</b>	<b>304</b>	<b>290</b>	<b>252</b>	<b>249</b>	<b>248</b>		<b>23%</b>	<b>1,095</b>	<b>918</b>		<b>19%</b>

**New Business Value (NBV) Margin <sup>1</sup>**

Hong Kong	68.0%	64.6%	62.9%	61.8%	68.8%			64.6%	59.4%
Japan	31.0%	27.7%	34.2%	29.0%	28.1%			30.3%	27.1%
Asia Other	31.2%	32.0%	30.5%	29.1%	25.9%			30.7%	27.1%
<b>Total NBV margin</b>	<b>40.2%</b>	<b>37.4%</b>	<b>38.6%</b>	<b>35.9%</b>	<b>37.7%</b>			<b>38.0%</b>	<b>34.1%</b>
<b>Total NBV margin CER</b>	<b>40.2%</b>	<b>37.5%</b>	<b>38.7%</b>	<b>36.0%</b>	<b>37.8%</b>			<b>38.1%</b>	<b>34.1%</b>

<sup>1</sup> Margins are calculated using annualized premium equivalent (APE) excluding non-controlling interest. APE is calculated as 100% of annualized first year premiums for recurring premium products, and as 10% of single premiums for single premium products. Both NBV and APE used in the margin are calculated after non-controlling interest.



**ASIA (CONT'D)**

(U.S. \$ in millions, unless otherwise stated, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4 AER	2018 Q4 vs. 2017 Q4 CER	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017 AER	YTD 2018 vs. YTD 2017 CER
<b>Premiums and Deposits</b>											
Premiums and investment contract deposits	3,482	3,598	3,344	3,550	3,006	16%		13,974	12,120	15%	
Segregated fund and other deposits	652	785	773	910	838	-22%		3,120	2,723	15%	
<b>Total Premiums and deposits</b>	<b>4,134</b>	<b>4,383</b>	<b>4,117</b>	<b>4,460</b>	<b>3,844</b>	<b>8%</b>	<b>9%</b>	<b>17,094</b>	<b>14,843</b>	<b>15%</b>	<b>15%</b>
<b>Total Premiums and deposits CER</b>	<b>4,134</b>	<b>4,359</b>	<b>4,026</b>	<b>4,320</b>	<b>3,786</b>		<b>9%</b>	<b>16,839</b>	<b>14,665</b>		<b>15%</b>
<b>Premiums and Deposits by Business Units</b>											
Hong Kong	1,305	1,242	1,160	1,204	1,257	4%	4%	4,911	4,353	13%	13%
Japan	1,481	1,594	1,492	1,723	1,285	15%	17%	6,290	5,454	15%	15%
Asia Other	1,348	1,547	1,465	1,533	1,302	4%	7%	5,893	5,036	17%	17%
<b>Total Premiums and deposits</b>	<b>4,134</b>	<b>4,383</b>	<b>4,117</b>	<b>4,460</b>	<b>3,844</b>	<b>8%</b>	<b>9%</b>	<b>17,094</b>	<b>14,843</b>	<b>15%</b>	<b>15%</b>
<b>Total Weighted Premium Income (TWPI)</b>											
Hong Kong	936	848	825	782	864	8%	8%	3,391	3,121	9%	9%
Japan	1,090	1,197	1,063	1,334	952	14%	14%	4,684	4,147	13%	11%
Asia Other	1,015	976	963	976	865	17%	22%	3,930	3,173	24%	24%
<b>TWPI</b>	<b>3,041</b>	<b>3,021</b>	<b>2,851</b>	<b>3,092</b>	<b>2,681</b>	<b>13%</b>	<b>15%</b>	<b>12,005</b>	<b>10,441</b>	<b>15%</b>	<b>14%</b>
<b>TWPI CER</b>	<b>3,041</b>	<b>3,000</b>	<b>2,771</b>	<b>2,979</b>	<b>2,648</b>		<b>15%</b>	<b>11,791</b>	<b>10,331</b>		<b>14%</b>
<b>Assets Under Management</b>											
General fund	64,010	61,102	60,210	59,485	58,009	10%		64,010	58,009	10%	
Segregated funds	14,176	14,828	14,644	15,034	15,074	-6%		14,176	15,074	-6%	
<b>Total Assets under management</b>	<b>78,186</b>	<b>75,930</b>	<b>74,854</b>	<b>74,519</b>	<b>73,083</b>	<b>7%</b>	<b>8%</b>	<b>78,186</b>	<b>73,083</b>	<b>7%</b>	<b>8%</b>
<b>Total Assets under management CER</b>	<b>78,186</b>	<b>76,729</b>	<b>74,724</b>	<b>72,724</b>	<b>72,702</b>		<b>8%</b>	<b>78,186</b>	<b>72,702</b>		<b>8%</b>
<b>Number of Agents</b>											
Hong Kong	8,817	7,936	7,637	7,633	7,725	14%		8,817	7,725	14%	
Japan	2,107	2,150	2,196	2,272	2,363	-11%		2,107	2,363	-11%	
Asia Other	68,644	67,443	62,172	58,455	60,303	14%		68,644	60,303	14%	
<b>Total Number of agents</b>	<b>79,568</b>	<b>77,529</b>	<b>72,005</b>	<b>68,360</b>	<b>70,391</b>	<b>13%</b>		<b>79,568</b>	<b>70,391</b>	<b>13%</b>	
<b>Canadian \$ in millions - Key Metrics</b>											
Core earnings	459	457	406	427	372	23%	20%	1,749	1,453	20%	20%
Items excluded from core earnings	(145)	105	(43)	21	(112)	29%		(62)	381	-	
Net income (loss) attributed to shareholders	314	562	363	448	260	21%	13%	1,687	1,834	-8%	-9%
Annualized Premium Equivalents Sales	1,040	1,070	918	984	884	18%	15%	4,012	3,747	7%	6%
Insurance Sales	861	871	713	764	687	25%	22%	3,209	2,995	7%	6%
Annuities Sales	1,227	1,428	1,499	1,592	1,426	-14%	-16%	5,746	5,150	12%	11%
New Business Value (NBV)	402	382	334	325	319	26%	23%	1,443	1,201	20%	19%
Premiums and Deposits	5,462	5,727	5,316	5,640	4,885	12%	9%	22,145	19,238	15%	15%
Assets Under Management	106,656	98,321	98,574	96,087	91,694	16%	8%	106,656	91,694	16%	8%

**CANADA**

(Canadian \$ millions, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017
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**Statements of Income**

	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	2,677	2,587	3,143	2,567	2,585	4%	10,974	10,124	8%
Premiums ceded to reinsurers	(394)	(377)	(362)	(414)	(1,366)	-71%	(1,547)	(5,359)	-71%
<b>Investment income</b>	930	1,063	1,098	1,067	1,030	-10%	4,158	3,958	5%
<b>Other revenue</b>	343	379	362	362	468	-27%	1,446	1,862	-22%
<b>Subtotal revenue</b>	3,556	3,652	4,241	3,582	2,717	31%	15,031	10,585	42%
Realized/ unrealized gains on invested assets supporting insurance and investment contract liabilities <sup>1</sup>	284	(1,546)	256	(388)	1,549	-82%	(1,394)	602	-
<b>Total revenue</b>	3,840	2,106	4,497	3,194	4,266	-10%	13,637	11,187	22%
<b>Contract benefits and expenses</b>									
To contract holders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities <sup>1</sup>	3,189	1,131	3,269	2,052	4,578	-30%	9,641	10,256	-6%
Ceded benefits and expenses and change in reinsurance assets	(174)	(396)	(233)	(316)	(1,067)	-84%	(1,119)	(2,869)	-61%
Change in investment contract liabilities	9	10	9	12	8	13%	40	35	14%
General expenses	356	334	325	337	345	3%	1,352	1,354	0%
Investment expenses	87	80	86	89	92	-5%	342	351	-3%
Commissions	319	298	274	267	300	6%	1,158	1,169	-1%
Other	188	156	174	140	155	21%	658	502	31%
<b>Total contract benefits and expenses</b>	3,974	1,613	3,904	2,581	4,411	-10%	12,072	10,798	12%
<b>Income (loss) before income taxes</b>	(134)	493	593	613	(145)	8%	1,565	389	302%
Income tax (expense) recovery	(31)	(70)	(85)	(135)	77	-	(321)	159	-
<b>Net income (loss)</b>	(165)	423	508	478	(68)	-143%	1,244	548	127%
Less: net income (loss) attributed to participating policyholders	(98)	314	(2)	19	(39)	151%	233	(6)	-
<b>Net income (loss) attributed to shareholders</b>	(67)	109	510	459	(29)	-131%	1,011	554	82%

<sup>1</sup> For fixed income assets supporting insurance and investment contract liabilities, equities supporting pass through products and derivatives related to variable annuity hedging programs, the impact of realized/unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.

**CANADA (CONT'D)**

(Canadian \$ millions, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017
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**Earnings Analysis**

Insurance	214	246	284	166	171	25%	910	735	24%
Annuities	68	71	92	87	67	1%	318	334	-5%
Manulife Bank	30	34	27	37	35	-14%	128	140	-9%
<b>Total core earnings (loss)</b>	<b>312</b>	<b>351</b>	<b>403</b>	<b>290</b>	<b>273</b>	<b>14%</b>	<b>1,356</b>	<b>1,209</b>	<b>12%</b>
<b>Items excluded from core earnings</b>									
Investment-related experience outside of core earnings	(143)	155	83	145	76		240	(99)	
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities <sup>1</sup>	(234)	(26)	13	(60)	(21)		(307)	(227)	
Change in actuarial methods and assumptions	-	(370)	-	-	(7)		(370)	36	
Charge related to decision to change asset mix in legacy business	-	-	-	-	(343)		-	(343)	
Charge related to U.S. Tax Reform	-	(2)	-	-	-		(2)	-	
Reinsurance transactions and Other	(2)	1	11	84	(7)		94	(22)	
<b>Net income (loss) attributed to shareholders</b>	<b>(67)</b>	<b>109</b>	<b>510</b>	<b>459</b>	<b>(29)</b>	<b>131%</b>	<b>1,011</b>	<b>554</b>	<b>82%</b>

<sup>1</sup> Segregated fund products include guarantees. These products are also referred to as variable annuities.

**Source of Earnings - Core**

Expected profit from in-force business	249	273	242	251	258	-3%	1,015	1,038	-2%
Impact of new business	14	4	11	(2)	(1)	-	27	(32)	-
Experience gains (losses)	2	36	71	(23)	(40)	-	86	(117)	-
Management actions and changes in assumptions	-	-	-	-	-	-	-	-	-
Earnings on surplus funds	104	103	104	103	92	13%	414	367	13%
Other	(3)	(1)	12	7	5	-	15	13	15%
Insurance	366	415	440	336	314	17%	1,557	1,269	23%
Manulife Bank	41	45	38	49	47	-13%	173	189	-8%
<b>Core Earnings before income taxes</b>	<b>407</b>	<b>460</b>	<b>478</b>	<b>385</b>	<b>361</b>	<b>13%</b>	<b>1,730</b>	<b>1,458</b>	<b>19%</b>
Income tax (expense) recovery	(95)	(109)	(75)	(95)	(88)	8%	(374)	(249)	50%
<b>Total Core Earnings</b>	<b>312</b>	<b>351</b>	<b>403</b>	<b>290</b>	<b>273</b>	<b>14%</b>	<b>1,356</b>	<b>1,209</b>	<b>12%</b>

**CANADA (CONT'D)**  
(Canadian \$ millions, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017
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**Annualized Premium Equivalents Sales**

Individual Insurance	94	78	63	54	67	40%	289	291	-1%
Group Insurance	133	78	82	163	96	39%	456	815	-44%
Annuities	50	54	53	73	59	-15%	230	260	-12%
<b>Total Sales</b>	<b>277</b>	<b>210</b>	<b>198</b>	<b>290</b>	<b>222</b>	<b>25%</b>	<b>975</b>	<b>1,366</b>	<b>-29%</b>

**Annuities Sales <sup>1</sup>**

Retail segregated fund products <sup>2</sup>	474	506	485	696	550	-14%	2,161	2,397	-10%
Fixed Products	26	31	41	38	36	-28%	136	201	-32%
<b>Total Annuities Sales</b>	<b>500</b>	<b>537</b>	<b>526</b>	<b>734</b>	<b>586</b>	<b>-15%</b>	<b>2,297</b>	<b>2,598</b>	<b>-12%</b>

<sup>1</sup> Annuities sales is comprised of 100% regular premiums/deposits sales and 100% single premium/deposit sales.

<sup>2</sup> Retail segregated fund products include guarantees. These products are also referred to as variable annuities.

**Premiums and Deposits**

Net premiums <sup>3</sup> and investment contract deposits	2,414	2,340	2,911	2,285	2,324	4%	9,950	9,117	9%
Segregated fund deposits	475	507	486	697	551	-14%	2,165	2,400	-10%
ASO premium equivalents	836	790	848	821	823	2%	3,295	3,189	3%
<b>Total premiums and deposits</b>	<b>3,725</b>	<b>3,637</b>	<b>4,245</b>	<b>3,803</b>	<b>3,698</b>	<b>1%</b>	<b>15,410</b>	<b>14,706</b>	<b>5%</b>

<sup>3</sup> Net premiums include life, health and annuity premiums, and premiums in the Canada Group Benefits reinsurance ceded agreement.

**Premiums and Deposits by Business**

Individual Insurance	968	884	897	817	930	4%	3,566	3,490	2%
Group Insurance	2,257	2,214	2,820	2,252	2,181	3%	9,543	8,615	11%
Annuities	500	539	528	734	587	-15%	2,301	2,601	-12%
<b>Total premiums and deposits</b>	<b>3,725</b>	<b>3,637</b>	<b>4,245</b>	<b>3,803</b>	<b>3,698</b>	<b>1%</b>	<b>15,410</b>	<b>14,706</b>	<b>5%</b>

**Assets Under Management**

General funds, excluding Manulife Bank net lending assets	87,988	87,554	88,906	87,770	87,733	0%	87,988	87,733	0%
Manulife Bank net lending assets	21,626	21,407	21,197	20,735	20,427	6%	21,626	20,427	6%
Segregated funds	33,306	36,289	35,900	35,916	36,460	-9%	33,306	36,460	-9%
<b>Total assets under management</b>	<b>142,920</b>	<b>145,250</b>	<b>146,003</b>	<b>144,421</b>	<b>144,620</b>	<b>-1%</b>	<b>142,920</b>	<b>144,620</b>	<b>-1%</b>

**Manulife Bank Average Net Lending Assets**

	21,517	21,302	20,966	20,581	20,258	6%	21,027	19,941	5%
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**U.S.**

(U.S. \$ in millions, unless otherwise stated, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017
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**Statements of Income**

	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	1,914	1,844	1,692	1,751	1,945	-2%	7,201	7,667	-6%
Premiums ceded to reinsurers <sup>1</sup>	(5,765)	(3,246)	(431)	(436)	(462)	nm	(9,878)	(1,786)	453%
<b>Investment income</b>	1,486	1,337	1,505	1,337	1,501	-1%	5,665	5,689	0%
<b>Other revenue</b>	281	501	688	496	544	-48%	1,966	2,341	-16%
<b>Subtotal revenue</b>	(2,084)	436	3,454	3,148	3,528	-	4,954	13,911	-64%
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>2</sup>	737	(882)	(1,146)	(3,132)	806	-9%	(4,423)	2,495	-
<b>Total revenue</b>	(1,347)	(446)	2,308	16	4,334	-	531	16,406	-97%
<b>Contract benefits and expenses</b>									
To contract holders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities <sup>2</sup>	4,019	950	1,483	(559)	5,847	-31%	5,893	16,000	-63%
Ceded benefits and expenses and change in reinsurance assets <sup>3</sup>	(6,616)	(2,390)	(417)	(638)	(473)	nm	(10,061)	(2,313)	335%
Change in investment contract liabilities	11	(95)	18	5	12	-8%	(61)	47	-
General expenses	306	229	244	272	222	38%	1,051	904	16%
Investment expenses	139	79	79	72	143	-3%	369	384	-4%
Commissions	250	299	259	296	306	-18%	1,104	1,210	-9%
Other	42	40	45	36	37	14%	163	132	23%
<b>Total contract benefits and expenses</b>	(1,849)	(888)	1,711	(516)	6,094	-	(1,542)	16,364	-
<b>Income (loss) before income taxes</b>	502	442	597	532	(1,760)	-	2,073	42	nm
Income tax (expense) recovery	(105)	48	(109)	(107)	(520)	-80%	(273)	(1,034)	-74%
<b>Net income (loss) attributed to shareholders</b>	397	490	488	425	(2,280)	-	1,800	(992)	-

<sup>1</sup> Includes the US\$5.3 billion impact of the Group Pay-out Annuity transaction in Q4 2018 and the US\$2.8 billion impact of the Individual Pay-out Annuity transaction in Q3 2018.

<sup>2</sup> For fixed income assets supporting insurance and investment contract liabilities, equities supporting pass through products and derivatives related to variable annuity hedging programs, the impact of realized/unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits. The gains (losses) primarily relate to fair value movements on bonds and derivatives.

<sup>3</sup> Includes the US\$5.7 billion impact of the Group Pay-out Annuity transaction in Q4 2018 and the US\$2.8 billion impact of the Individual Pay-out Annuity transaction in Q3 2018.

**U.S. (CONT'D)**

(U.S. \$ in millions, unless otherwise stated, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017
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**Earnings Analysis**

U.S. Insurance	250	241	227	199	290	-14%	917	836	10%
U.S. Annuities	103	124	126	142	75	37%	495	405	22%
<b>Total core earnings (loss)</b>	353	365	353	341	365	-3%	1,412	1,241	14%
<b>Items excluded from core earnings</b>									
Investment-related experience outside of core earnings	11	124	(45)	(80)	(27)		10	263	
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	(72)	(156)	207	212	59		191	384	
Change in actuarial methods and assumptions	-	219	-	-	(24)		219	(195)	
Charge related to decision to change portfolio asset mix supporting our legacy businesses	-	-	-	-	(542)		-	(542)	
Charge related to U.S. Tax Reform	-	(5)	-	-	(2,220)		(5)	(2,220)	
Reinsurance transactions and other	105	(57)	(27)	(48)	109		(27)	77	
<b>Total net income (loss) attributed to shareholders</b>	397	490	488	425	(2,280)	-	1,800	(992)	-

**Source of Earnings - Core**

Expected profit from in-force business	320	350	351	339	334	-4%	1,360	1,329	2%
Impact of new business	22	23	3	(14)	19	16%	34	56	-39%
Experience gains (losses)	6	(28)	(21)	28	6	0%	(15)	(126)	-88%
Management actions and changes in assumptions	-	-	-	-	9	-100%	-	(6)	-
Earnings on surplus funds	100	101	101	100	112	-11%	402	448	-10%
Other	(15)	-	(3)	(23)	28	-	(41)	13	-
<b>Core Earnings before income taxes</b>	433	446	431	430	508	-15%	1,740	1,714	2%
Income tax (expense) recovery	(80)	(81)	(78)	(89)	(143)	-44%	(328)	(473)	-31%
<b>Total Core Earnings</b>	353	365	353	341	365	-3%	1,412	1,241	14%

**U.S. (CONT'D)**

(U.S. \$ in millions, unless otherwise stated, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017
<b>Annualized Premium Equivalents Sales</b>									
JH Life	115	122	99	90	121	-5%	426	464	-8%
<b>Total Sales</b>	115	122	99	90	121	-5%	426	464	-8%
<b>Premiums and Deposits</b>									
Premiums and investment contract deposits <sup>1</sup>	(3,851)	(1,403)	1,262	1,315	1,483	-	(2,677)	5,881	-
Segregated fund deposits	504	418	408	394	421	20%	1,724	1,575	9%
<b>Total premiums and deposits</b>	(3,347)	(985)	1,670	1,709	1,904	-	(953)	7,456	-
<b>Premiums and Deposits</b>									
JH Life	1,037	1,022	893	937	1,019	2%	3,889	4,196	-7%
JH Long-Term Care	576	564	555	552	570	1%	2,247	2,264	-1%
JH Annuities <sup>1</sup>	(4,960)	(2,571)	222	220	315	-	(7,089)	996	-
<b>Total premiums and deposits</b>	(3,347)	(985)	1,670	1,709	1,904	-	(953)	7,456	-
<b>Assets Under Management</b>									
General fund <sup>1</sup>	111,713	115,574	117,786	117,999	120,237	-7%	111,713	120,237	-7%
Segregated funds	53,420	60,031	59,571	60,205	62,174	-14%	53,420	62,174	-14%
<b>Total assets under management</b>	165,133	175,605	177,357	178,204	182,411	-9%	165,133	182,411	-9%
<b>Canadian \$ in millions - Key Metrics</b>									
Core earnings	465	477	456	432	463	0%	1,830	1,609	14%
Items excluded from core earnings	59	163	174	106	(3,361)	-	502	(2,810)	-
Net income (loss) attributed to shareholders	524	640	630	538	(2,898)	-	2,332	(1,201)	-
Annualized Premium Equivalents Sales	152	159	129	113	153	-1%	553	603	-8%
Total premiums and deposits <sup>1</sup>	(4,420)	(1,286)	2,156	2,160	2,422	-	(1,390)	9,663	-
Total assets under management <sup>1</sup>	225,273	227,320	233,546	229,777	228,835	-2%	225,273	228,835	-2%

<sup>1</sup> Includes the US\$5.3 billion impact of the Group Pay-out Annuity transaction in Q4 2018 and the US\$2.8 billion impact of the Individual Pay-out Annuity transaction in Q3 2018.

**GLOBAL WEALTH AND ASSET MANAGEMENT**

(Canadian \$ in millions, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4 AER <sup>1</sup>	2018 Q4 vs. 2017 Q4 CER <sup>2</sup>	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017 AER <sup>1</sup>	YTD 2018 vs. YTD 2017 CER <sup>2</sup>
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**Shareholders' Income Statement**

<b>Revenue</b>											
Fee income	1,371	1,396	1,361	1,344	1,336	3%		5,472	5,158	6%	
Investment income	-	(9)	(2)	3	5	-100%		(8)	42	-	
<b>Total revenue</b>	1,371	1,387	1,359	1,347	1,341	2%		5,464	5,200	5%	
<b>Expenses</b>											
General, administrative and investment expenses	839	788	796	783	812	3%		3,206	3,072	4%	
Commissions	285	299	300	311	297	-4%		1,195	1,196	0%	
<b>Total expenses</b>	1,124	1,087	1,096	1,094	1,109	1%		4,401	4,268	3%	
<b>Income before income taxes</b>	247	300	263	253	232	6%		1,063	932	14%	
Income tax (expense) recovery	(29)	(19)	(30)	(30)	264	-		(108)	146	-	
<b>Net income attributed to shareholders</b>	218	281	233	223	496	-56%	-58%	955	1,078	-11%	-12%
<b>Net income attributed to shareholders CER</b>	218	283	236	230	514		-58%	967	1,099		-12%

**Earnings (loss) Analysis**

<b>Core earnings</b>											
Asia	53	65	68	71	49	8%	4%	257	210	22%	23%
Canada	63	73	72	59	62	2%	2%	267	253	6%	6%
U.S.	115	151	99	97	87	32%	28%	462	353	31%	31%
<b>Core earnings</b>	231	289	239	227	198	17%	13%	986	816	21%	21%
<b>Core earnings CER</b>	231	291	243	234	204		13%	999	825		21%
<b>Items excluded from core earnings</b>											
Impact related to U.S. Tax Reform	-	(2)	-	-	308	-100%		(2)	308	-	
Other	(13)	(6)	(6)	(4)	(10)	30%		(29)	(46)	-37%	
<b>Net income attributed to shareholders</b>	218	281	233	223	496	-56%	-58%	955	1,078	-11%	-12%

**Core EBITDA by Geographic Source<sup>3</sup>**

Asia	67	80	88	93	65	3%	2%	328	267	23%	24%
Canada	106	119	117	106	107	-1%	-1%	448	433	3%	3%
U.S.	189	207	165	161	183	3%	-1%	722	726	-1%	0%
<b>Core EBITDA</b>	362	406	370	360	355	2%	0%	1,498	1,426	5%	5%
<b>Core EBITDA CER</b>	362	408	375	371	363		0%	1,516	1,441		5%
Amortization of deferred acquisition costs and other Depreciation	77	76	75	73	87	-11%		301	344	-13%	
Amortization of deferred sales commissions	22	23	24	29	25	-12%		98	99	-1%	
Total depreciation and amortization	99	99	99	102	112	-12%		399	443	-10%	
<b>Core earnings before income taxes</b>	263	307	271	258	243	8%		1,099	983	12%	
Core income tax (expense) recovery	(32)	(18)	(32)	(31)	(45)	-29%		(113)	(167)	-32%	
<b>Core Earnings</b>	231	289	239	227	198	17%	13%	986	816	21%	21%

**Core EBITDA Margin<sup>4</sup>**

	26.4%	29.3%	27.2%	26.7%	26.5%	-10 bps		27.4%	27.4%	0 bps	
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**Deferred Acquisition Costs and Deferred Sales Commissions by Geographic Source**

Asia	415	384	380	363	345	20%		415	345	20%	
Canada	251	249	250	249	249	1%		251	249	1%	
U.S.	1,842	1,740	1,771	1,735	1,684	9%		1,842	1,684	9%	
<b>Total deferred acquisition costs and deferred sales commissions</b>	2,508	2,373	2,401	2,347	2,278	10%		2,508	2,278	10%	

<sup>1</sup> AER percentage changes are calculated using actual exchange rates.

<sup>2</sup> CER percentage changes are calculated on a constant exchange rate basis.

<sup>3</sup> Core EBITDA excludes certain acquisition expenses related to insurance contracts in our retirement businesses, which are deferred and amortized over the expected life time of the customer relationship under the Canadian Asset Liability Method (CALM).

<sup>4</sup> Core EBITDA margin is Core EBITDA divided by total revenue.



**GLOBAL WEALTH AND ASSET MANAGEMENT (CONT'D)**

(Canadian \$ in millions, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4 AER	2018 Q4 vs. 2017 Q4 CER	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017 AER	YTD 2018 vs. YTD 2017 CER
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**Assets Under Management and Administration by Geographic Source**

Asia	150,184	141,995	145,231	143,706	135,288	11%	2%	150,184	135,288	11%	2%
Canada	200,452	212,166	212,749	208,219	205,670	-3%	-3%	200,452	205,670	-3%	-3%
U.S. and other	439,757	471,574	469,269	460,171	448,848	-2%	-10%	439,757	448,848	-2%	-10%
<b>Total WAM-managed Assets under management and administration</b>	<b>790,393</b>	<b>825,735</b>	<b>827,249</b>	<b>812,096</b>	<b>789,806</b>	<b>0%</b>	<b>-6%</b>	<b>790,393</b>	<b>789,806</b>	<b>0%</b>	<b>-6%</b>
Less: Assets managed on behalf of other segments <sup>1</sup>	(181,594)	(181,740)	(187,323)	(185,219)	(180,804)	0%		(181,594)	(180,804)	0%	
<b>Assets under management and administration</b>	<b>608,799</b>	<b>643,995</b>	<b>639,926</b>	<b>626,877</b>	<b>609,002</b>	<b>0%</b>	<b>-6%</b>	<b>608,799</b>	<b>609,002</b>	<b>0%</b>	<b>-6%</b>
<b>Assets under management and administration CER</b>	<b>608,799</b>	<b>670,459</b>	<b>656,648</b>	<b>651,682</b>	<b>647,551</b>		<b>-6%</b>	<b>608,799</b>	<b>647,551</b>		<b>-6%</b>

Asia	77,883	76,574	76,038	75,575	71,403	9%	1%	77,883	71,403	9%	1%
Canada	160,640	169,637	170,676	166,788	164,069	-2%	-2%	160,640	164,069	-2%	-2%
U.S. and other	370,276	397,784	393,212	384,514	373,530	-1%	-9%	370,276	373,530	-1%	-9%
<b>Assets under management and administration</b>	<b>608,799</b>	<b>643,995</b>	<b>639,926</b>	<b>626,877</b>	<b>609,002</b>	<b>0%</b>	<b>-6%</b>	<b>608,799</b>	<b>609,002</b>	<b>0%</b>	<b>-6%</b>

Assets under administration <sup>2</sup>	124,449	130,091	127,058	126,271	123,188	1%	-5%	124,449	123,188	1%	-5%
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**Assets Under Management and Administration by Business Line**

Retirement	311,746	326,822	321,772	316,187	310,607	0%	-6%	311,746	310,607	0%	-6%
Retail	198,194	222,341	221,781	216,502	211,092	-6%	-11%	198,194	211,092	-6%	-11%
Institutional Asset Management <sup>3</sup>	98,859	94,832	96,373	94,188	87,303	13%	7%	98,859	87,303	13%	7%
<b>Assets under management and administration</b>	<b>608,799</b>	<b>643,995</b>	<b>639,926</b>	<b>626,877</b>	<b>609,002</b>	<b>0%</b>	<b>-6%</b>	<b>608,799</b>	<b>609,002</b>	<b>0%</b>	<b>-6%</b>

**Changes in Assets Under Management and Administration**

<b>Beginning balance</b>	643,995	639,926	626,877	609,002	584,434	10%		609,002	554,106	10%	
Assets acquired	-	1,306	-	-	-	-		1,306	-	-	
Gross flows	26,306	27,128	29,102	36,466	32,243	-18%		119,002	121,969	-2%	
Manulife Securities non-proprietary product net flows	223	(322)	266	315	78	186%		482	1,046	-54%	
Exchange traded fund net flows <sup>4</sup>	209	197	211	116	191	9%		733	661	11%	
Redemptions	(35,692)	(26,555)	(29,487)	(26,920)	(28,866)	24%		(118,654)	(105,396)	13%	
Investment income (loss) and other	(26,242)	2,315	12,957	7,898	20,922	-		(3,072)	36,616	-	
<b>Ending balance</b>	<b>608,799</b>	<b>643,995</b>	<b>639,926</b>	<b>626,877</b>	<b>609,002</b>	<b>0%</b>	<b>-6%</b>	<b>608,799</b>	<b>609,002</b>	<b>0%</b>	<b>-6%</b>

<sup>1</sup> Reflects assets managed by WAM business units on behalf of other, non-WAM business lines.

<sup>2</sup> Reflects WAM-sourced assets under administration included in Assets under management and administration.

<sup>3</sup> Includes the third party institutional business of Manulife Asset Management ("MAM"); includes derivative notional associated with the Company's liability driven investment product ("LDI"); and excludes assets managed on behalf of the Insurance businesses and the General Fund.

<sup>4</sup> Excludes ETF assets that are managed on behalf of insurance businesses.

**GLOBAL WEALTH AND ASSET MANAGEMENT (CONT'D)**

(Canadian \$ in millions, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4 AER	2018 Q4 vs. 2017 Q4 CER	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017 AER	YTD 2018 vs. YTD 2017 CER
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**Net Flows by Geographic Source**

Asia	1,078	1,008	1,612	2,008	2,298	-53%	-54%	5,706	6,636	-14%	-14%
Canada	(666)	(1,491)	694	3,461	723	-	-	1,998	3,725	-46%	-46%
U.S. and other	(9,366)	931	(2,214)	4,508	625	-	-	(6,141)	7,919	-	-
<b>Total Net flows</b>	<b>(8,954)</b>	<b>448</b>	<b>92</b>	<b>9,977</b>	<b>3,646</b>	<b>-</b>	<b>-</b>	<b>1,563</b>	<b>18,280</b>	<b>-91%</b>	<b>-90%</b>
<b>Total Net flows CER</b>	<b>(8,954)</b>	<b>479</b>	<b>42</b>	<b>10,215</b>	<b>3,696</b>	<b>-</b>	<b>-</b>	<b>1,782</b>	<b>18,356</b>	<b>-</b>	<b>-90%</b>

**Net Flows by Business Line**

Retirement	(541)	1,375	(3,754)	1,453	(1,315)	-59%	-61%	(1,467)	302	-	-
Retail	(10,108)	(1,253)	2,049	3,256	3,695	-	-	(6,056)	12,941	-	-
Institutional Asset Management <sup>1</sup>	1,695	326	1,797	5,268	1,266	34%	34%	9,086	5,037	80%	84%
<b>Total Net flows</b>	<b>(8,954)</b>	<b>448</b>	<b>92</b>	<b>9,977</b>	<b>3,646</b>	<b>-</b>	<b>-</b>	<b>1,563</b>	<b>18,280</b>	<b>-91%</b>	<b>-90%</b>

**Gross Flows by Geographic Source**

Asia	5,255	5,155	5,809	7,434	8,635	-39%	-39%	23,653	27,654	-14%	-15%
Canada	4,918	4,712	5,472	8,024	5,643	-13%	-13%	23,126	20,973	10%	10%
U.S. and other	16,133	17,261	17,821	21,008	17,965	-10%	-14%	72,223	73,342	-2%	-1%
<b>Total Gross flows</b>	<b>26,306</b>	<b>27,128</b>	<b>29,102</b>	<b>36,466</b>	<b>32,243</b>	<b>-18%</b>	<b>-20%</b>	<b>119,002</b>	<b>121,969</b>	<b>-2%</b>	<b>-2%</b>
<b>Total Gross flows CER</b>	<b>26,306</b>	<b>27,324</b>	<b>29,355</b>	<b>37,327</b>	<b>32,948</b>	<b>-</b>	<b>-20%</b>	<b>120,312</b>	<b>123,013</b>	<b>-</b>	<b>-2%</b>

**Gross Flows by Business Line**

Retirement	10,970	11,622	10,808	11,820	11,413	-4%	-7%	45,220	43,877	3%	3%
Retail	10,378	11,940	13,735	17,424	16,072	-35%	-37%	53,477	63,161	-15%	-15%
Institutional Asset Management <sup>1</sup>	4,958	3,566	4,559	7,222	4,758	4%	3%	20,305	14,931	36%	37%
<b>Total Gross flows</b>	<b>26,306</b>	<b>27,128</b>	<b>29,102</b>	<b>36,466</b>	<b>32,243</b>	<b>-18%</b>	<b>-20%</b>	<b>119,002</b>	<b>121,969</b>	<b>-2%</b>	<b>-2%</b>

<sup>1</sup> Includes the third party institutional business of Manulife Asset Management ("MAM"); includes derivative notional associated with the Company's liability driven investment product ("LDI"); and excludes assets managed on behalf of the Insurance businesses and the General Fund.

**CORPORATE AND OTHER**

(Canadian \$ in millions, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018 Q4 vs. 2017 Q4	YTD 2018	YTD 2017	YTD 2018 vs. YTD 2017
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**Statements of Income**

<b>Revenue</b>									
Gross investment income before items below	268	252	277	243	227	18%	1,040	1,016	2%
Gains (losses) on AFS equities and seed capital	(74)	108	64	80	93	-	178	363	-51%
Gains (losses) on AFS bonds and related derivative positions	(83)	(50)	(130)	(93)	56	-	(356)	(54)	559%
Gains (losses) on macro hedges	27	(1)	(1)	(3)	(41)	-	22	(159)	-
Interest on surplus funds allocated to reporting segments	(285)	(283)	(282)	(278)	(279)	2%	(1,128)	(1,129)	0%
Other revenue	(102)	(71)	(62)	(95)	(59)	73%	(330)	(246)	34%
<b>Total revenue, net</b>	<b>(249)</b>	<b>(45)</b>	<b>(134)</b>	<b>(146)</b>	<b>(3)</b>	<b>nm</b>	<b>(574)</b>	<b>(209)</b>	<b>175%</b>
<b>Contract benefits and expenses</b>									
General expenses	268	132	372	131	216	24%	903	597	51%
Investment expenses, net	(52)	(59)	(30)	(40)	(40)	30%	(181)	(166)	9%
Changes in actuarial methods and assumptions	-	-	-	-	-	-	-	-	-
Other	135	114	130	142	113	19%	521	597	-13%
<b>Total contract benefits and expenses</b>	<b>351</b>	<b>187</b>	<b>472</b>	<b>233</b>	<b>289</b>	<b>21%</b>	<b>1,243</b>	<b>1,028</b>	<b>21%</b>
<b>Income (loss) before income taxes</b>	<b>(600)</b>	<b>(232)</b>	<b>(606)</b>	<b>(379)</b>	<b>(292)</b>	<b>105%</b>	<b>(1,817)</b>	<b>(1,237)</b>	<b>47%</b>
Income tax (expense) recovery	172	162	107	55	831	-79%	496	1,217	-59%
<b>Net income (loss)</b>	<b>(428)</b>	<b>(70)</b>	<b>(499)</b>	<b>(324)</b>	<b>539</b>	<b>-</b>	<b>(1,321)</b>	<b>(20)</b>	<b>nm</b>
Less net income (loss) attributed to non-controlling interest	4	2	2	(2)	2	100%	6	7	-14%
<b>Net income (loss) attributed to shareholders - Corporate and Investments</b>	<b>(432)</b>	<b>(72)</b>	<b>(501)</b>	<b>(322)</b>	<b>537</b>	<b>-</b>	<b>(1,327)</b>	<b>(27)</b>	<b>nm</b>
Net income attributed to shareholders' for Reinsurance business	36	53	27	26	28	29%	142	(134)	-
<b>Net income (loss) attributed to shareholders</b>	<b>(396)</b>	<b>(19)</b>	<b>(474)</b>	<b>(296)</b>	<b>565</b>	<b>-</b>	<b>(1,185)</b>	<b>(161)</b>	<b>-636%</b>

**Earnings Analysis**

<b>Core earnings</b>									
Corporate and other excluding core investment gains	(230)	(135)	(177)	(169)	(201)	-14%	(711)	(922)	23%
Core investment gains	100	100	104	96	100	0%	400	400	0%
<b>Total core earnings (loss)</b>	<b>(130)</b>	<b>(35)</b>	<b>(73)</b>	<b>(73)</b>	<b>(101)</b>	<b>-29%</b>	<b>(311)</b>	<b>(522)</b>	<b>40%</b>
<b>Items excluded from core loss</b>									
Investment-related experience outside of core earnings	(101)	(96)	(52)	(92)	(87)	16%	(341)	(319)	7%
Direct impact of equity markets and interest rates	(102)	(29)	(149)	(131)	17	-	(411)	(83)	395%
Change in actuarial methods and assumptions (excl. URR changes)	-	6	-	-	-	-	6	8	-25%
Impact related to U.S. Tax Reform	-	135	-	-	737	-100%	135	737	-82%
Restructuring charge	(63)	-	(200)	-	-	-	(263)	-	-
Other	-	-	-	-	(1)	-	-	18	-100%
<b>Net income (loss) attributed to shareholders</b>	<b>(396)</b>	<b>(19)</b>	<b>(474)</b>	<b>(296)</b>	<b>565</b>	<b>-</b>	<b>(1,185)</b>	<b>(161)</b>	<b>-636%</b>

**Premiums and Deposits**

Premiums - Reinsurance business	27	24	24	23	20	35%	98	110	-11%
<b>Total premiums and deposits</b>	<b>27</b>	<b>24</b>	<b>24</b>	<b>23</b>	<b>20</b>	<b>35%</b>	<b>98</b>	<b>110</b>	<b>-11%</b>

**Assets Under Management <sup>1</sup>**

General fund - Corporate and Investments	(1,106)	1,640	(637)	(14)	(3,597)	-69%	(1,106)	(3,597)	-69%
General fund - Reinsurance	1,098	1,046	1,055	1,015	834	32%	1,098	834	32%
Segregated funds - elimination of amounts held by the Company	(118)	(112)	(113)	(116)	(112)	5%	(118)	(112)	5%
<b>Total assets under management</b>	<b>(126)</b>	<b>2,574</b>	<b>305</b>	<b>885</b>	<b>(2,875)</b>	<b>-96%</b>	<b>(126)</b>	<b>(2,875)</b>	<b>-96%</b>

<sup>1</sup> Includes consolidation entries relating to net derivative assets reclassified from invested assets to other lines on the balance sheet.



**Manulife**

# **Asset Information**

**INVESTED ASSETS - PORTFOLIO COMPOSITION**

(Canadian \$ in millions, unaudited)



	As at Q4 2018	%		As at Q3 2018	%		As at Q2 2018	%		As at Q1 2018	%		As at Q4 2017	%	
<b>Carrying value</b>															
<b>Cash and short-term securities</b>	<b>16,215</b>	<b>4.6</b>	<b>%</b>	<b>15,642</b>	<b>4.5</b>	<b>%</b>	<b>17,230</b>	<b>4.9</b>	<b>%</b>	<b>17,020</b>	<b>5.0</b>	<b>%</b>	<b>15,965</b>	<b>4.8</b>	<b>%</b>
Debt securities															
Government															
Canadian government & agency	23,787	6.7	%	23,077	6.7	%	24,246	7.0	%	23,592	6.9	%	22,778	6.8	%
US government & agency	25,924	7.3	%	23,992	7.0	%	22,767	6.5	%	23,469	6.9	%	25,969	7.8	%
Foreign governments & agency	20,260	5.7	%	18,915	5.5	%	20,386	5.8	%	20,652	6.0	%	19,826	5.9	%
Corporate	112,670	31.9	%	108,443	31.5	%	110,298	31.6	%	107,226	31.3	%	102,151	30.6	%
Securitized															
CMBS	1,472	0.5	%	1,423	0.4	%	1,288	0.4	%	1,316	0.4	%	1,237	0.4	%
RMBS	15	0.0	%	18	0.0	%	38	0.0	%	49	0.0	%	45	0.0	%
ABS	1,466	0.4	%	1,517	0.4	%	1,798	0.5	%	1,894	0.5	%	1,994	0.6	%
<b>Total debt securities</b>	<b>185,594</b>	<b>52.5</b>	<b>%</b>	<b>177,385</b>	<b>51.5</b>	<b>%</b>	<b>180,821</b>	<b>51.8</b>	<b>%</b>	<b>178,198</b>	<b>52.0</b>	<b>%</b>	<b>174,000</b>	<b>52.1</b>	<b>%</b>
<b>Private placement debt</b>	<b>35,754</b>	<b>10.1</b>	<b>%</b>	<b>35,236</b>	<b>10.2</b>	<b>%</b>	<b>34,701</b>	<b>9.9</b>	<b>%</b>	<b>33,373</b>	<b>9.7</b>	<b>%</b>	<b>32,132</b>	<b>9.6</b>	<b>%</b>
Mortgages															
Commercial															
Retail	8,377	2.4	%	8,382	2.5	%	8,289	2.4	%	8,100	2.4	%	8,141	2.4	%
Office	8,706	2.5	%	8,517	2.5	%	8,400	2.4	%	8,059	2.4	%	7,709	2.3	%
Multi family residential	5,323	1.5	%	5,319	1.5	%	4,928	1.4	%	4,559	1.3	%	4,449	1.3	%
Industrial	2,814	0.8	%	2,793	0.8	%	2,718	0.8	%	2,538	0.7	%	2,583	0.8	%
Other commercial	2,995	0.8	%	2,920	0.8	%	2,862	0.8	%	2,833	0.8	%	2,692	0.8	%
Other mortgages															
Manulife Bank single family residential	19,596	5.5	%	19,438	5.6	%	19,248	5.5	%	18,846	5.5	%	18,579	5.6	%
Agriculture	552	0.2	%	533	0.2	%	574	0.2	%	592	0.2	%	589	0.2	%
<b>Total mortgages<sup>1</sup></b>	<b>48,363</b>	<b>13.7</b>	<b>%</b>	<b>47,902</b>	<b>13.9</b>	<b>%</b>	<b>47,019</b>	<b>13.5</b>	<b>%</b>	<b>45,527</b>	<b>13.3</b>	<b>%</b>	<b>44,742</b>	<b>13.4</b>	<b>%</b>
<b>Policy loans</b>	<b>6,446</b>	<b>1.8</b>	<b>%</b>	<b>6,102</b>	<b>1.8</b>	<b>%</b>	<b>6,117</b>	<b>1.8</b>	<b>%</b>	<b>5,987</b>	<b>1.8</b>	<b>%</b>	<b>5,808</b>	<b>1.7</b>	<b>%</b>
<b>Loans to bank clients</b>	<b>1,793</b>	<b>0.5</b>	<b>%</b>	<b>1,785</b>	<b>0.5</b>	<b>%</b>	<b>1,803</b>	<b>0.5</b>	<b>%</b>	<b>1,772</b>	<b>0.6</b>	<b>%</b>	<b>1,737</b>	<b>0.5</b>	<b>%</b>
<b>Public equities</b>															
Par, equity-linked and pass-through	13,940	3.9	%	15,613	4.5	%	15,787	4.5	%	15,499	4.5	%	15,328	4.6	%
Nonpar and surplus	5,239	1.5	%	5,794	1.7	%	5,780	1.7	%	5,712	1.7	%	6,217	1.8	%
<b>Total public equities</b>	<b>19,179</b>	<b>5.4</b>	<b>%</b>	<b>21,407</b>	<b>6.2</b>	<b>%</b>	<b>21,567</b>	<b>6.2</b>	<b>%</b>	<b>21,211</b>	<b>6.2</b>	<b>%</b>	<b>21,545</b>	<b>6.4</b>	<b>%</b>
<b>Real estate &amp; other invested assets</b>															
Alternative long-duration assets															
Office	7,064	2.0	%	7,291	2.1	%	8,204	2.4	%	9,387	2.7	%	8,836	2.6	%
Industrial	775	0.2	%	780	0.2	%	844	0.2	%	814	0.2	%	873	0.3	%
Company use	2,016	0.6	%	1,925	0.6	%	2,114	0.6	%	1,317	0.4	%	1,281	0.4	%
Other	2,922	0.8	%	2,783	0.8	%	3,054	0.9	%	2,938	0.9	%	2,820	0.8	%
<b>Total real estate</b>	<b>12,777</b>	<b>3.6</b>	<b>%</b>	<b>12,779</b>	<b>3.7</b>	<b>%</b>	<b>14,216</b>	<b>4.1</b>	<b>%</b>	<b>14,456</b>	<b>4.2</b>	<b>%</b>	<b>13,810</b>	<b>4.1</b>	<b>%</b>
Power & infrastructure	7,970	2.3	%	7,408	2.1	%	7,171	2.1	%	7,336	2.1	%	7,355	2.2	%
Private equity	6,769	1.9	%	5,994	1.7	%	5,408	1.4	%	5,188	1.5	%	4,959	1.5	%
Timberland	3,378	1.0	%	3,761	1.1	%	3,763	1.1	%	3,607	1.1	%	3,666	1.1	%
Oil & gas	3,416	1.0	%	3,385	1.0	%	3,211	0.9	%	3,014	0.9	%	2,813	0.8	%
Farmland	1,115	0.3	%	1,113	0.4	%	1,340	0.4	%	1,197	0.3	%	1,367	0.4	%
Other	791	0.1	%	765	0.2	%	635	0.2	%	595	0.2	%	570	0.2	%
<b>Total alternative long-duration assets</b>	<b>36,216</b>	<b>10.2</b>	<b>%</b>	<b>35,205</b>	<b>10.2</b>	<b>%</b>	<b>35,744</b>	<b>10.2</b>	<b>%</b>	<b>35,393</b>	<b>10.3</b>	<b>%</b>	<b>34,540</b>	<b>10.3</b>	<b>%</b>
Leveraged leases	3,575	1.1	%	3,390	1.0	%	3,446	1.0	%	3,399	1.0	%	3,273	1.1	%
Other	529	0.1	%	514	0.2	%	526	0.2	%	509	0.1	%	480	0.1	%
<b>Total real estate &amp; other invested assets</b>	<b>40,320</b>	<b>11.4</b>	<b>%</b>	<b>39,109</b>	<b>11.4</b>	<b>%</b>	<b>39,716</b>	<b>11.4</b>	<b>%</b>	<b>39,301</b>	<b>11.4</b>	<b>%</b>	<b>38,293</b>	<b>11.5</b>	<b>%</b>
<b>Total invested assets</b>	<b>353,664</b>	<b>100.0</b>	<b>%</b>	<b>344,568</b>	<b>100.0</b>	<b>%</b>	<b>348,974</b>	<b>100.0</b>	<b>%</b>	<b>342,389</b>	<b>100.0</b>	<b>%</b>	<b>334,222</b>	<b>100.0</b>	<b>%</b>

<sup>1</sup> Includes government insured mortgages (\$7,232 or 15% as at December 31, 2018).

**Fair value<sup>2</sup>**

Real estate	13,940	13,870	15,439	15,640	14,977
Total alternative long-duration assets	38,151	37,087	37,684	37,309	36,029
Total real estate & other invested assets	42,255	40,991	41,656	41,217	39,782

<sup>2</sup> The fair values of real estate and other investments are disclosed in the table above since the changes in the fair value of those assets backing insurance and investment contract liabilities are reflected as earnings/charges through actuarial reserves.

**INVESTED ASSETS - FIXED INCOME SECURITIES BY CREDIT QUALITY AND GEOGRAPHIC LOCATION**

(Canadian \$ in millions, unaudited)


**Debt Securities and Private Placement Portfolio by Credit Quality (at carrying value)**

	Credit Rating <sup>1</sup>	NAIC designation	As at Q4 2018		As at Q3 2018		As at Q2 2018		As at Q1 2018		As at Q4 2017	
				%		%		%		%		%
Debt Securities	AAA	1	36,108	20%	33,624	19%	32,715	18%	32,479	18%	34,267	20%
	AA	1	32,147	17%	29,973	17%	30,022	17%	29,115	17%	28,976	17%
	A	1	78,016	42%	76,280	43%	79,127	44%	79,986	45%	76,125	44%
	BBB	2	36,945	20%	35,156	20%	36,497	20%	34,054	19%	32,150	18%
	BB	3	1,621	1%	1,614	1%	1,737	1%	1,851	1%	1,819	1%
	B & lower, and unrated	4 & below	757	0%	738	0%	723	0%	713	0%	663	0%
<b>Total</b>			<b>185,594</b>	<b>100%</b>	<b>177,385</b>	<b>100%</b>	<b>180,821</b>	<b>100%</b>	<b>178,198</b>	<b>100%</b>	<b>174,000</b>	<b>100%</b>
Private Placements	AAA	1	1,143	3%	1,111	3%	1,132	3%	1,123	3%	1,038	3%
	AA	1	4,968	14%	4,534	13%	4,466	13%	4,247	13%	4,246	14%
	A	1	13,304	37%	13,415	38%	13,026	38%	12,436	37%	11,978	37%
	BBB	2	14,055	39%	14,016	40%	14,011	40%	13,596	41%	13,160	41%
	BB	3	733	2%	770	2%	918	3%	838	3%	717	2%
	B & lower, and unrated	4 & below	1,551	5%	1,390	4%	1,148	3%	1,133	3%	993	3%
<b>Total</b>			<b>35,754</b>	<b>100%</b>	<b>35,236</b>	<b>100%</b>	<b>34,701</b>	<b>100%</b>	<b>33,373</b>	<b>100%</b>	<b>32,132</b>	<b>100%</b>
Total	AAA	1	37,251	17%	34,735	17%	33,847	16%	33,602	16%	35,305	17%
	AA	1	37,115	17%	34,507	16%	34,488	16%	33,362	16%	33,222	16%
	A	1	91,320	41%	89,695	42%	92,153	43%	92,422	44%	88,103	43%
	BBB	2	51,000	23%	49,172	23%	50,508	23%	47,650	22%	45,310	22%
	BB	3	2,354	1%	2,384	1%	2,655	1%	2,689	1%	2,536	1%
	B & lower, and unrated	4 & below	2,308	1%	2,128	1%	1,871	1%	1,846	1%	1,656	1%
<b>Total</b>			<b>221,348</b>	<b>100%</b>	<b>212,621</b>	<b>100%</b>	<b>215,522</b>	<b>100%</b>	<b>211,571</b>	<b>100%</b>	<b>206,132</b>	<b>100%</b>

<sup>1</sup> The Company replicates exposure to specific issuers by selling credit protection via credit default swaps (CDS) to complement its cash bond investments. The Company does not use CDS to leverage its credit risk exposure and any CDS protection sold is backed by government security holdings. In order to reflect the actual credit exposure held by the Company, the credit quality carrying values have been adjusted to reflect the credit quality of the underlying issuers referenced in the CDS sold by the Company. At December 31, 2018, the Company had \$652 (September 30, 2018 : \$611) notional outstanding of CDS protection sold.

**Debt Securities and Private Placement Portfolio by Geographic Location (at carrying value)**

	Country	As at Q4 2018		As at Q3 2018		As at Q2 2018		As at Q1 2018		As at Q4 2017	
			%		%		%		%		%
Debt Securities	U.S.	81,282	44%	78,206	44%	78,864	44%	78,631	44%	78,011	45%
	Canada	47,820	26%	47,207	27%	49,118	27%	48,401	27%	47,805	27%
	Europe	5,401	3%	4,964	3%	4,980	3%	4,609	3%	4,416	3%
	Asia & Other	51,091	27%	47,008	26%	47,859	26%	46,557	26%	43,768	25%
	<b>Total</b>		<b>185,594</b>	<b>100%</b>	<b>177,385</b>	<b>100%</b>	<b>180,821</b>	<b>100%</b>	<b>178,198</b>	<b>100%</b>	<b>174,000</b>
Private Placements	U.S.	20,837	58%	20,530	58%	20,188	58%	19,388	58%	18,501	58%
	Canada	10,612	30%	10,526	30%	10,234	30%	9,832	30%	9,787	30%
	Europe	1,995	6%	1,987	6%	2,027	6%	2,032	6%	1,846	6%
	Asia & Other	2,310	6%	2,193	6%	2,252	6%	2,121	6%	1,998	6%
	<b>Total</b>		<b>35,754</b>	<b>100%</b>	<b>35,236</b>	<b>100%</b>	<b>34,701</b>	<b>100%</b>	<b>33,373</b>	<b>100%</b>	<b>32,132</b>
Total	U.S.	102,119	46%	98,736	47%	99,052	46%	98,019	46%	96,512	47%
	Canada	58,432	27%	57,733	27%	59,352	28%	58,233	28%	57,592	28%
	Europe	7,396	3%	6,951	3%	7,007	3%	6,641	3%	6,262	3%
	Asia & Other	53,401	24%	49,201	23%	50,111	23%	48,678	23%	45,766	22%
	<b>Total</b>		<b>221,348</b>	<b>100%</b>	<b>212,621</b>	<b>100%</b>	<b>215,522</b>	<b>100%</b>	<b>211,571</b>	<b>100%</b>	<b>206,132</b>

**INVESTED ASSETS - FIXED INCOME SECURITIES BY SECTOR AND UNREALIZED LOSSES**

(Canadian \$ in millions, unaudited)


**Portfolio by Sector / Industry Holdings (at carrying value)**

	As at Q4 2018			As at Q3 2018			As at Q2 2018			As at Q1 2018			As at Q4 2017		
	Carrying value	Investment %	grade %	Carrying value	Investment %	grade %	Carrying value	Investment %	grade %	Carrying value	Investment %	grade %	Carrying value	Investment %	grade %
<b>Government &amp; agency</b>	73,858	33%	99%	69,725	33%	99%	71,119	33%	99%	71,375	34%	99%	71,888	35%	99%
<b>Utilities</b>	41,929	19%	99%	41,966	20%	99%	42,981	20%	99%	42,153	20%	98%	40,568	20%	98%
<b>Financial</b>	31,340	14%	97%	29,579	14%	97%	29,608	14%	97%	29,080	14%	98%	27,923	13%	98%
<b>Energy</b>	17,685	8%	97%	17,688	8%	96%	17,797	8%	96%	16,982	8%	96%	16,428	8%	96%
<b>Consumer (non-cyclical)</b>	16,483	7%	97%	15,411	7%	96%	15,412	7%	97%	14,675	7%	97%	14,009	7%	97%
<b>Industrial</b>	17,508	8%	98%	16,598	8%	98%	16,426	8%	98%	15,868	8%	98%	14,691	7%	98%
<b>Basic materials</b>	3,539	2%	92%	3,441	2%	92%	3,686	2%	91%	3,470	1%	94%	3,248	2%	95%
<b>Consumer (cyclical)</b>	7,707	3%	95%	6,999	3%	95%	6,833	3%	96%	6,366	3%	96%	5,916	3%	96%
<b>Securitized MBS/ABS</b>	3,300	2%	100%	3,351	1%	100%	3,473	1%	100%	3,583	2%	99%	3,577	2%	99%
<b>Telecommunications</b>	3,716	2%	99%	3,656	2%	100%	3,523	2%	100%	3,350	1%	100%	3,324	2%	100%
<b>Technology</b>	2,352	1%	96%	2,272	1%	97%	2,439	1%	96%	2,471	1%	96%	2,475	1%	96%
<b>Media &amp; internet</b>	1,112	1%	92%	1,156	1%	93%	1,257	1%	93%	1,244	1%	96%	1,136	0%	95%
<b>Diversified &amp; miscellaneous</b>	819	0%	97%	779	0%	97%	968	0%	98%	954	0%	98%	949	0%	98%
<b>Total</b>	<b>221,348</b>	<b>100%</b>	<b>98%</b>	<b>212,621</b>	<b>100%</b>	<b>98%</b>	<b>215,522</b>	<b>100%</b>	<b>98%</b>	<b>211,571</b>	<b>100%</b>	<b>98%</b>	<b>206,132</b>	<b>100%</b>	<b>98%</b>

**Unrealized (losses)**

	As at Q4 2018				As at Q3 2018				As at Q2 2018				As at Q1 2018				As at Q4 2017			
	Amortized cost	Gross unrealized (losses) \$	%	Amounts < 80% cost > 6 months	Amortized cost	Gross unrealized (losses) \$	%	Amounts < 80% cost > 6 months	Amortized cost	Gross unrealized (losses) \$	%	Amounts < 80% cost > 6 months	Amortized cost	Gross unrealized (losses) \$	%	Amounts < 80% cost > 6 months	Amortized cost	Gross unrealized (losses) \$	%	Amounts < 80% cost > 6 months
<b>Debt securities</b>	68,534	(1,449)	2%	(248)	66,093	(2,193)	3%	(163)	65,714	(1,380)	2%	-	65,879	(1,405)	2%	-	65,933	(1,014)	2%	(28)
<i>Government</i>																				
<i>Corporate</i>																				
Financials	29,433	(398)	1%	(9)	27,949	(510)	2%	(9)	27,751	(466)	2%	(9)	27,084	(343)	1%	(9)	25,416	(147)	1%	(9)
Non-financials	82,168	(1,803)	2%	(21)	79,266	(1,623)	2%	(5)	80,050	(1,330)	2%	-	76,301	(877)	1%	-	70,723	(376)	1%	-
<i>Securitized</i>																				
CMBS	1,491	(22)	1%	-	1,455	(32)	2%	-	1,317	(30)	2%	-	1,340	(24)	2%	-	1,247	(10)	1%	-
RMBS	14	-	0%	-	17	-	0%	-	37	-	0%	-	48	-	0%	-	45	-	0%	-
ABS	1,475	(25)	2%	-	1,537	(29)	2%	-	1,821	(35)	2%	-	1,904	(25)	1%	-	1,965	(6)	0%	-
<b>Private placement debt</b>	35,754	(838)	2%	-	35,236	(699)	2%	-	34,701	(608)	2%	-	33,373	(410)	1%	-	32,132	(115)	0%	-
<b>Fixed income securities<sup>1</sup></b>	<b>218,869</b>	<b>(4,535)</b>	<b>2%</b>	<b>(278)</b>	<b>211,553</b>	<b>(5,086)</b>	<b>2%</b>	<b>(177)</b>	<b>211,391</b>	<b>(3,849)</b>	<b>2%</b>	<b>(9)</b>	<b>205,929</b>	<b>(3,084)</b>	<b>1%</b>	<b>(9)</b>	<b>197,461</b>	<b>(1,668)</b>	<b>1%</b>	<b>(37)</b>

<sup>1</sup> Gross unrealized losses consist of unrealized losses on AFS debt securities and private placements held at cost in the Corporate Surplus segments, as well as the difference between fair value and amortized cost on debt securities and private placements held in liability segments. Losses on AFS debt securities held in Surplus and on all private placements are realized upon sale or by credit impairment. However, for fixed income securities supporting CALM liabilities, losses are only realized upon credit impairment because unrealized gains and losses on debt securities, which impact net investment income, are largely offset by the changes in actuarial liabilities unless the security is credit impaired.

# **Actuarial Liabilities Information**



**VARIABLE ANNUITY AND SEGREGATED FUND GUARANTEES**

(Canadian \$millions, unaudited)



	Guarantee Value			Net Amount at Risk <sup>2</sup>			Policy Liabilities Held <sup>3,5</sup>	SFG Capital <sup>6</sup>	Policy Liabilities Held plus Capital
	Gross Amount <sup>4</sup>	Amount Reinsured	Net of Reinsurance <sup>1</sup>	Gross Amount <sup>4</sup>	Amount Reinsured	Net of Reinsurance <sup>1</sup>			
<b>Q4 2018</b>	95,032	6,868	88,164	14,689	1,836	12,853	6,020	4,936	10,956
<b>Q3 2018</b>	93,419	6,658	86,761	8,718	1,256	7,462	3,252	4,873	8,125
<b>Q2 2018</b>	96,085	6,889	89,196	9,510	1,351	8,159	4,301	4,850	9,151
<b>Q1 2018</b>	96,563	7,581	88,982	9,459	1,413	8,046	4,640	4,800	9,440
<b>Q4 2017</b>	95,873	7,536	88,337	8,029	1,346	6,683	4,732	n/a	n/a

As at Q4 2018	Net of Reinsurance <sup>1</sup>		
	Total Guarantee Value <sup>4</sup>	Total Fund Value <sup>4</sup>	Net Amount at Risk <sup>2,4</sup>
<b>U.S.</b>			
Withdrawal Benefits	42,510	33,986	8,624
Income Benefits	537	400	139
Death Benefits	4,486	4,736	648
	<u>47,533</u>	<u>39,122</u>	<u>9,411</u>
<b>Canada</b>			
Withdrawal Benefits	13,672	11,365	2,308
Maturity Benefits	15,975	15,858	117
Death Benefits	1,966	5,848	229
	<u>31,613</u>	<u>33,071</u>	<u>2,654</u>
<b>Japan</b>			
Withdrawal Benefits	3,903	3,529	380
Maturity Benefits	935	1,028	7
Death Benefits	923	865	66
	<u>5,761</u>	<u>5,422</u>	<u>453</u>
	-	-	-
<b>Reinsurance &amp; Other</b>	<u>3,257</u>	<u>3,405</u>	<u>335</u>

<sup>1</sup> Net of amounts ceded to 3rd party reinsurers. Amounts reinsured include amounts covered under stop loss treaties as well as first dollar treaties. Some of the treaties include deductibles and claims limits.

<sup>2</sup> Net Amount at Risk is based on sum of excess of guarantee value over fund value only on contracts where amount at risk is currently positive.

<sup>3</sup> Under Phase I of IFRS 4, former Canadian GAAP valuation practices continue to apply to insurance contracts. This requires that reserves for segregated fund and variable products have a Conditional Tail Expectation ("CTE") of between 60 and 80. We hold CTE(70) level policy liabilities for both unhedged business and dynamically hedged business.

<sup>4</sup> Total Guarantee Value, Total Fund Value and Net Amount at Risk includes certain HK products which are classified as investment contracts under IFRS. There is no reinsurance or hedging for these products.

<sup>5</sup> The policy liabilities are held within the insurance contract liabilities, investment contract liabilities and other liabilities, as applicable under IFRS and are shown net of reinsurance.

<sup>6</sup> Starting Q1 2018, the Segregated Fund Guaranteed (SFG) Capital is approximated by 100% of the LICAT capital requirement multiplied by a scalar of 1.05 and grossed up based on a 120% capital ratio

The net amount at risk is not currently payable. Guaranteed death benefits are contingent and only payable upon the eventual death of policyholders if fund values remain below guarantee values. Withdrawal, accumulation and income benefits are also contingent and only payable at scheduled maturity in the future, if the policyholders are still living and have not terminated their policies and fund values remain below guarantee values.

Guaranteed benefits in a single contract are frequently a combination of death benefit and living benefit (withdrawal / maturity / income).

Death benefit amounts shown reflect only stand alone death benefits plus any excess of death benefits over living benefits on contracts with both death and other benefit forms.

**REGULATORY CAPITAL**

(Canadian \$ in millions, unaudited)



	2018 Q4	2018 Q3	2018 Q2	2018 Q1
<b>The Manufacturers Life Insurance Company's LICAT</b>				

**Available Capital Components:**

Tier 1 capital				
Common shares	34,447	34,447	34,447	33,847
Retained earnings	8,402	10,734	8,844	7,550
Other Tier 1 capital	13,279	10,851	12,040	11,624
Gross Tier 1 capital	56,128	56,032	55,331	53,021
Deductions:				
Goodwill and Intangibles	(9,190)	(8,984)	(9,072)	(8,991)
Other	(10,655)	(13,423)	(14,702)	(13,809)
Tier 1 capital (A)	36,283	33,625	31,557	30,221
Tier 2 Capital				
Gross Tier 2 capital	11,608	12,143	13,351	13,161
Deductions	-	-	-	-
Tier 2 capital (B)	11,608	12,143	13,351	13,161
<b>Total Available Capital (C) = (A+B)</b>	47,891	45,768	44,908	43,382
<b>Surplus Allowance and Eligible Deposits (D)</b>	29,846	28,351	28,270	28,132

**Base Solvency Buffer Components**

Non-Participating Business				
Credit risk	9,501	8,999	8,785	8,816
Market risk	16,923	18,730	18,918	19,453
Insurance risk	27,518	26,521	26,900	26,464
Less: Credits for Adjustable Products	(7,000)	(6,894)	(7,012)	(7,032)
Participating Business				
Capital Requirements for Credit, Market and Insurance Risks for Participating Products, net of Par Credits	4,967	5,370	5,400	5,391
Less: Diversification and Other Credits	(8,666)	(8,591)	(8,696)	(8,643)
Capital Requirements for Non-Participating and Participating Business, net of Credits	43,243	44,135	44,295	44,449
Segregated fund risk	3,918	3,868	3,850	3,810
Operational and other risks	4,641	4,688	4,689	4,681
<b>Subtotal of Base Solvency Buffer Components (E)</b>	51,802	52,691	52,834	52,940
<b>Base Solvency Buffer (F) = E x 105%</b>	54,389	55,325	55,475	55,587
<b>Total LICAT Ratio = (C+D)/F</b>	143%	134%	132%	129%
<b>Excess Total Capital over Supervisory Target Ratio of 100% = (C+D) - 100% x F</b>	23,348	18,794	17,702	15,928

**REGULATORY CAPITAL (CONT'D)**

(Canadian \$ in millions, unaudited)



<b>LICAT Ratios <sup>1</sup></b>			
As at December 31, 2018		<b>MFC <sup>2</sup></b>	<b>MLI <sup>3</sup></b>
<i>Tier 1 Capital</i>	A	27,268	36,283
<i>Tier 2 Capital</i>	B	14,966	11,608
<b>Available Capital (A+ B)</b>	<b>C</b>	<b>42,234</b>	<b>47,891</b>
<b>Surplus Allowance and Eligible Deposits</b>	<b>D</b>	<b>29,810</b>	<b>29,846</b>
<b>Base Solvency Buffer</b>	<b>E</b>	<b>54,759</b>	<b>54,389</b>
<b>Total Ratio (C + D) / E</b>		<b>132%</b>	<b>143%</b>
<b>Core Ratio (A + 70%D) / E</b>		<b>88%</b>	<b>105%</b>

<sup>1</sup> The LICAT framework was implemented in the first quarter of 2018; therefore, there are no comparable prior period figures.

<sup>2</sup> Holding companies are required, at a minimum, to maintain a Core Ratio of 50% and a Total Ratio of 90%. Industry-wide supervisory targets are not applicable to regulated insurance holding companies such as MFC.

<sup>3</sup> OSFI has established supervisory target levels of 70% for Core and 100% for Total capital for operating companies such as MLI. These companies are required, at a minimum, to maintain a Core Ratio of 55% and a Total Ratio of 90%.

**GLOSSARY OF TERMS AND DEFINITIONS**

**Accumulated Other Comprehensive Income (AOCI):** A separate component of shareholders' equity which includes net unrealized gains and losses on available-for-sale securities, net unrealized gains and losses on derivative instruments designated within an effective cash flow hedge, unrealized foreign currency translation gains and losses and actuarial gains and losses on employee benefit plans. These items have been recognized in comprehensive income, but excluded from net income.

**Return on Common Shareholders' Equity:** Common shareholders' net income divided by average common shareholders' equity.

**Annuity:** A contract which allows the contract holder to either (i) accumulate funds for retirement planning, or (ii) receive scheduled payments, either periodically for a specified period of time or until death.

• **Fixed Annuity:** The return to the contract holder is specified in the contract, i.e., the Company bears the investment risk.

• **Book Value Annuity:** An annuity which provides a declared rate of interest for a specified contract while offering a guarantee of principal amount.

• **Variable Annuity:** Funds are invested in segregated funds (also called separate accounts in the U.S.) and the return to the contract holder fluctuates according to the earnings of the underlying investments. In some instances, guarantees are provided.

**Assets Under Management and administration (AUMA):** A measure of the size of the Company. It is comprised of the non-GAAP measures assets under management ("AUM"), which includes both assets of general account and external client assets for which we provide investment management services, and assets under administration ("AUA"), which includes assets for which we provide administrative services only.

**Available-For-Sale (AFS) Financial Assets:** Non-derivative financial assets that are designated as available-for-sale or that are not classified as loans and receivables, held-to-maturity investments, or held for trading.

**Book Value per Share:** Ratio obtained by dividing common shareholders' equity by the number of common shares outstanding at the end of the period.

**Cash Flow Hedges:** A hedge of the exposure to variability in cash flows associated with a recognized asset or liability, a forecasted transaction or a foreign currency risk in an unrecognized firm commitment that is attributable to a particular risk and could affect reported net income.

**Corporate Owned Life Insurance (COLI):** Life insurance purchased by organizations, predominantly to finance non-qualified executive deferred compensation plans.

**Deferred Acquisition Costs (DAC):** Costs directly attributable to the acquisition of new business, principally agents' compensation, which are capitalized on the Company's balance sheet and amortized into income over a specified period.

**Fair Value:** Amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

**Impaired Assets:** Mortgages, bonds and other investment securities in default where there is no longer reasonable assurance of collection.

**Institutional Clients:** Organizations that are non-Manulife-affiliated for which Manulife provides investment management services. Such clients include pensions, endowments and other external investment managers and wealth management organizations.

**Investment Contracts:** Products that do not contain insurance risk (as defined under IFRS) and are accounted for as financial liabilities at amortized cost or fair value.

**Leveraged Leases:** In these leases the financing provided by the long-term creditor is nonrecourse as to the general credit of the lessor. The amount of the financing is sufficient to provide the lessor with substantial "leverage" in the transaction. Income is recognized on a constant yield basis.

**Long-Term Care (LTC):** Insurance coverage available on an individual or group basis to provide reimbursement for medical and other services to the chronically ill, disabled or mentally challenged.

**Life Insurance Capital Adequacy Test (LICAT):** The new LICAT regulatory capital regime established by the Office of the Superintendent of Financial Institutions (OSFI) came into effect in Canada on January 1, 2018, replacing the Minimum Continuing Capital and Surplus framework. The LICAT ratio compares the qualifying regulatory capital resources of a life insurance company to its required capital, each as specified under OSFI's LICAT guideline.

**Premiums and Deposits:** Include general fund premiums, segregated fund deposits, institutional advisory account deposits, mutual fund deposits, other fund deposits, and ASO premium equivalents.

• **General Fund Premiums:** Premiums earned on insurance and fixed annuity contracts as reflected in the Company's statement of operations. Also includes premiums in the Canada Group Benefits reinsurance ceded agreement.

• **Segregated Fund Deposits:** Deposits related to insurance, annuity and pension products which are invested in segregated funds.

• **Mutual Fund Deposits:** Deposits received in proprietary mutual funds.

• **Institutional Advisory Account Deposits:** Deposits received in the Institutional Advisory Accounts.

• **Other Fund Deposits:** Deposits received from customers related to non-proprietary funds for Manulife-branded products.

• **ASO Premium Equivalents:** ASO ("administrative services only") contracts are group insurance contracts administered by the Company on behalf of the client on which the Company earns a fee for its services but the client retains all risks inherent in the group insurance. ASO premium equivalents are primarily a measure of the business volume calculated as expected claims plus administrative fees charged.

**Global Wealth and Asset Management:** Global Wealth and Asset Management is comprised of our fee based businesses with little or no insurance risk, including Retirement, Retail and Institutional Asset Management businesses.

**Consolidated Capital:** Capital funding that is both unsecured and permanent in nature. Comprises total equity (excluding AOCI on cash flow hedges) and liabilities for preferred shares and capital instruments.

**Universal Life Insurance:** A form of permanent life insurance with flexible premiums. The customer may vary the premium payment and death benefit within certain restrictions. The contract is credited with a rate of interest based on the return of a portfolio of assets held by the Company, possibly with a minimum rate guarantee, which may be reset periodically at the discretion of the Company.

**Variable Universal Life Insurance:** A form of permanent life insurance with flexible premiums in which the cash value and possibly the death benefit of the policy fluctuate according to the investment performance of segregated funds (or separate accounts).

**NM:** Represents percentage variance in excess of 1000%, assessed as not meaningful 'nm'.

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**TRANSFER AGENT**

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 1-800-783-9495  
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United States  
 Mellon Investor Services  
 1-800-249-7702  
[www.melloninvestor.com](http://www.melloninvestor.com)

**COMMON STOCK**

Common Stock of Manulife Financial is traded on:

<u>Stock Exchange</u>	<u>Symbol</u>
Toronto	MFC
New York	MFC
Hong Kong	945
Philippines	MFC

**INVESTOR INFORMATION**

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**INDUSTRY RATING INFORMATION**

The following credit rating agencies each assigned financial strength ratings to our main operating subsidiaries, The Manufacturers Life Insurance Company and John Hancock Life Insurance Company (U.S.A.), thereby recognizing these companies as having strong credit ratings in the insurance industry.

**The Manufacturers Life Insurance Company**

(as at February 13, 2019)

<u>Purpose</u>	<u>Rating agency</u>	<u>Rating</u>
Financial strength	S&P Global Ratings	AA-
	Moody's Investors Service Inc.	A1
	Fitch Ratings Inc.	AA-
	DBRS Limited	AA (low)
	A.M. Best Company	A+ (Superior)

**John Hancock Life Insurance Company (U.S.A)**

(as at February 13, 2019)

<u>Purpose</u>	<u>Rating agency</u>	<u>Rating</u>
Financial strength	S&P Global Ratings	AA-
	Moody's Investors Service Inc.	A1
	Fitch Ratings Inc.	AA-
	DBRS Limited	not rated
	A.M. Best Company	A+ (Superior)