

Fourth Quarter 2017
**Financial &
Operating Results**

February 8, 2018



Caution regarding forward-looking statements

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

The forward-looking statements in this presentation include, but are not limited to, statements with respect to the expected impact of our decision to reduce the allocation to alternative long-duration assets (“ALDA”) in our portfolio asset mix of our legacy business and of U.S. Tax Reform, expected average annual growth in core earnings per common share (“Core EPS”) over the medium term (communicated at Investor Day 2015), and Manulife’s expected capital position under the new LICAT guideline and also relate to, among other things, our objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and can generally be identified by the use of words such as “may”, “will”, “could”, “should”, “would”, “likely”, “suspect”, “outlook”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “forecast”, “objective”, “seek”, “aim”, “continue”, “goal”, “restore”, “embark” and “endeavour” (or the negative thereof) and words and expressions of similar import, and include statements concerning possible or assumed future results. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements and they should not be interpreted as confirming market or analysts’ expectations in any way.

Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from expectations include but are not limited to: the final interpretation of U.S. Tax Reform by tax authorities, the amount of time required to reduce the allocation to ALDA in our asset mix and redeploy capital towards higher-return businesses, the specific type of ALDA we dispose of and the value realized from such dispositions; general business and economic conditions (including but not limited to the performance, volatility and correlation of equity markets, interest rates, credit and swap spreads, currency rates, investment losses and defaults, market liquidity and creditworthiness of guarantors, reinsurers and counterparties); changes in laws and regulations; changes in accounting standards applicable in any of the territories in which we operate; changes in regulatory capital requirements; our ability to execute strategic plans and changes to strategic plans; downgrades in our financial strength or credit ratings; our ability to maintain our reputation; impairments of goodwill or intangible assets or the establishment of provisions against future tax assets; the accuracy of estimates relating to morbidity, mortality and policyholder behaviour; the accuracy of other estimates used in applying accounting policies, actuarial methods and embedded value methods; our ability to implement effective hedging strategies and unforeseen consequences arising from such strategies; our ability to source appropriate assets to back our long-dated liabilities; level of competition and consolidation; our ability to market and distribute products through current and future distribution channels; unforeseen liabilities or asset impairments arising from acquisitions and dispositions of businesses; the realization of losses arising from the sale of investments classified as available-for-sale; our liquidity, including the availability of financing to satisfy existing financial liabilities on expected maturity dates when required; obligations to pledge additional collateral; the availability of letters of credit to provide capital management flexibility; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; the availability, affordability and adequacy of reinsurance; legal and regulatory proceedings, including tax audits, tax litigation or similar proceedings; our ability to adapt products and services to the changing market; our ability to attract and retain key executives, employees and agents; the appropriate use and interpretation of complex models or deficiencies in models used; political, legal, operational and other risks associated with our non-North American operations; acquisitions and our ability to complete acquisitions including the availability of equity and debt financing for this purpose;; the disruption of or changes to key elements of the Company’s or public infrastructure systems; environmental concerns; our ability to protect our intellectual property and exposure to claims of infringement; and our inability to withdraw cash from subsidiaries.

Additional information about material risk factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found under “Risk Management”, “Risk Factors” and “Critical Accounting and Actuarial Policies” in the Management’s Discussion and Analysis in our most recent annual report, under “Risk Management and Risk Factors Update” and “Critical Accounting and Actuarial Policies” in the Management’s Discussion and Analysis in our most recent interim report, in the “Risk Management” note to consolidated financial statements in our most recent annual and interim reports and elsewhere in our filings with Canadian and U.S. securities regulators. The forward-looking statements in this presentation are, unless otherwise indicated, stated as of the date hereof and are presented for the purpose of assisting investors and others in understanding our financial position and results of operations, our future operations, as well as our objectives and strategic priorities, and may not be appropriate for other purposes. We do not undertake to update any forward-looking statements, except as required by law.

Conference Call Participants

Roy Gori

President and Chief Executive Officer

Mike Doughty

General Manager, Canada

Steve Finch

Chief Actuary

Marianne Harrison

General Manager, U.S.

Scott Hartz

Head of General Account Investments

Rahim Hirji

Chief Risk Officer

Naveed Irshad

Head of North American Legacy Businesses

Paul Lorentz

Global Head of Wealth and Asset Management

Linda Mantia

Chief Operating Officer

Warren Thomson

Chief Investment Officer

Anil Wadhwani

General Manager, Asia

Phil Witherington

Chief Financial Officer

CEO's remarks



Roy Gori

President & Chief Executive Officer

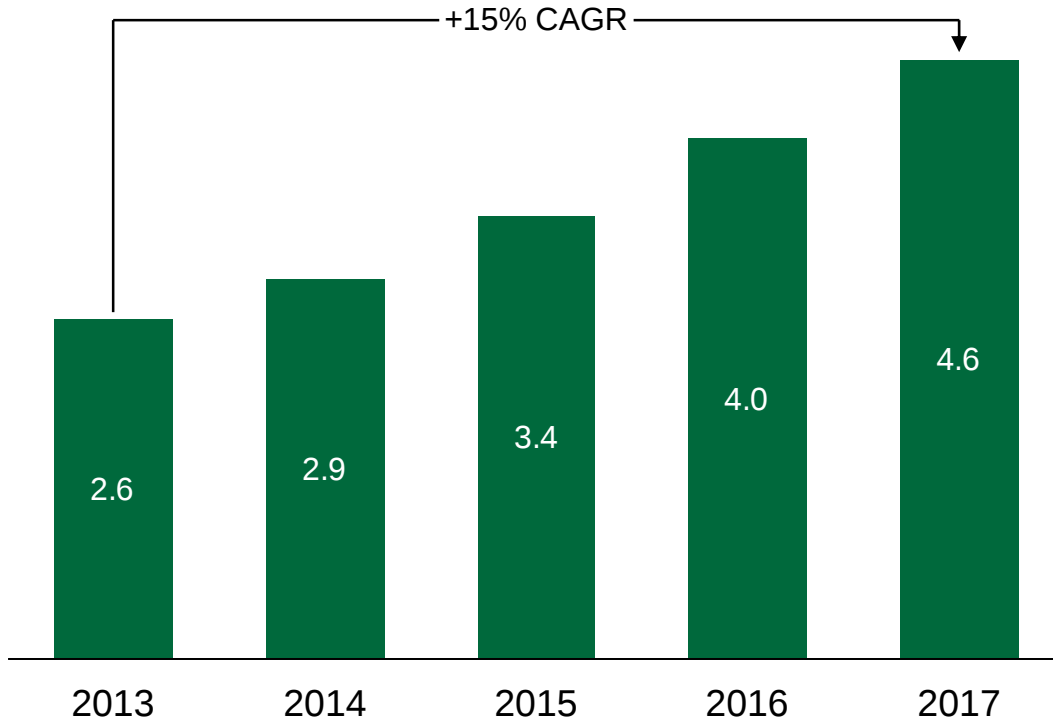
2017 highlights

- Net income attributed to shareholders of \$2.1 billion
 - Impacted by the \$2.8 billion post-tax charge as a result of U.S. Tax Reform and portfolio asset mix changes in our legacy businesses
- Strong operating results in 2017 with core earnings of \$4.6 billion, up 14% from prior year
- Generated strong top line growth in Asia sales and new business value
- Continued to generate positive net flows in our wealth and asset management businesses
- Increased the dividend by 7% to 22¢ per share

Strong growth in profitability and dividends

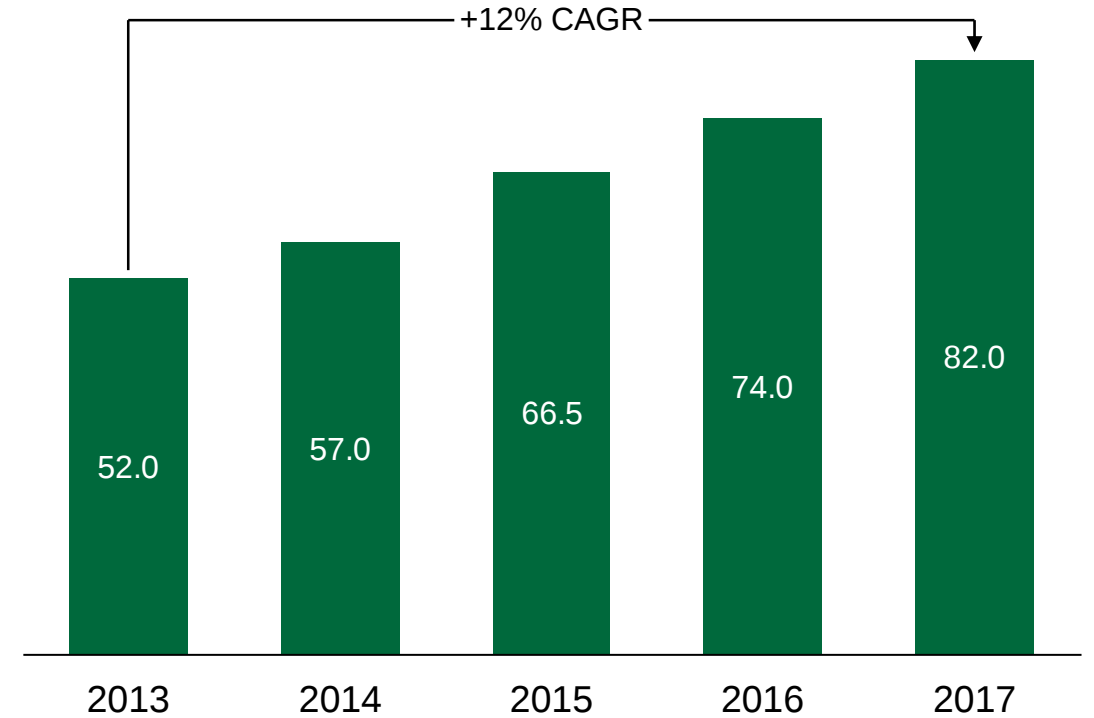
Core Earnings

(C\$ million)



Annual dividend

(C\$ cents per Share)



Reminder: Narrowing our priorities to the things that matter most

Objectives

Optimizing our portfolio

- Actively manage our legacy businesses to optimize financial results and improve the risk-return profile
- Focus on in-force management, cost efficiencies and leveraging scale, as well as exploring strategic opportunities such as reinsurance treaties where it makes sense

Aggressively manage costs

- Become bolder and more ambitious on efficiency targets, driving accountability throughout the organization
- Simplify and digitize processes and leverage scale to drive significant cost savings and promote efficient growth

Accelerating growth in highest potential businesses

- Accelerate growth in high return and high growth businesses such as Asia and WAM
- Focus of capital deployment

Putting customers first

- Focus on delighting customers
- Invest to innovate and digitize to differentiate ourselves and provide excellent customer experiences

Building a high-performing team and culture

- Drive execution by aligning around a narrower set of priorities
- Attract, develop and retain the best talent, wherever we do business, and engage and excite our employees to rally around our customers

Solid progress on our priorities

Recent achievements

Optimizing our portfolio

- Announced portfolio asset mix changes to free up a net \$1 billion in capital from our legacy businesses
- Announced new structure for our North American legacy businesses and appointed general manager to improve accountability

Aggressively manage costs

- Launched 2018 efficiency initiatives
- Introduced measures to strengthen expense management

Accelerating growth in highest potential businesses

- Delivered an 18% increase in APE sales and a 25% increase in new business value in Asia in 2017
- Continued net flows in WAM businesses and a 22% increase in core EBITDA in 2017
- Strengthened accountability of WAM structure
- Appointed new general managers of Asia and global WAM

Putting customers first

- Enhanced digital offerings to improve customer experience and drive efficiency
- Announced new exclusive bancassurance partnerships in Vietnam and Cambodia
- Repositioned our insurance business in Thailand as a lean, pure digital pilot

Building a high-performing team and culture

- Announced leadership changes
- Implemented structural changes in WAM and legacy businesses

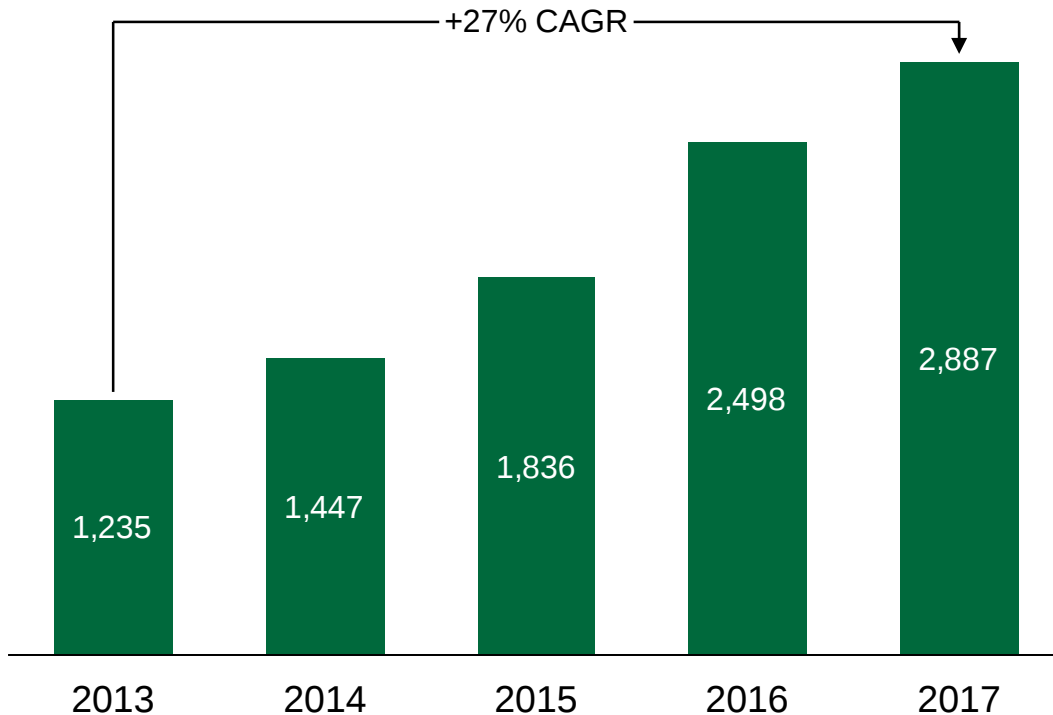
Portfolio asset mix changes in our North American legacy businesses expected to free up significant capital to redeploy towards higher return businesses

- An important step in our commitment to optimize the return on capital of our portfolio
- Will result in more efficient capital usage in our legacy business, as well as a reduced risk profile
- Frees up approximately \$2 billion of capital over the next 12 to 18 months
 - Net capital benefit of \$1 billion in the medium-term which can be redeployed into higher return businesses
- Decision negatively impacts core earnings in the short-term by approximately \$70 million per year after-tax until proceeds redeployed

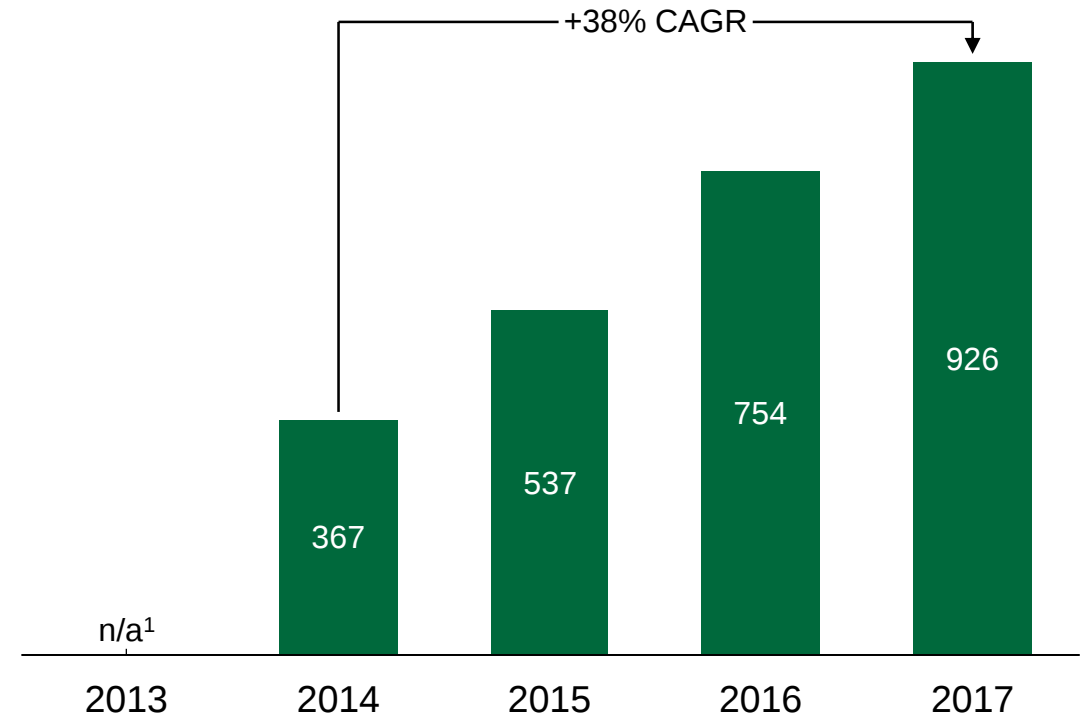
Note: Contains forward looking statements, see “Caution regarding forward-looking statements” above.

Delivering strong top-line and value generation in Asia...

Asia APE sales
(US\$ million)



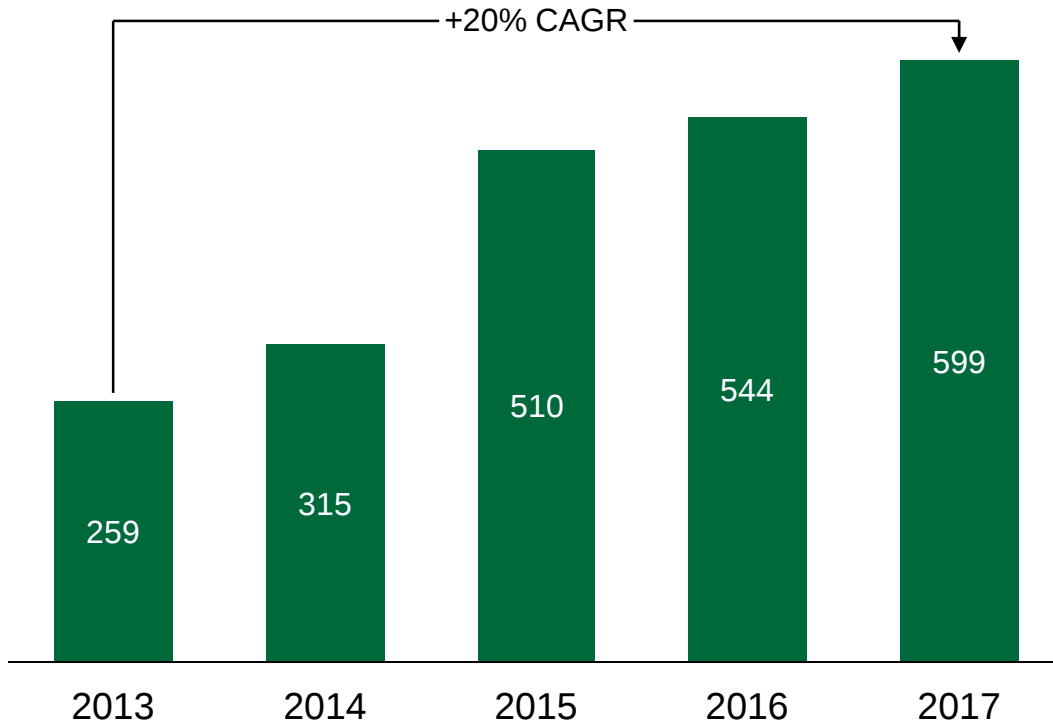
Asia new business value
(US\$ million)



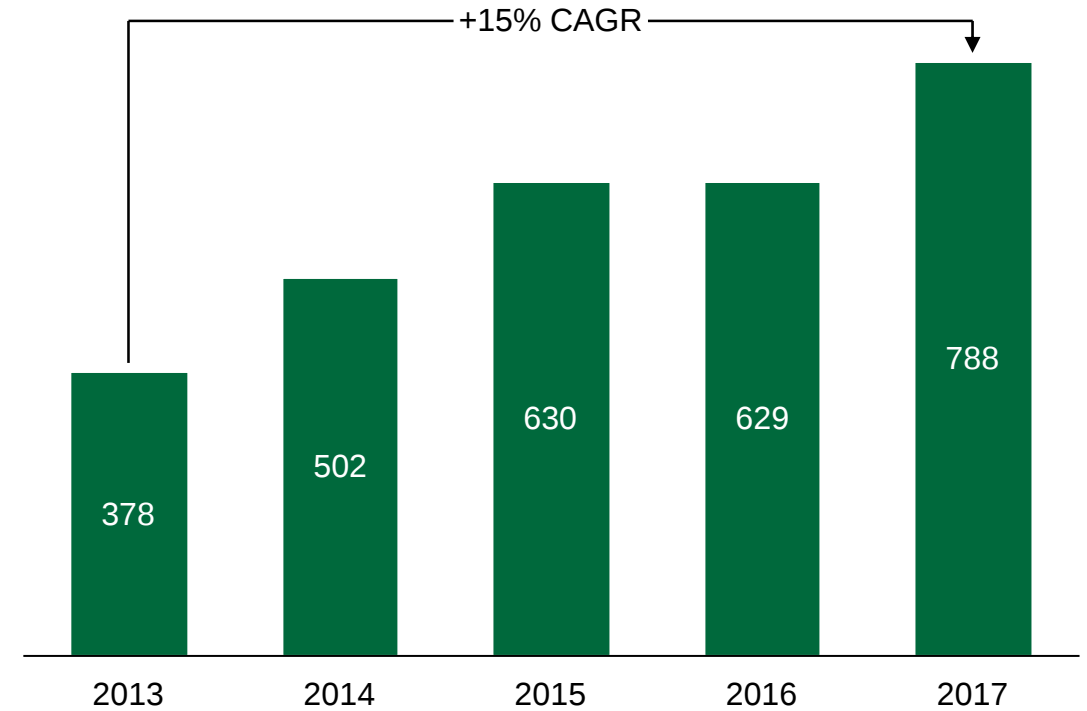
¹ New business value was prepared under a different methodology in 2013 and prior years and is therefore not comparable to more recent years.

...and our WAM businesses continue to deliver excellent growth

WAM assets under management and administration
(C\$ billions)



WAM core earnings
(C\$ millions)



CFO's remarks



Phil Witherington
Chief Financial Officer

4Q17 and full year 2017 financial summary

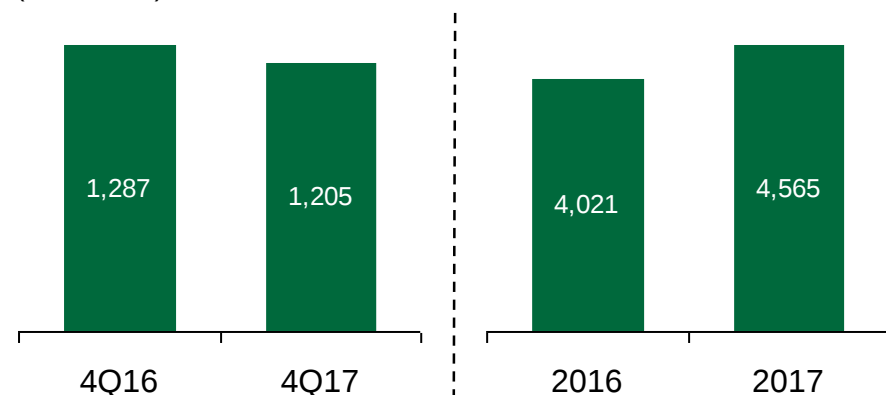
	(C\$ millions, unless noted)	Fourth Quarter			Full Year		
		4Q16	4Q17	Change ²	2016	2017	Change ²
Profitability	Net income (loss) attributed to shareholders	63	(1,606)	▼ nm	2,929	2,104	▼ 28%
	Core earnings	1,287	1,205	▼ 6%	4,021	4,565	▲ 14%
	Diluted core earnings per share	\$0.63	\$0.59	▼ 6%	\$1.96	\$2.22	▲ 13%
	Core return on equity (annualized)	12.9%	12.1%	▼ 0.8 pps	10.1%	11.3%	▲ 1.2 pps
	Return on equity (annualized)	0.3%	(17.1)%	▼ 17 pps	7.3%	5.0%	▼ 2.3 pps
Growth	Insurance sales (C\$ millions)	1,074	1,003	▼ 3%	3,952	4,704	▲ 23%
	WAM net flows (C\$ billions)	6.1	3.7	▼ 39%	15.3	17.6	▲ 14%
	WAM gross flows (C\$ billions)	38.2	32.9	▼ 11%	120.5	124.3	▲ 5%
	Other wealth sales (C\$ billions)	1.7	2.1	▲ 25%	8.2	8.1	▲ 2%
	New business value	367	389	▲ 11%	1,226	1,472	▲ 24%
	Total assets under management and administration (AUMA) (C\$ billions)				977	1,040	▲ 11%
	Wealth and asset management AUMA (C\$ billions)				544	599	▲ 14%
Financial Strength	MLI's MCCR Ratio ¹				230%	224%	▼ 6 pps
	Financial leverage ratio				29.5%	30.3%	▲ 0.8 pps
	Remittances (C\$ billions)				1.8	2.1	▲ 17%

¹ Minimum Continuing Capital and Surplus Requirements (MCCR) of The Manufacturers Life Insurance Company (MLI). ² Percentage changes in sales, gross flows, new business value, AUMA, Asia core earnings, new business value and new business value margin are stated on a constant currency basis, a Non-GAAP measure. See "Note to users – Performance and Non-GAAP Measures".

Achieved \$4.6 billion of core earnings in 2017, up 14% from 2016

Core Earnings

(C\$ millions)



4Q17 core earnings of \$1.2 billion, down 6% vs. 4Q16:

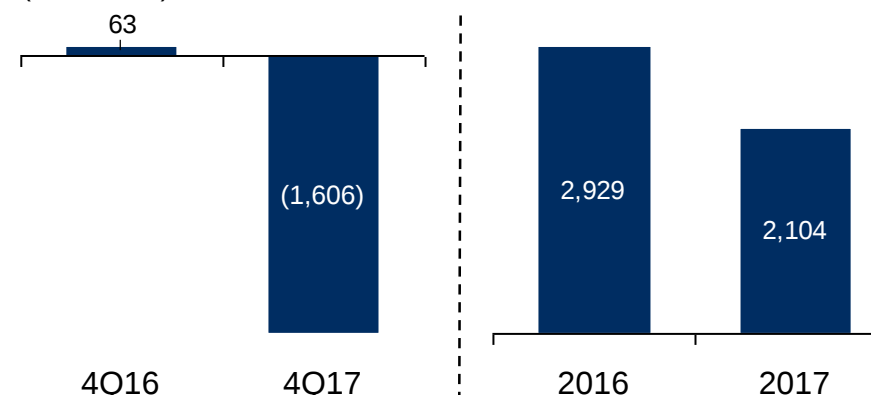
- Favourable prior year tax benefits
- Lower core investment gains as cumulative limit achieved
- + Strong growth in Asia and WAM
- + Lower equity hedging costs and higher gains on available for sale equities
- + Policy-related items in the U.S.

2017 core earnings of \$4.6 billion, up 14% vs. 2016:

- + Higher core investment gains and lower equity hedging costs
- + New business and in-force growth in Asia
- + Higher fee income from our WAM businesses
- P&C claims provision for hurricanes and strengthening of Canadian dollar

Net Income (loss) attributed to shareholders

(C\$ millions)



4Q17 net loss of \$1.6 billion, down \$1.7 billion vs. 4Q16:

- Upfront impact of U.S. Tax Reform
- Charge for portfolio asset mix changes
- + Less unfavourable direct market impacts

2017 net income of \$2.1 billion, down \$0.8 billion vs. 2016:

- Upfront impact of U.S. Tax Reform
- Charge for portfolio asset mix changes
- + Growth in core earnings
- + Direct impact of markets
- + Neutral annual actuarial review compared to prior year charges

Net income impacted by post-tax charges related to U.S. Tax Reform and portfolio asset mix changes

Earnings reconciliation for the fourth quarter of 2017

In C\$ millions except on a per share amount	Pre-tax	Post-tax	Per Share
Core earnings	\$1,517	\$1,205	\$0.59¹
Impact of the following items excluded from core earnings:			
Investment-related experience outside of core earnings	17	18	0.01
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities ²	(98)	(68)	(0.03)
Change in actuarial methods and assumptions	(31)	(33)	(0.02)
Charge related to decision to change asset mix in legacy business	(1,341)	(1,032)	(0.52)
Charge related to U.S. Tax Reform	(2,245)	(1,777)	(0.90)
Integration and acquisition costs	(22)	(18)	(0.01)
Other items	173	99	0.05
Net Income attributed to shareholders²	\$(2,030)	\$(1,606)	\$(0.83)¹

¹ Per common share of MFC

² Please refer to "Financial Performance" in the 2017 MD&A for more information

Strong growth in expected profit largely from higher assets in our WAM businesses and in-force growth in Asia

Source of earnings¹

(C\$ millions)

	4Q16	4Q17
Expected Profit on In-Force	1,288	1,371
Impact of New Business	23	59
Experience Gains/(Losses)	(1,529)	(213)
Mgmt Actions & Chgs in Assumptions	(203)	(3,400)
Earnings on Surplus Funds	4	165
Other	30	(12)
Income Before Taxes	(387)	(2,030)
Income Taxes	450	424
Net Income	63	(1,606)
Preferred Dividends	(33)	(40)
Common Shareholders' Net Income	30	(1,646)
<i>Currency Adjusted Expected Profit on In-force</i>	<i>1,243</i>	<i>1,371</i>

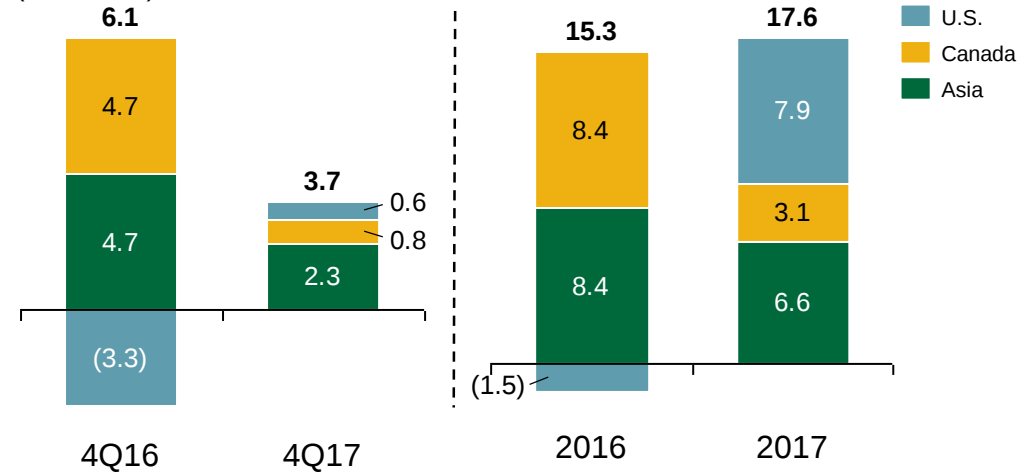
- **Expected Profit on In-Force** increased by 7%² primarily due to higher fee income in our WAM businesses from higher assets under management and in-force growth in Asia
- **Impact of New Business** reflects strong new business volumes in Asia and the favourable impact from pricing actions in Canada Retail Insurance, partially offset by higher non-deferrable acquisition costs in our WAM businesses
- **Experience Gains/(Losses)** reflects policyholder experience charges of \$42 million pre-tax (\$34 million post-tax) and charges related to the direct impact of interest rates, partially offset by the favourable impact of investment-related experience
- **Management Actions & Changes in Assumptions** includes pre-tax charges of \$3.6 billion related to announced portfolio asset mix changes and U.S. Tax Reform
- **Earnings on Surplus Funds** reflect pre-tax gains of \$174 million included in core earnings, which benefitted from strong realized gains on AFS equity. Pre-tax charges of \$10 million were reported outside of core earnings.
- **Other** largely reflects the impact of non-controlling interests in Asia

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

32nd consecutive quarter of positive net flows in our Wealth and Asset Management businesses

Wealth & Asset Management Net Flows

(C\$ billions)



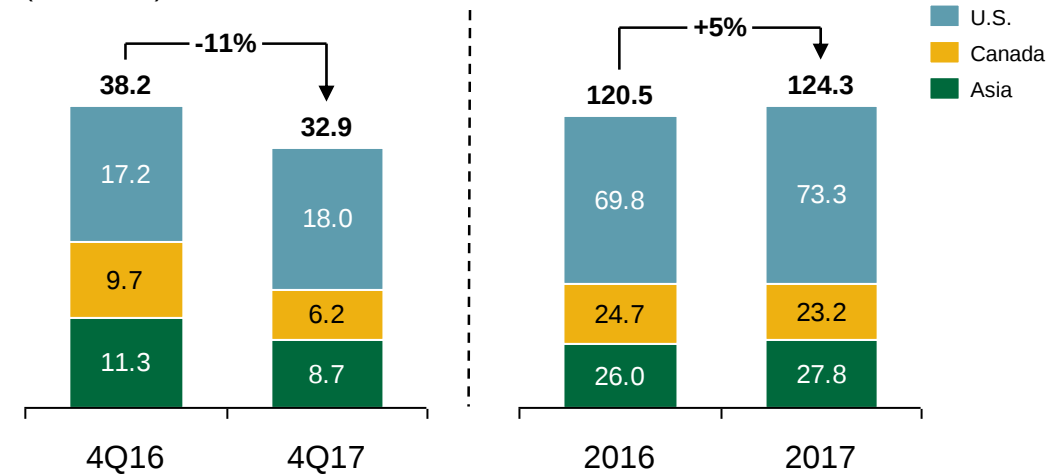
4Q17 WAM net flows of \$3.7 billion:

- + Net flows across all divisions
- + Lower redemption rates in U.S. retail
- + Higher institutional net flows in the U.S.
- Prior year large case institutional sales in Canada and Asia
- Lower retail sales in mainland China

2017 WAM net flows of \$17.6 billion

Wealth & Asset Management Gross Flows

(C\$ billions)



4Q17 gross flows of \$32.9 billion, down 11% vs. 4Q16:

- Large institutional asset management mandates in 4Q16
- Lower retail sales in mainland China
- + Canada retail flows
- + Retirement flows in all three operating divisions

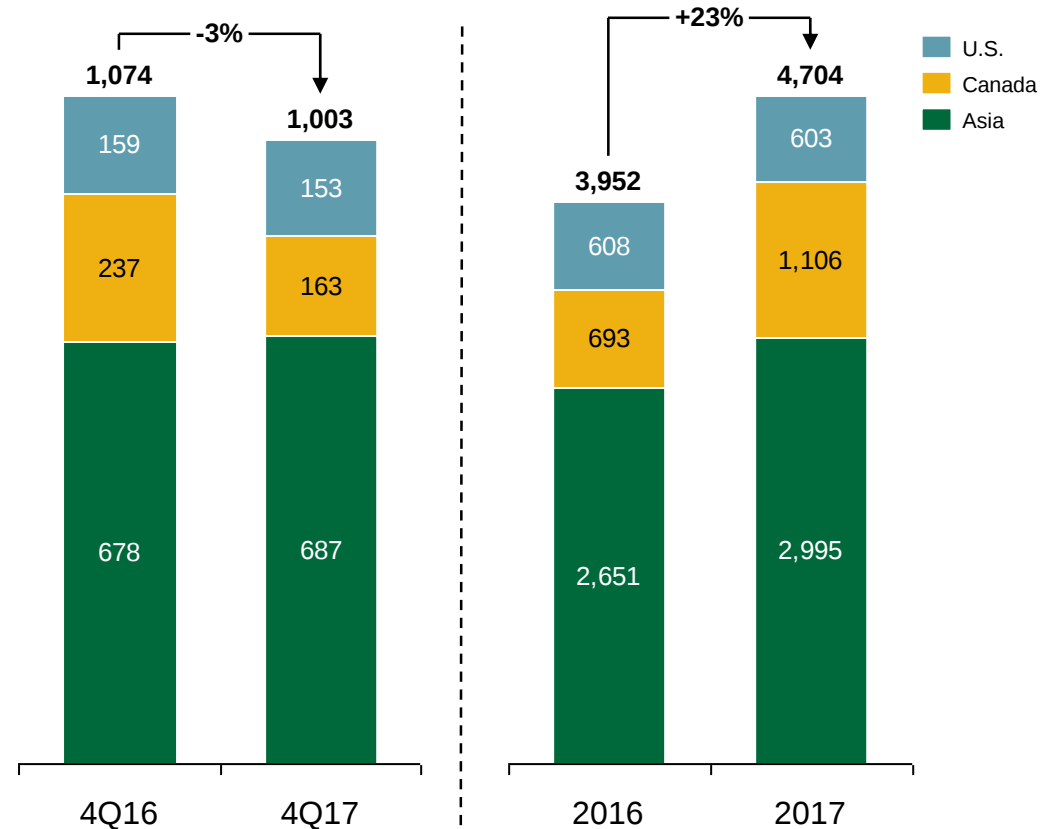
2017 WAM gross flows of \$124.3 billion, up 5% vs. 2016

Note: Order of the vertical bars on the chart correspond to the order in the legend with the exception of the 4Q16 and 2016 Wealth & Asset Management Net Flows, which as the result of outflows in our U.S. business, are stated in the following order: Canada, Asia and the U.S.

Strong full year sales growth driven by Asia and Canada group benefits

Insurance Sales

(C\$ millions)



4Q17 insurance sales of \$1.0 billion, down 3% vs. 4Q16:

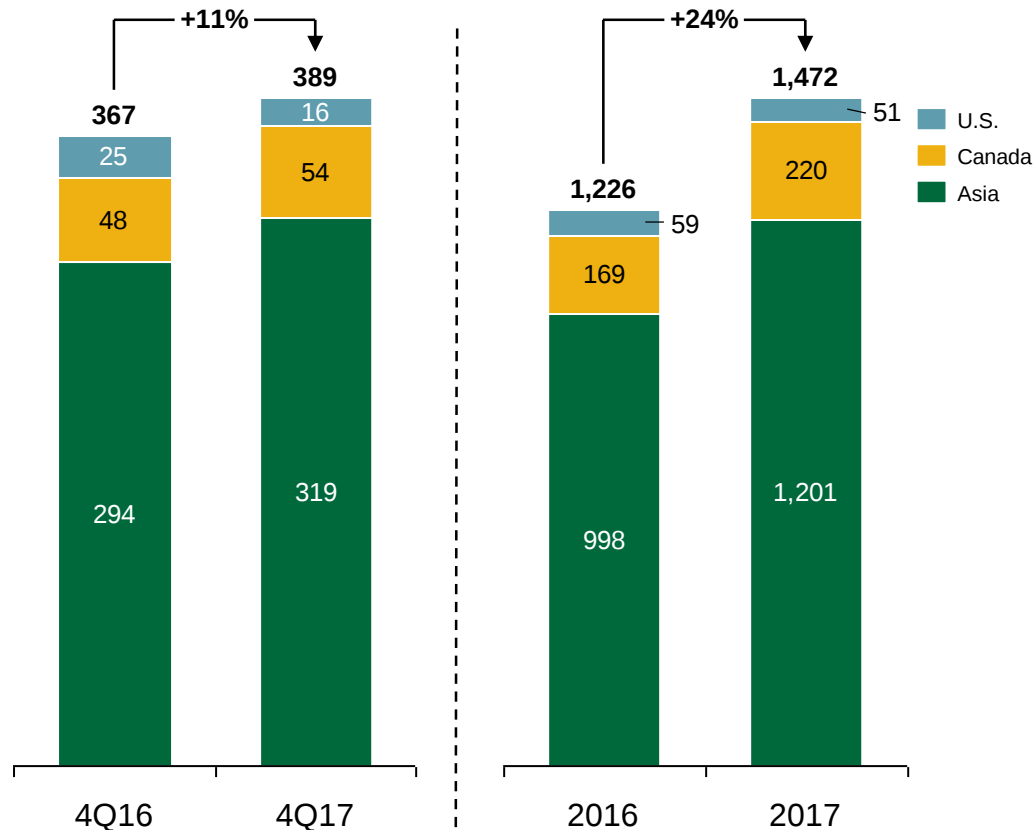
- + Strong growth in Singapore and Vietnam
- + Higher sales of term, UL and VUL in the U.S.
- Lower retail insurance sales in Canada due to 2017 pricing actions and higher prior year sales in advance of regulatory changes

2017 insurance sales of \$4.7 billion, up 23% vs. 2016

Note: Order of the vertical bars on the chart correspond to the order in the legend.

New business value creation driven by strong sales and management actions in Asia

New Business Value (NBV)¹ (C\$ millions)



4Q17 new business value¹ of \$389 million, up 11% vs. 4Q16:

+ Higher sales in Asia

2017 new business value of \$1.5 billion, up 24% vs. 2016

Asia 4Q17 new business value margins¹ were 37.7% in 4Q17, in-line with 4Q16:

2017 new business value margins were 34.1%, up 2.3 percentage points from 2016

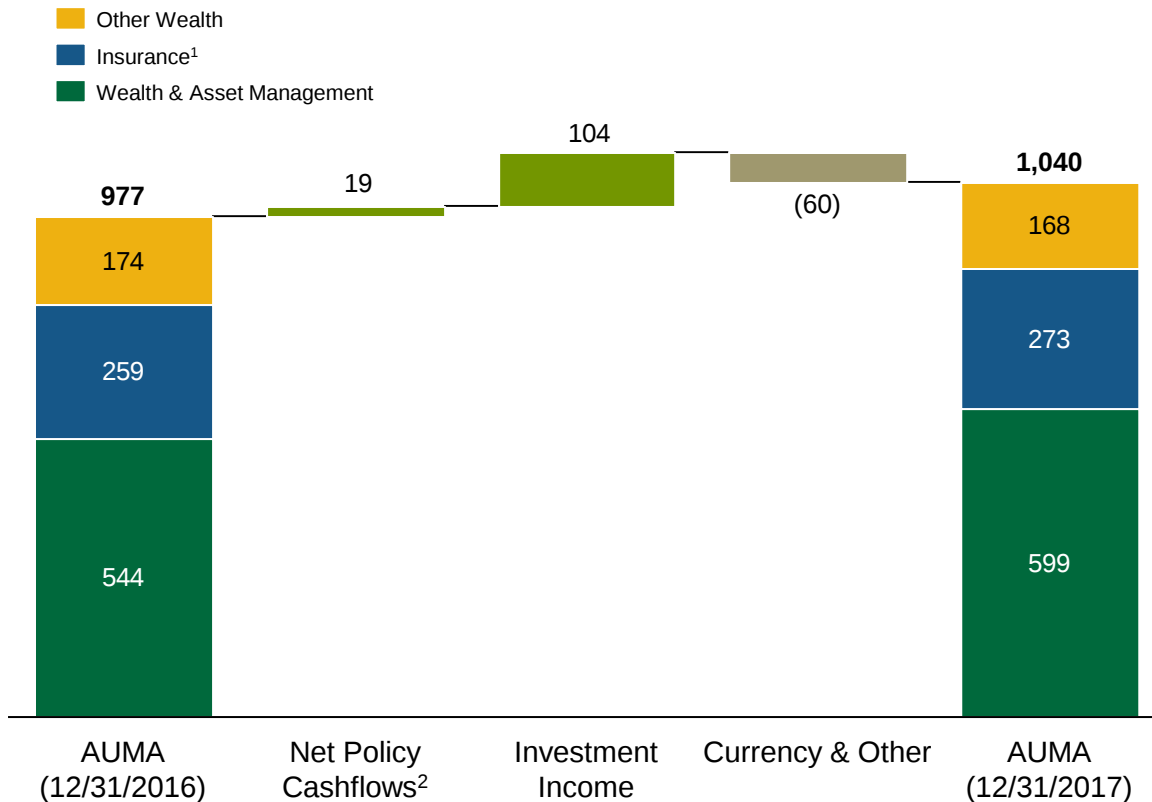
+ Product actions to improve margins
+ Scale benefits

¹ Excludes Wealth and Asset Management businesses, the Bank and P&C reinsurance business.
Note: Order of the vertical bars on the chart correspond to the order in the legend.

Over \$1 trillion in assets under management and administration

Assets under management and administration (AUMA)

(C\$ billions)



4Q17 assets under management and administration of \$1 trillion, up 11% from 4Q16:

- + Strong investment returns
- + Customer inflows

4Q17 assets under management and administration in our Wealth & Asset Management businesses of \$599 billion, up 14% from 4Q16:

- + Strong investment returns
- + Net flows

¹ Includes Corporate & Other assets.

² Excludes administrative services only premium equivalents and group benefits ceded premiums.

Note: Order of the vertical bars on the chart correspond to the order in the legend.

U.S. Tax Reform is expected to provide ongoing benefits to net income and core earnings

- Lowered U.S. federal corporate income tax rate from 35% to 21%
- Places limits on tax deductibility of reserves
- Charge of \$1.8 billion post-tax
- Expected ongoing benefit to net income attributed to shareholders and core earnings of approximately \$240 million per year commencing in 2018

Note: Contains forward looking statements, see "Caution regarding forward-looking statements" above.

Summary

In 2017, Manulife:

- Delivered \$2.1 billion in net income attributed to shareholders
- Achieved \$4.6 billion in core earnings
- Generated 18% growth in APE sales and 25% growth in new business value in Asia
- Continued to generate positive net flows in our wealth and asset management businesses
- Raised the dividend for the fourth consecutive year

A man with a beard and glasses, wearing a blue shirt, is pointing at a laptop screen. A woman with long dark hair, wearing a maroon shirt, is smiling and looking at the screen. They are in a modern office with a green wall and a white desk in the background.

Question & Answer session



Appendix

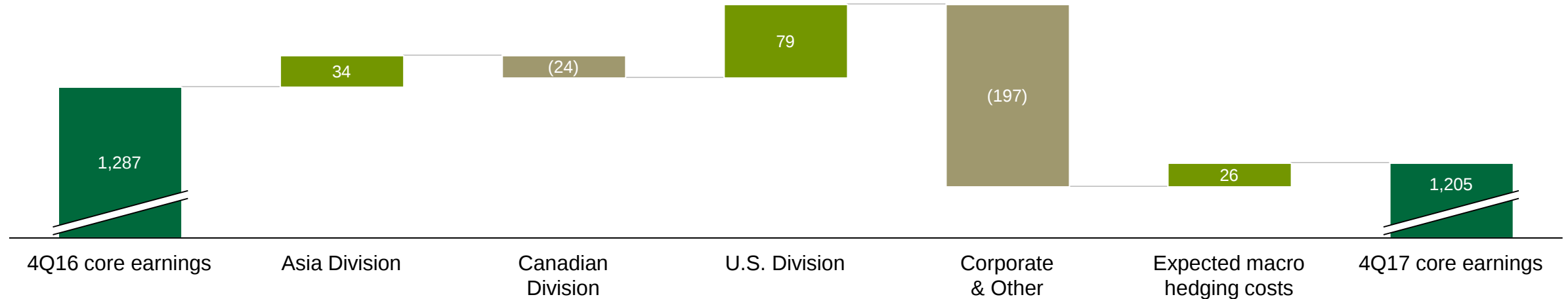


- Core Earnings Change by Division
- Core Earnings Change by Business Line
- Operating Performance by Division/Wealth & Asset Management
- Other Wealth Sales
- Capital and Leverage
- Invested Asset Mix & Credit Experience
- Direct Market Impacts
- Earnings Sensitivities - Equity Exposure and Swap Exposure by Market

Core earnings change by division

Core earnings

(C\$ millions)



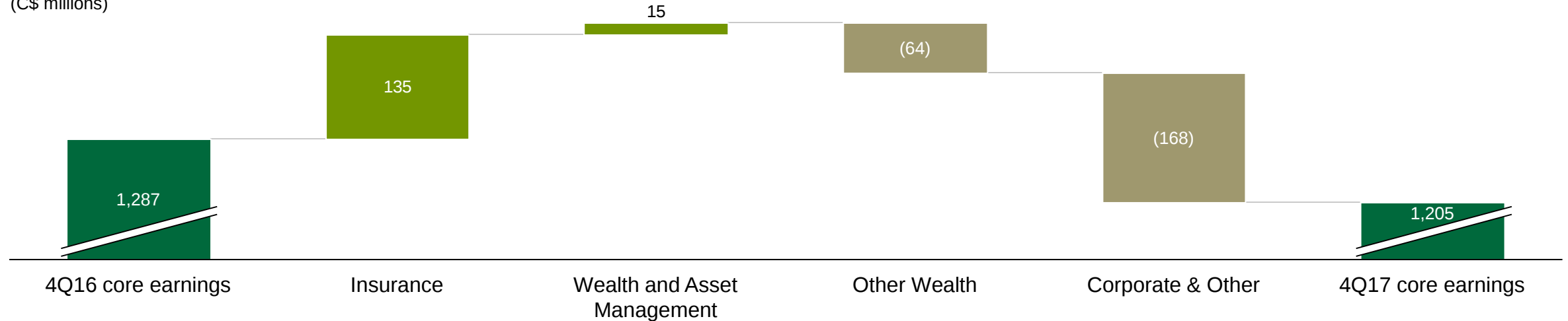
- **Asia Division** core earnings increased driven by strong new business volumes and solid in-force business growth, partially offset by unfavourable policyholder experience.
- **Canadian Division** core earnings decreased due to unfavourable policyholder experience in retail insurance, the non-repeat of prior year's gains from a reinsurance recapture and a number of other smaller items, partially offset by higher fee income in our wealth and asset management businesses.
- **U.S. Division** core earnings increased due to higher WAM earnings primarily from higher average assets, improvement in policyholder experience, lower amortization of deferred acquisition costs in our V.A. business and favourable policy-related items.
- **Corporate & Other** core loss increased reflecting \$100 million in core investment gains (versus \$180 million in 4Q16), the non-recurrence of the release of tax related provisions in the prior year, and higher strategic initiative expenses, partially offset by higher gains on available for sale equities.
- **Expected macro hedging costs** declined due to a market appreciation and actions taken over the last year.

Note: Core earnings changes for Asia Division and the U.S. Division are presented on a Canadian dollar basis. Beginning in 1Q17, earnings for Manulife Asset Management are no longer reported in the Corporate & Other segment and are reported in the respective divisions.

Core earnings change by business line

Core earnings

(C\$ millions)

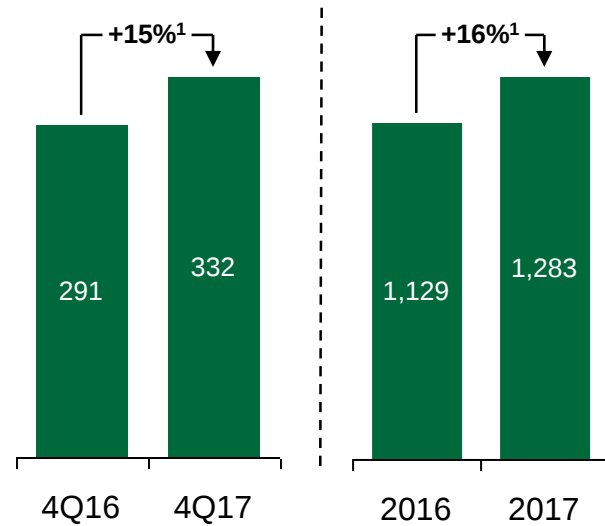


- **Insurance** core earnings improved driven by in-force and new business growth in Asia and improved policyholder experience.
- **Wealth and asset management** core earnings increased driven by higher fee income on higher asset levels.
- **Other wealth** core earnings decreased as lower benefits from the closing of prior year tax years more than offset lower deferred acquisition costs in our U.S. V.A. business.
- **Corporate & Other** core loss increased reflecting lower core investment gains, the non-recurrence of the release of tax related provisions in the prior year, and higher strategic initiative expenses, partially offset by lower expected macro hedge costs and higher gains on available for sale equities.

Asia: Generated strong top line and core earnings growth, and WAM gross flows in 2017

Core Earnings

(US\$ millions)



4Q17 **core earnings** of US\$332 million, up 15%¹ vs. 4Q16

- + Strong new business volumes
- + Continued growth of in-force business
- Unfavourable policyholder experience

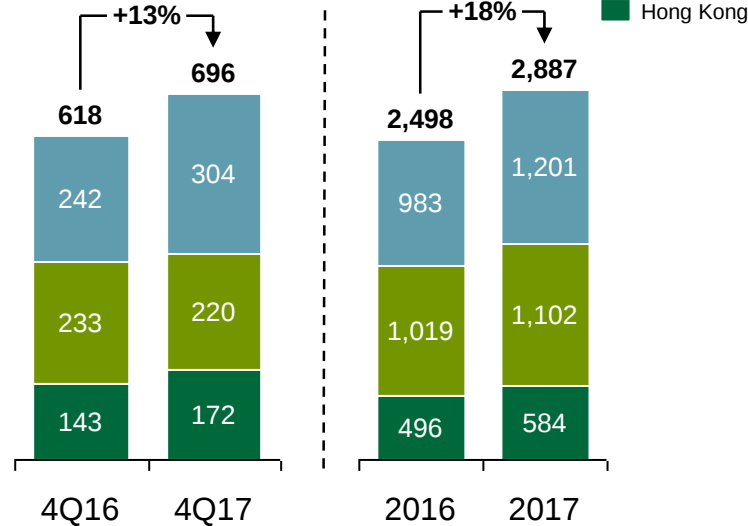
2017 core earnings of US\$1.3 billion, up 16%¹ vs. 2016

¹ Core earnings percent increase is adjusted for currency.

Note: Order of the vertical bars on the chart correspond to the order in the legend.

APE Sales

(US\$ millions)



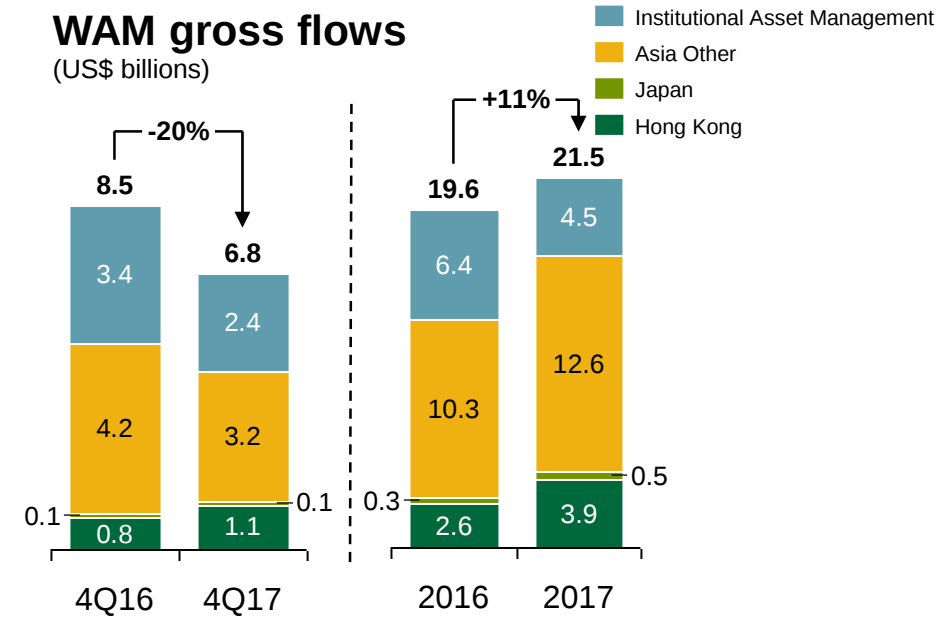
4Q17 **APE sales** of US\$696 million, up 13% vs. 4Q16

- + Double digit growth in Hong Kong, Singapore, Vietnam, Philippines and Cambodia
- + Strong sales from recently launched products and enhancements in Hong Kong
- + Solid growth in agency and bancassurance channels

2017 APE sales of US\$2.9 billion, up 18% vs. 2016

WAM gross flows

(US\$ billions)



4Q17 **WAM gross flows** of US\$6.8 billion, down 20% vs. 4Q16

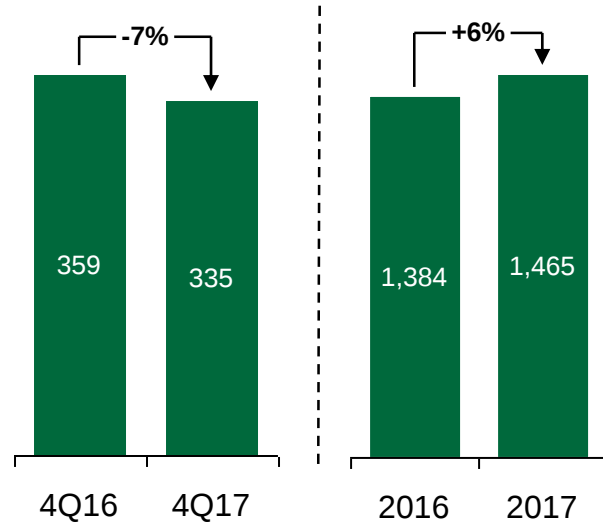
- Large prior year institutional sales
- Lower retail sales in mainland China
- + Strong retirement flows
- + Solid retail fund flows from Hong Kong, Indonesia, Singapore and Vietnam

2017 WAM gross flows of US\$21.5 billion, up 11% vs. 2016

Canada: Delivered strong insurance sales and core earnings growth in 2017

Core Earnings

(C\$ millions)



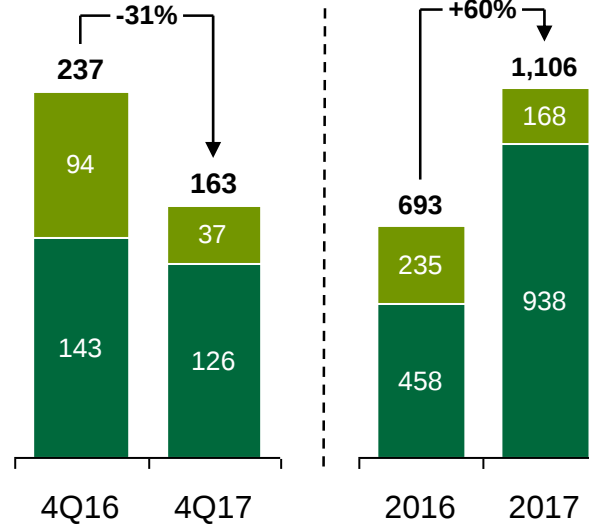
4Q17 **core earnings** of \$335 million, down 7% vs. 4Q16:

- Policyholder experience
- Non-recurrence of 4Q16 gains from reinsurance recapture
- + Higher fee income from higher AUMA

2017 core earnings of \$1.5 billion, up 6% vs. 2016

Insurance Sales

(C\$ millions)



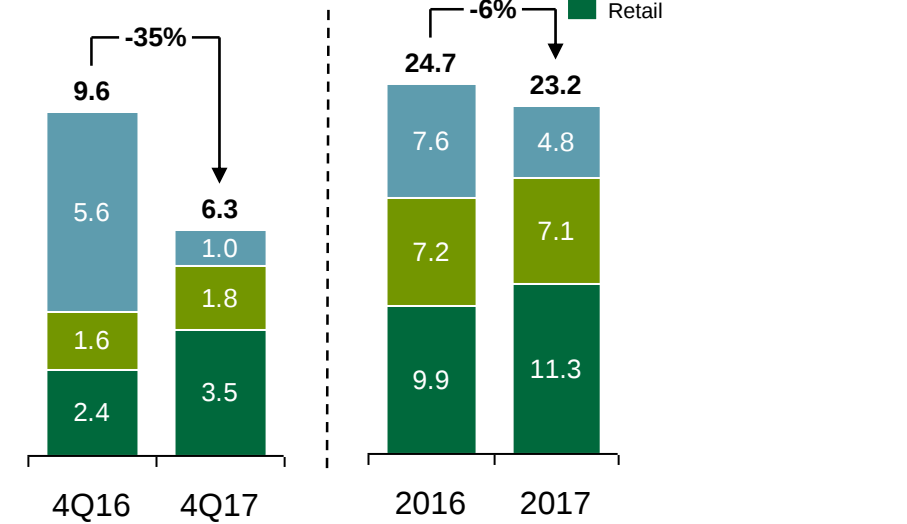
4Q17 **insurance sales** of \$163 million, down 31% vs 4Q16:

- Lower retail insurance sales due to actions to improve margins and strong prior year sales in advance of regulatory changes
- Timing of large case group benefits sales

2017 insurance sales of \$1,106 million, up 60% vs. 2016

WAM gross flows

(C\$ billions)



4Q17 **WAM gross flows** of \$6.3 billion, down 35% vs. 4Q16:

- Large case institutional sales in prior year
- + Strong retail flows

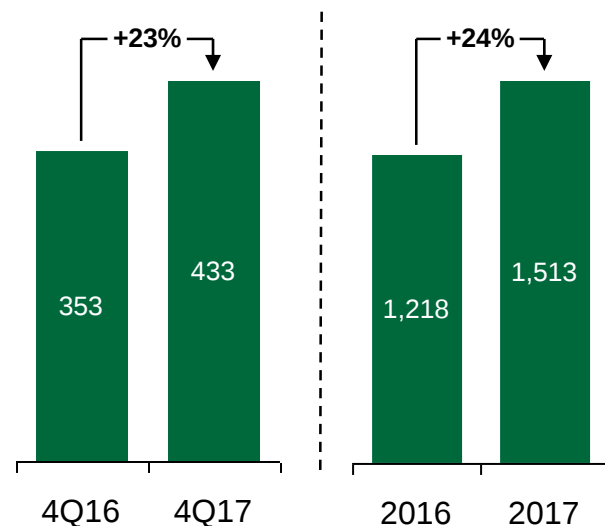
2017 WAM gross flows of \$23.2 billion, down 6% vs. 2016

Note: Order of the vertical bars on the chart correspond to the order in the legend.

U.S.: Delivered strong core earnings and top line growth

Core Earnings

(US\$ millions)



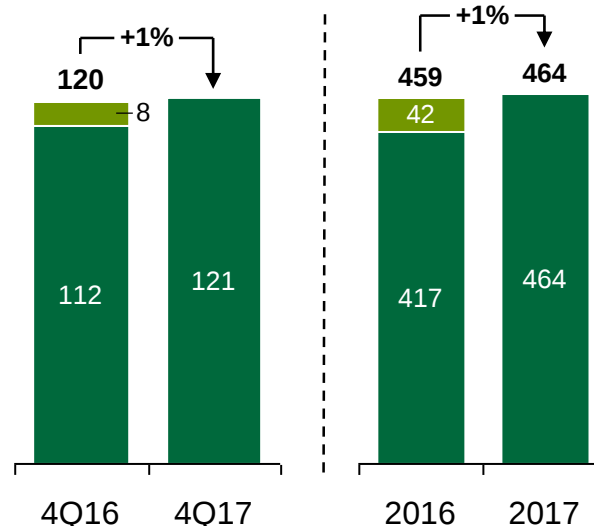
4Q17 **core earnings** of \$433 million, up 23% vs. 4Q16:

- + Higher WAM earnings
- + Improvement in policyholder experience
- + Lower amortization of deferred acquisition costs in our V.A. business
- + Favourable policy-related items

2017 core earnings of \$1.5 billion, up 24% vs. 2016

Insurance Sales

(US\$ millions)



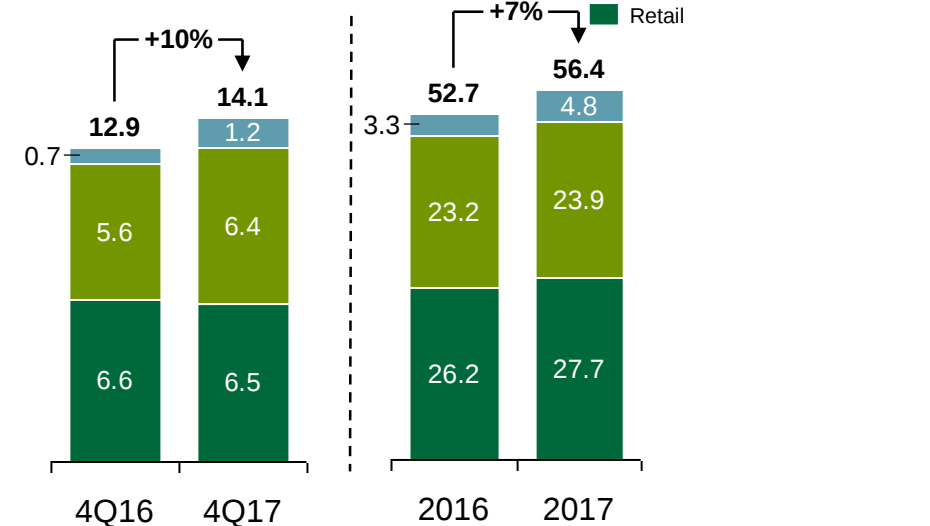
4Q17 **life insurance sales** of \$121 million, up 8% vs 4Q16:

- + Strong term, UL and VUL sales
- + John Hancock Vitality sales

2017 life insurance sales of \$464 million, up 11% vs. 2016

WAM gross flows

(US\$ billions)



4Q17 **WAM gross flows** of \$14.1 billion, up 10% vs. 4Q16:

- + Strong mid-market retirement sales
- + Higher institutional sales

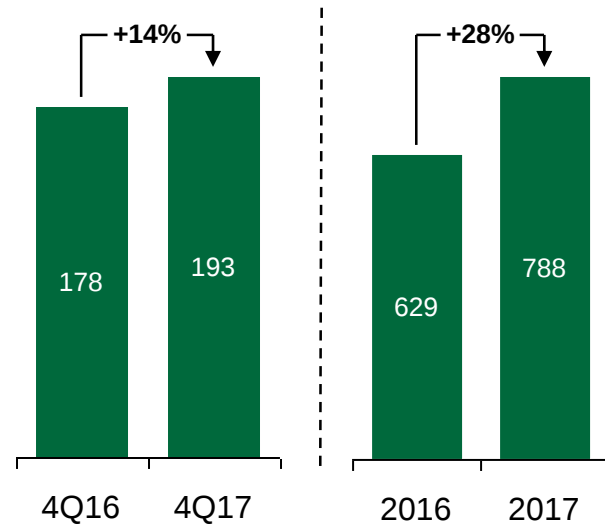
2017 WAM gross flows of \$56.4 billion, up 7% vs. 2016

Note: Order of the vertical bars on the chart correspond to the order in the legend.

Wealth and Asset Management: Strong growth in core earnings and AUMA and continued net flows

WAM Core Earnings

(C\$ millions)



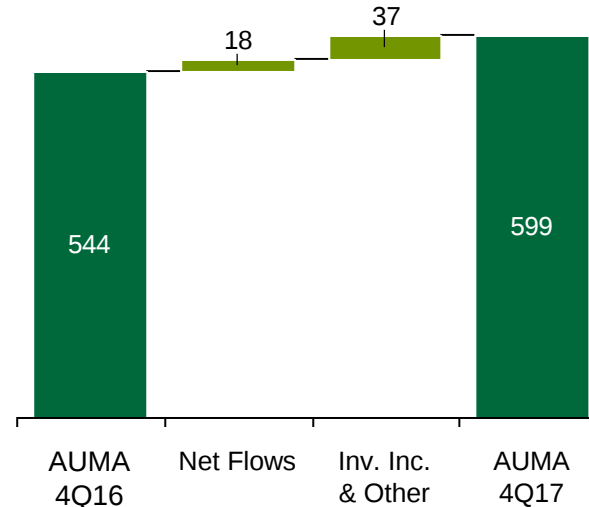
4Q17 **core earnings** of \$193 million, up 14% vs. 4Q16:

+ Higher fee income from higher AUMA

2017 **core earnings** of \$788 million, up 28% vs. 2016

WAM AUMA

(C\$ millions)

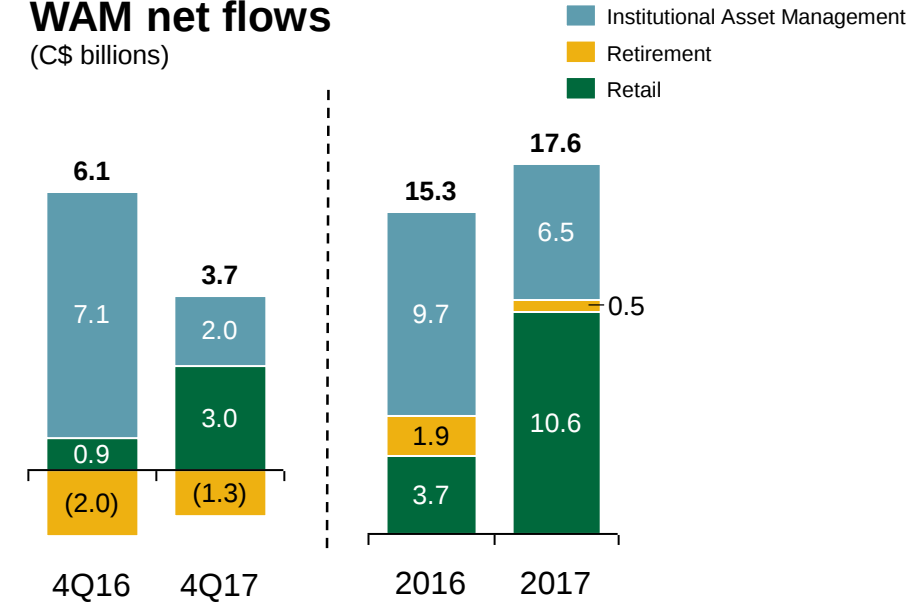


4Q17 **AUMA** of \$599 billion, up 14% vs. 4Q16:

+ Strong investment returns
+ Net flows

WAM net flows

(C\$ billions)



4Q17 **WAM net flows** of \$3.7 billion:

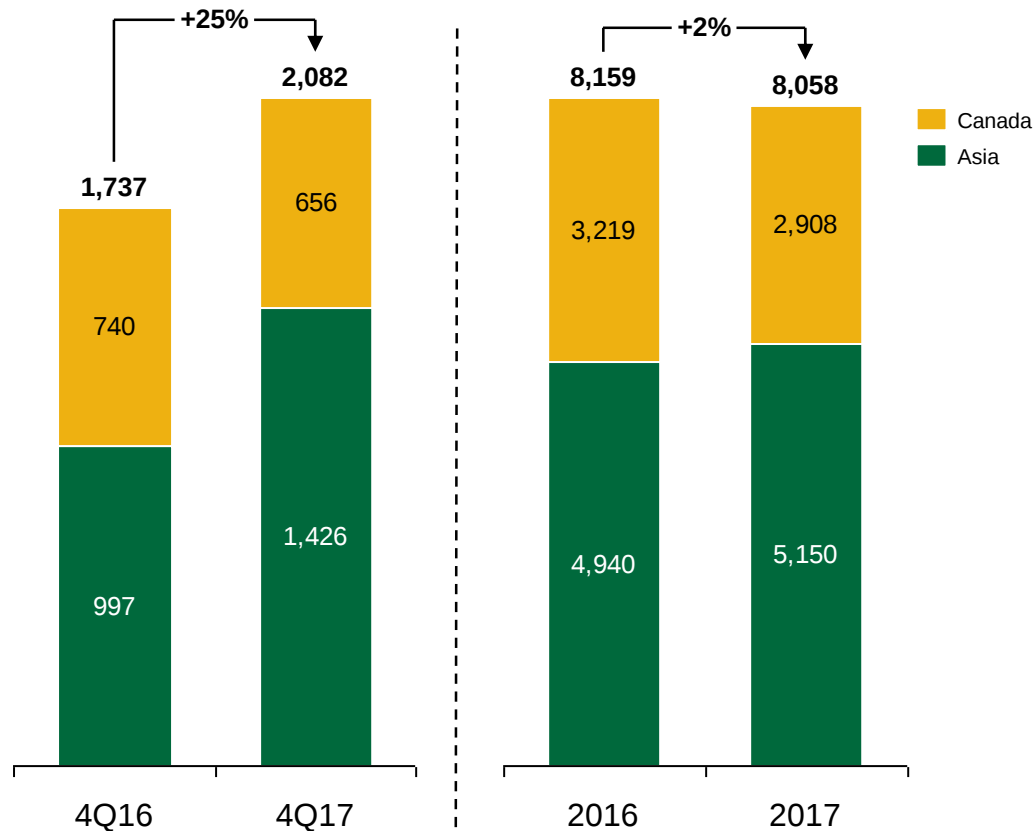
- + Net flows across all divisions
- + Lower redemptions in U.S. retail
- + Higher institutional net flows in the U.S.
- Prior year large case institutional sales in Asia and Canada
- Lower sales in mainland China

2017 **WAM net flows** of \$17.6 billion

Note: Order of the vertical bars on the chart correspond to the order in the legend with the exception of 4Q16 and 4Q17 net flows, which do to retirement outflows is presented as: Institutional Asset Management, Retail and Retirement.

Strong other wealth sales in Asia

Other Wealth sales (C\$ millions)



4Q17 Other Wealth sales of \$2.1 billion, up 25% vs. 4Q16:

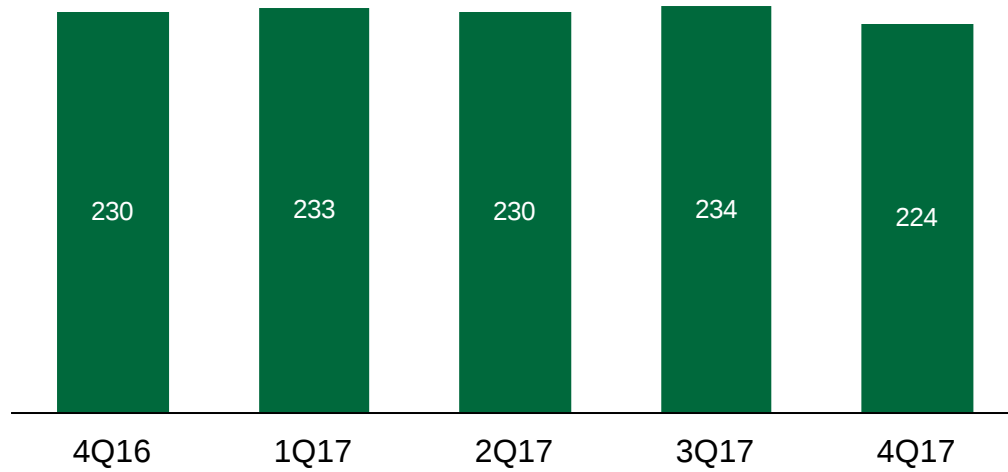
- + Continued success of single premium products in Hong Kong and Singapore
- Actions to improve margins in Canada

2017 Other Wealth sales of \$8.1 billion, up 2% vs. 2016

Note: Order of the vertical bars on the chart correspond to the order in the legend.

Maintained a healthy capital position

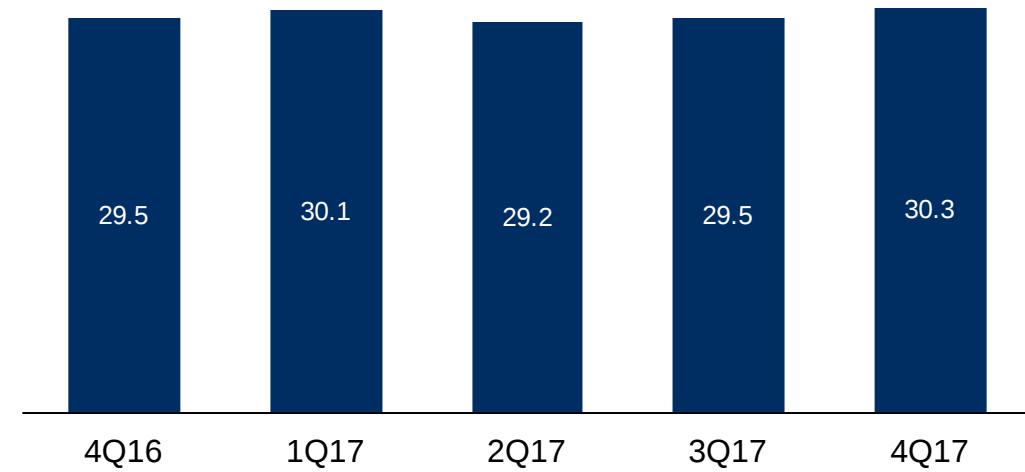
MCCSR¹ Ratio
(%)



MLI ended 4Q17 with an MCCSR ratio of 224%, down from 234% in 3Q17:

- Portfolio asset mix changes and U.S. Tax Reform

Financial leverage ratio
(%)



Financial Leverage Ratio of 30.3%, up from 29.5% in 3Q17, reflecting:

- Portfolio asset mix changes and U.S. Tax Reform
- + Strong core earnings

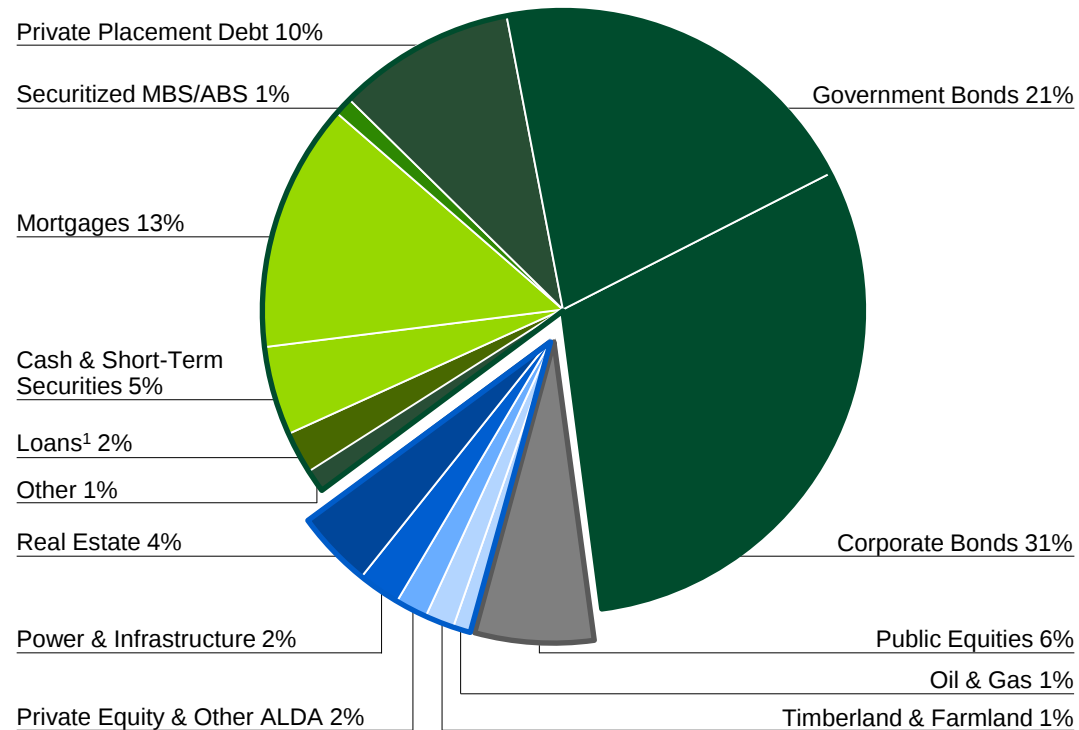
¹ Minimum Continuing Capital and Surplus Requirements (MCCSR) of The Manufacturers Life Insurance Company (MLI).

Diversified high quality asset mix avoids risk concentrations

Total Invested Assets

(C\$334 billion, Carrying values as of December 31, 2017)

Fixed Income & Other Alternative Long-Duration Assets (ALDA) Public Equities



Fixed Income & Other²

- Over 83% of the total portfolio
- 98% of debt securities and private placement debt are investment grade
- Energy holdings represent 8% of total debt securities and private placements, of which 96% is investment grade

Alternative Long-Duration Assets

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

Public Equities

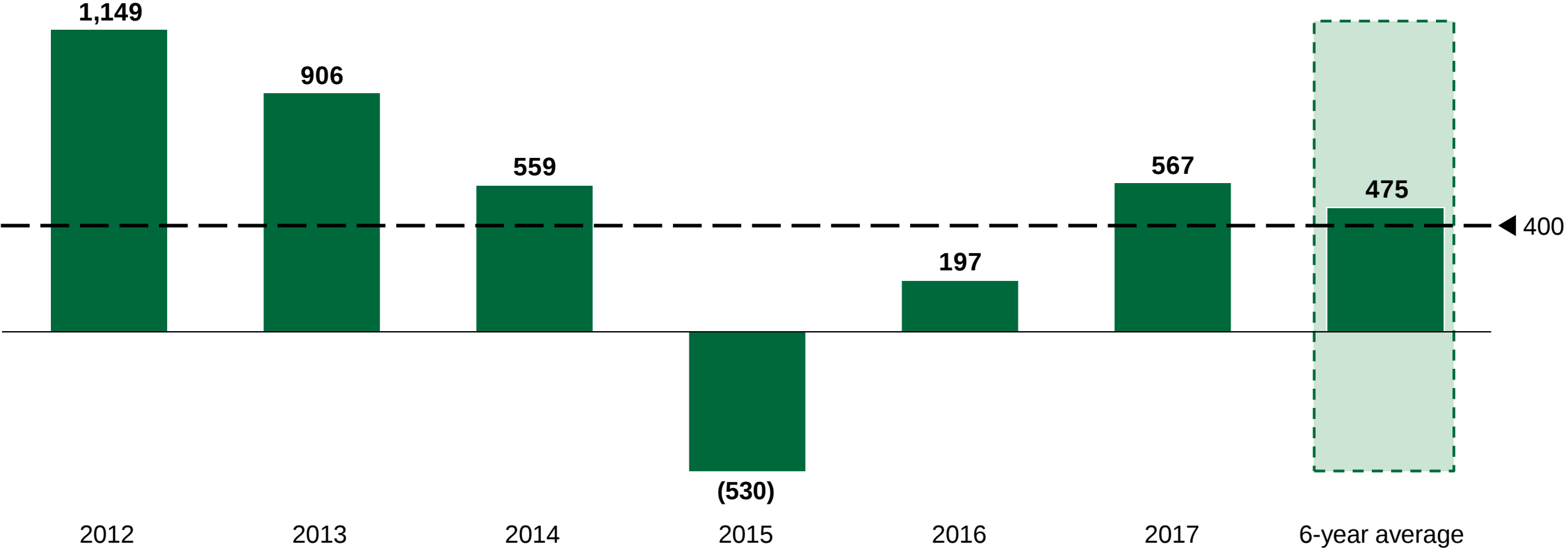
- Diversified by industry and geography
- Primarily backing participating or pass-through liabilities

¹ Includes Policy Loans and Loans to Bank Clients.

² Includes debt securities (government bonds, corporate bonds and securitized MBS/ABS), private placement debt, mortgages, cash & short-term securities, policy loans, loans to bank clients, and other.

Investment-related experience has exceeded our annual \$400M through-the-cycle expectation, on average, since 2012

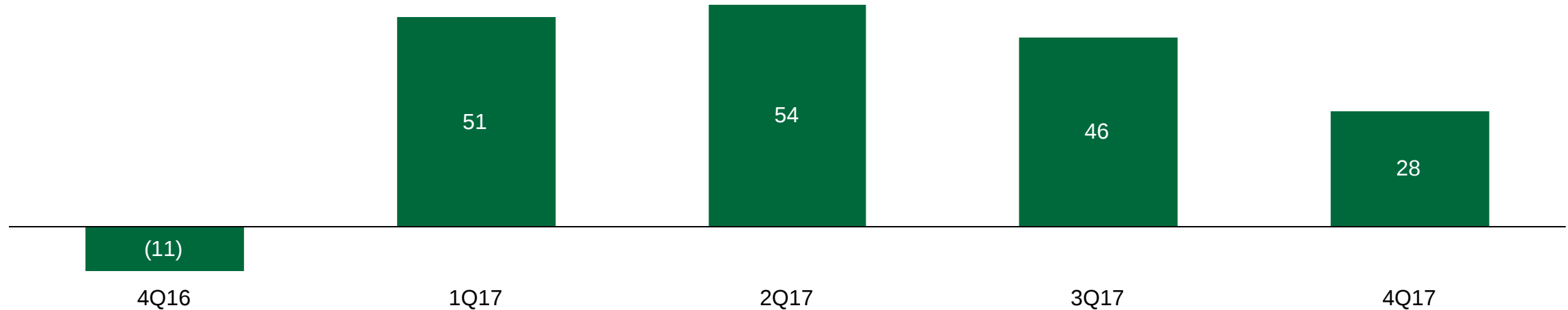
Investment-related experience
(C\$ millions)



Continued strong credit experience in 4Q17

Net credit experience

(C\$ millions, post-tax)



Impact on earnings

(C\$ millions, post-tax)	4Q16	1Q17	2Q17	3Q17	4Q17
Credit (impairments) / recoveries	\$(19)	\$2	\$2	\$(13)	\$(13)
Credit (downgrades) / upgrades	(27)	6	7	14	(6)
Total credit impacts	\$(46)	\$8	\$9	\$1	\$(19)
Assumed in policy liabilities	35	43	45	45	47
Net credit experience Gain/(Loss)	\$(11)	\$51	\$54	\$46	\$28

Interest rate related sensitivities remain well within our risk appetite limits

Potential impact ¹ of an immediate parallel change in “all rates”:		3Q17		4Q17	
(C\$ millions)		-50 bps	+50 bps	-50 bps	+50 bps
Excluding change in market value of AFS bonds held in surplus		\$ (100)	\$ -	\$ (200)	\$ 100
From fair value changes in AFS bonds held in surplus, if realized ²		\$ 1,000	\$ (900)	\$ 1,100	\$ (1,000)
MLI MCCSR Ratio impact:					
- Excluding change in market value of AFS bonds held in surplus		(7) pts	7 pts	(7) pts	5 pts
- From fair value changes in AFS bonds held in surplus, if realized		3 pts	(5) pts	4 pts	(5) pts
Potential impact ¹ of a parallel change in corporate bond spreads:		3Q17		4Q17	
(C\$ millions)		-50 bps	+50 bps	-50 bps	+50 bps
Corporate spreads		\$ (800)	\$ 700	\$ (1,000)	\$ 1,000
Potential impact ¹ of a parallel change in swap spreads:		3Q17		4Q17	
(C\$ millions)		-20 bps	+20 bps	-20 bps	+20 bps
Swap spreads		\$ 400	\$ (400)	\$ 400	\$ (400)

¹ All estimated sensitivities are approximate and based on a single parameter. No simple formula can accurately estimate ultimate future impact. Please refer to “Caution related to sensitivities” in our 2017 MD&A.

² The amount of gain or loss that can be realized on AFS fixed income assets held in the surplus segment depends on the aggregate amount of unrealized gain or loss.

Equity exposure by market

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

(C\$ millions)	3Q17	4Q17
S&P	(210)	(240)
TSX	(90)	(90)
TOPIX	(20)	(20)
EAFE (Europe, Australasia & Asia ex. Japan) ³	(100)	(120)
Net income impact assuming full hedge offset	(420)	(470)
Assumed partial dynamic hedge offset	(180)	(140)
Net income impact assuming partial dynamic hedge offset	(600)	(610)

¹ All estimated sensitivities are approximate and based on a single parameter. No simple formula can accurately estimate ultimate future impact.

² Please note the Company's disclosures which describe risk factors for hedging and reinsurance strategies.

³ EAFE ex. Japan exposure is mainly to Hong Kong and Singapore markets.

Note to users – Performance and Non-GAAP Measures

We use a number of non-GAAP financial measures to measure overall performance and to assess each of our businesses. A financial measure is considered a non-GAAP measure for Canadian securities law purposes if it is presented other than in accordance with generally accepted accounting principles used for the Company's audited financial statements. Non-GAAP measures include: core earnings (loss); core ROE; core EPS; diluted core earnings per common share; core earnings before income taxes, depreciation and amortization ("core EBITDA"); core EBITDA margin; core investment gains, constant currency basis (measures that are reported on a constant currency basis include percentage growth in core earnings in Asia Division, sales, APE sales, gross flows, premiums and deposits, core EBITDA, core earnings in Wealth and Asset Management, new business value, and assets under management and administration); assets under administration; premiums and deposits; assets under management and administration; assets under management; capital; embedded value; new business value; new business value margin; sales; APE sales; gross flows and net flows. 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. For more information on non-GAAP financial measures, including those referred to above, see "Performance and Non-GAAP Measures" in our 2017 Management's Discussion and Analysis. Core earnings per common share ("Core EPS") is core earnings available to common shareholders expressed per weighted average common share outstanding.

Thank you



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We operate as John Hancock in the United States and Manulife in other parts of the world.