

Financing Business

Canada

Manulife partners with Canadian businesses to help them develop and expand, providing them with the financial resources to reach their growth objectives. The Company offers debt financing to firms across Canada in a number of ways, principally in the area of mortgage financing.

Manulife originates commercial mortgages through a network of eight branches across Canada. Its customers are owners and developers of real estate with a strong track record and earnings stability. Commercial mortgage underwriting concentrates on the quality of the location, the physical characteristics of the real estate, the durability of lease income and market trends for the property type.

In 2007, the Company provided mortgage financing to 322 customers. New loan commitments totalled more than \$1.0 billion and loan renewals \$417 million. New loan commitments ranged in size from \$0.2 million to \$53 million, with an average loan size of \$5.4 million.

Mortgages are approved in accordance with Manulife's Mortgage Credit Policy and the Mortgages Guideline. The Mortgages Guideline is reviewed annually by the Board of Directors.

Beyond mortgages, Manulife participates in private placement transactions. Most involve fixed-income investments issued by mid- to large-sized Canadian corporations and institutions.

Commitments cross a diverse range of industry sectors, including leasing, financial, government, manufacturing and utilities. In 2007, the Company's approved private placement commitments totalled more than \$815 million and were made to 30 borrowers in 15 industries. Participation ranged from \$1 million to \$75 million.

All private placement investments are made in accordance with Manulife's Investment Guidelines. They are all approved by the appropriate credit committee or under authority delegated to senior management.

The Company helps businesses grow in at least one other significant way. Manulife Capital provides equity and mezzanine debt financing for private Canadian and U.S. companies operating in many industries. Manulife invests in companies that demonstrate a successful operating history and exhibit strong ongoing business fundamentals. In 2007, new commitments in this area totalled \$226 million, diversified across 10 corporate customers. Commitments ranged in size from \$5 million to \$50 million, with an average size of \$23 million.

New equity and mezzanine debt financing investments are approved in accordance with Manulife's Investment Guidelines.



United States

Helping U.S. businesses develop and expand, John Hancock provides clients with financial resources to reach their growth objectives. The Company provides debt financing to firms in the United States in a number of ways.

John Hancock's Real Estate Finance Group (REFG) is primarily responsible for identifying, underwriting and procuring high-quality commercial real estate loans. The production group, comprising eight regional offices and a home office team, handles loan originations. The production group is supported by a credit group, which ensures compliance with Company credit policies and standards; an investment services group, which closes transactions and processes post-closing requests; and a collateral review area, which oversees investment portfolio quality. The REFG's Portfolio Management and Capital Markets group assists the entire team in pricing, allocating, segmenting and tracking investments, and handles investments in real estate securities.

New loan commitments totalled more than \$1.6 billion in 2007. Loan renewals totalling \$810 million, with an average loan size of \$10.7 million, were issued to 124 customers.

Additionally, the REFG capital markets group invested a total of \$60 million in 14 commercial mortgage-backed securities transactions.

U.S. mortgages are approved in accordance with Manulife's Mortgage Credit Policy and the Mortgages Guideline. The Mortgages Guideline is reviewed annually by the Board of Directors.

John Hancock also participates in private placement transactions. Most involve fixed-income investments issued by mid- to large-sized U.S. corporations and institutions. Commitments cross a diverse range of industry sectors, including communications, health care, energy, transportation, forest products, financial, government, manufacturing and utilities. Approved private placement commitments totalled \$1.7 billion in 2007. Participation ranged from \$1 million to approximately \$200 million.

Investing in Affordable Housing

John Hancock's Tax Credit and Community Investment Group provides equity for affordable housing. This involves equity investments in affordable housing properties that generate federal, state and/or historic tax credits. John Hancock acquires, holds and disposes of interests through a limited partnership structure.

Approved equity commitments totalled US\$38.6 million in six investments in 2007. As of December 31, 2007, the tax credit portfolio consists of 139 investments in 174 properties in 29 states and Puerto Rico with equity commitments totalling US\$687.3 million.



Amount of debt financing authorized in 2007 (C\$ THOUSANDS)

	\$0 – \$24,999	\$25,000 – \$99,999	\$100,000 – \$249,999	\$250,000 – \$499,999	\$500,000 – \$999,999	\$1,000,000 – \$4,999,999	\$5,000,000 and greater	Grand Total
British Columbia	\$0	\$94	\$641	\$3,617	\$2,752	\$104,018	\$247,462	\$358,584
Alberta	0	0	174	669	2,821	44,794	366,830	415,288
Saskatchewan	0	0	0	0	0	13,345	40,000	53,345
Manitoba	0	0	211	0	0	12,658	14,500	27,369
Ontario	0	289	948	6,239	17,279	185,748	1,214,585	1,425,088
Quebec	0	81	540	2,576	4,759	40,071	194,780	242,807
New Brunswick	0	0	419	938	0	9,163	29,925	40,444
Nova Scotia	0	80	371	0	2,430	19,764	105,935	128,580
Prince Edward Island	0	0	233	0	0	0	12,430	12,663
Newfoundland and Labrador	0	0	0	0	0	3,450	0	3,450
Yukon, Northwest Territories and Nunavut	0	0	0	0	0	0	0	0
Total Canada	0	544	3,537	14,039	30,042	433,010	2,226,446	2,707,618
Total U.S.	0	0	0	0	0	178,831	3,156,071	3,334,902
Grand Total	\$0	\$544	\$3,537	\$14,039	\$30,042	\$611,841	\$5,382,517	\$6,042,52



Number of customers to which debt financing was authorized in 2007

	\$0 – \$24,999	\$25,000 – \$99,999	\$100,000 – \$249,999	\$250,000 – \$499,999	\$500,000 – \$999,999	\$1,000,000 – \$4,999,999	\$5,000,000 and greater	Grand Total
British Columbia	0	1	4	10	4	39	13	71
Alberta	0	0	1	2	4	17	20	44
Saskatchewan	0	0	0	0	0	5	2	7
Manitoba	0	0	1	0	0	6	2	9
Ontario	0	4	6	18	23	79	62	192
Quebec	0	2	4	8	7	18	13	52
New Brunswick	0	0	2	2	0	4	3	11
Nova Scotia	0	1	2	0	3	9	11	26
Prince Edward Island	0	0	1	0	0	0	1	2
Newfoundland and Labrador	0	0	0	0	0	1	0	1
Yukon, Northwest Territories and Nunavut	0	0	0	0	0	0	0	0
Total Canada	0	8	21	40	41	178	127	415
Total U.S.	0	0	0	0	0	38	130	168
Grand Total	0	8	21	40	41	216	257	583

