

News Release

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Debt the halls with bills of holly Manulife Bank survey shows holiday costs push Canadians into the red

- Two-thirds of Canadians plan to spend money over the holidays on gifts, travelling, holiday parties, etc. Among those:
 - Six in 10 don't have a budget or are likely to overspend
 - Eight in 10 say the holidays have become too focused on spending money
 - One in two have previously gone into debt to buy presents
- A quarter of Canadians spending during the holidays say the financial stress of the season negatively impacts their mental health

TORONTO – Despite rising interest rates and common perceptions of consumerism tied to the holidays, 60 per cent of holiday spenders are still willing to go into debt to make purchases this holiday season, according to Manulife Bank's 2018 fall debt survey.

This pressure can leave Canadians feeling defeated during the upcoming holiday season. Of those planning to spend this holiday season, four in 10 already have a budget in mind, however, more than half of those think they will overspend this holiday season. Three-quarters of those planning to use a form of credit say they'll use credit cards as their main form of payment.

"As needs and expectations evolve rapidly, it's easy to lose sight of financial goals," said Rick Lunny, President and CEO, Manulife Bank. "We're looking to make financial decisions easier and lives better for Canadians, so they take action and manage their money."

Regardless of their willingness to make purchases, three in 10 people planning to spend say they end up regretting the amount of money they have spent during the holiday season year-to-year. This leads to a struggle to pay off debt after the holidays.

With more than half of holiday spenders feeling pressured to purchase gifts for loved ones, about eight in 10 believe the holidays are too focused on spending money, according to the survey. This proves to have negative effects on mental health with four in 10 Canadians agreeing they get stressed or anxious leading up to the holiday season and the holidays cause higher financial stress than any other time of the year.

The financial hangover of the holidays may last well into the New Year and beyond, especially as interest rates climb higher and household debt across Canada remain near record levels. The survey shows that throughout the year, more than half of Canadians feel debt, in general, prevents them from doing the things they want to do and impacts their ability to save for retirement. Even more alarming is that four in 10 Canadians with debt don't think they will ever be debt-free.

In addition to the negative feelings around debt, Canadians continue to hide finances. One in 10 indebted Canadians admit they have completely hidden the cost of a purchase. While most purchases were electronics, clothing and entertainment, 18 per cent of men and 8 per cent of women admitted to hiding the cost of a vehicle from a loved one.

"Financial worries cause stress for many Canadians and during the holidays that stress increases," said Lunny. "Even the most conservative spender can feel overwhelmed during the holidays, but a little planning can go a long way. Write out your costs, think about what's achievable and necessary, while finding ways to spend more time with family and friends and less money to relieve stress and reduce the burden of debt."

"As the Bank that works in our customers' best interest, we want them to feel confident they have support when it comes to managing and reducing debt. Working with an independent advisor is good first step during the holidays and year-round."

About the Manulife Bank of Canada Debt Survey

The Manulife Bank of Canada poll surveyed 2,003 Canadians in all provinces between ages 20 and 69 with household income of more than \$40,000. The survey was conducted online by Ipsos between August 31 – September 5, 2018. National results were weighted by gender, age, region and education. This survey has a credibility interval of +/- 2.5%.

About Manulife Bank

Established in 1993, Manulife Bank was the first federally regulated bank opened by an insurance company in Canada. It is a Schedule I federally chartered bank and a wholly-owned subsidiary of Manulife. As Canada's first advisor-based bank, it has successfully grown to more than \$22 billion in assets and serves clients across Canada.

About Manulife

Manulife Financial Corporation is a leading international financial services group that helps people make their decisions easier and lives better. We operate primarily as John Hancock in the United States and Manulife elsewhere. We provide financial advice, insurance, as well as wealth and asset management solutions for individuals, groups and institutions. At the end of 2017, we had about 35,000 employees, 73,000 agents, and thousands of distribution partners, serving more than 26 million customers. As of September 30, 2018, we had over \$1.1 trillion (US\$863 billion) in assets under management and administration, and in the previous 12 months we made \$27.6 billion in payments to our customers. Our principal operations are in Asia, Canada and the United States where we have served customers for more than 100 years. With our global headquarters in Toronto, Canada, we trade as 'MFC' on the Toronto, New York, and the Philippine stock exchanges and under '945' in Hong Kong.

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