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# Second Quarter 2022

## Financial & Operating Results

August 11, 2022

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# Caution regarding *forward-looking* statements

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

The forward-looking statements in this presentation include, but are not limited to, statements with respect to expected annual savings related to actions taken in 2021, the estimated impact of our annual review of actuarial methods and assumptions, the Company’s strategic priorities and 2022 targets and 2025 supplemental goals for net promoter score, straight-through-processing, employee engagement, its highest potential businesses, expense efficiency and portfolio optimization, possible share buybacks under our normal course issuer bid (“NCIB”), our medium-term targets for core EPS growth, core ROE, leverage ratio and common share core dividend payout ratio, the impact of IFRS 17 transition and our new CSM targets, and the impact of changes in tax laws 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: general business and economic conditions (including but not limited to the performance, volatility and correlation of equity markets, interest rates, credit and swap spreads, inflation rates, currency rates, investment losses and defaults, market liquidity and creditworthiness of guarantors, reinsurers and counterparties); the ongoing prevalence of COVID-19, including any variants, as well as actions that have been, or may be taken by governmental authorities in response to COVID-19, including the impact of any variants; changes in laws and regulations; changes in accounting standards applicable in any of the territories in which we operate; changes in regulatory capital requirements applicable in any of the territories in which we operate; 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; geopolitical uncertainty, including international conflicts, acquisitions or divestitures, and our ability to complete transactions; environmental concerns, including climate change; 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 in our 2Q22 Management’s Discussion and Analysis under “Risk Management and Risk Factors Update” and “Critical Actuarial and Accounting Policies” , under “Risk Management and Risk Factors” and “Critical Actuarial and Accounting Policies” in our 2021 Management’s Discussion and Analysis and in the “Risk Management” note to the Consolidated Financial Statements for the year ended December 31, 2021 as well as 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 & Chief Executive Officer

**Marc Costantini**
Global Head of Inforce Management

**Damien Green**
President & CEO, Manulife Asia

**Steve Finch**
Chief Actuary

**Marianne Harrison**
President & CEO, John Hancock

**Scott Hartz**
Chief Investment Officer

**Rahim Hirji**
Chief Risk Officer

**Naveed Irshad**
President & CEO, Manulife Canada

**Paul Lorentz**
President & CEO, Manulife Investment Management

**Phil Witherington**
Chief Financial Officer

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# Agenda

## Overview and strategic update

Roy Gori, President & Chief Executive Officer

## Delivering on Asia opportunities

Damien Green, President & CEO, Manulife Asia

## Financial and operating results

Phil Witherington, Chief Financial Officer

## Question & Answer session

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# Overview and strategic *update*

**Roy Gori**
*President & Chief Executive Officer*

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# 2Q22 *financial highlights*

### Net income attributed to shareholders

***$1.1B***

**-$1.6B**

### Core earnings

***$1.6B***

**-9%**

### New Business Value (NBV)

***$511M***

**-9%**

### Global Wealth and Asset Management net flows

***$1.7B***

**-$6.9B**

### MLI's LICAT ratio[1]

***137%***

**In-line**

### Expense efficiency ratio[2]

***49.2%***

**+2.4 pps**

Note: Comparison to 2Q21. Core earnings is a non-GAAP financial measure. Percentage growth/declines in core earnings stated on a constant exchange rate basis and expense efficiency ratio are non-GAAP ratios. Percentage growth/declines in net income and NBV are stated on a constant exchange rate basis. For more information on NBV and net flows, non-GAAP and other financial measures, see "Non-GAAP and Other Financial Measures" below and that section in the 2Q22 MD&A, which is incorporated by reference. [1] Life Insurance Capital Adequacy Test (LICAT) Total Ratio of The Manufacturers Life Insurance Company (MLI) as at June 30, 2022. [2] See Slide 8 for discussion of general expenses and core expenses.

# 2Q22 *strategic update*

## Accelerate Growth

on track

**2022 Target**

**2/3 of core earnings from highest potential businesses**

*61%*

- Highest potential businesses contributed 61% of core earnings in 2Q22 YTD and in-line with 2Q21 YTD[1]
- In Asia, continued to invest and grow our high quality, professional agency force with the number of Million Dollar Round Table (MDRT) members growing 23% from pre-pandemic levels[2]. In Hong Kong, improved one spot to rank 2nd by number of MDRT members, ranked 1st by number of Court of the Table members, and have the highest proportion of MDRTs in our agency force among the large-scale peers
- In Global WAM, we published 2022 Manulife Investment Management Stewardship report, detailing our commitment to sustainability as a global investment manager and outlining actions we are taking to address material sustainability risks and opportunities, build more resilient portfolios, and pursue long-term value creation

## Digital, Customer Leader

2025

**2022 Target**

**NPS[4] of +31**

**2025 Supplemental goal**

**NPS[4] of +37**

*+22*

- In Asia, the proportion of new policies being digitally submitted reached 85.5%, an increase of 10 percentage points compared with 2Q21
- Launched a new mobile app feature in Canada Retirement that enables members to make additional contributions to their Registered Retirement Savings Plans, providing them with greater control over their financial future

Note: See "Caution regarding forward-looking statements" above. Please refer to "Business Highlights" in our 2Q22 MD&A.
[1] See "Core earnings related to strategic priorities" in our 2Q22 MD&A. [2] 2022 MDRT members compared to 2020 (MDRT membership awarded based on prior year production)

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# 2Q22 *strategic update*

## Expense Efficiency

2021

**2022+ Target**

**<50% expense efficiency ratio**

*49.2%*

- Expense efficiency ratio of 49.2% in 2Q22[1], despite topline pressures as we continued to proactively manage costs amid the challenging environment with a modest increase of 2% in 2Q22 in core expenses[2,3]
- **General expenses** were $1.8 billion in 2Q22, a reduction of 4% compared with 2Q21[3]

## Portfolio Optimization

on track

**2025 Supplemental Goal**

**Core earnings contribution from LTC & VA <15%**

- Delivered a total of $8.7 billion of cumulative capital benefits since 2018
- Repurchased approximately 2% of shares outstanding so far this year[4]

## High Performing Team

2020

**2022+ Target**

**Top quartile employee engagement**

- Launched our Global Impact Agenda, demonstrating our commitment to building a better business to better the world
- Named to Canada's Best 50 Corporate Citizens ranking by Corporate Knights

Note: See "Caution regarding forward-looking statements" above. Please refer to "Business Highlights" in our 2Q22 MD&A.
[1] Compared with 46.8% in 2Q21. [2] Core general expenses are general expenses included in core earnings ("core expenses"). [3] On a Constant Exchange Rate (CER) basis [4]As of August 8, 2022, the Company has purchased for cancellation approximately 38 million common shares for $933 million.

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# We are *delivering* strong performance in all our operating segments…

## Asia

- **Top 5 positions** in six of our insurance markets and market ranking and shares have grown from pre-pandemic levels in four markets[1]
- 13% **growth in in-force** earnings
- Proportion of new policies being **digitally submitted** reached 86%, an increase of 10 percentage points[2]

## Global WAM

- **Net inflows** of $8.6 billion[3], with positive contributions across all geographies and business lines
- Core EBITDA margin > 30% for **eight consecutive quarters**
- Remain **#1 in Hong Kong Mandatory Provident Fund**, both on AUM and net flows[4]

## Canada

- Delivered **double-digit growth** in core earnings
- 15% **growth in APE Sales**
- 21% growth in NBV reflecting **higher volumes and higher margins**
- **#1 in group benefits sales**[5]

## U.S.

- **NBV growth** of 32% due to improved margins from product actions and higher volumes
- **Record international sales**, up 43%
- APE sales with the John Hancock **Vitality PLUS** feature increased 38%

Note: YTD 2Q22 vs YTD 2Q21 unless otherwise stated. Core earnings and AUM are non-GAAP financial measures. Core EBITDA margin is a non-GAAP ratio. Percentage growth/declines in APE Sales and NBV are stated on a constant exchange rate basis. For more information on APE Sales, NBV and net flows, non-GAAP and other financial measures, see "Non-GAAP and Other Financial Measures" below and that section in the 2Q22 MD&A, which is incorporated by reference. [1] Based on 1Q22, except for Vietnam (2Q22), Philippines (FY21); China (foreign insurers agency ranking only) [2] 2Q22 vs. 2Q21 [3] YTD 2Q22 [4] 2Q22 [5] Based on YTD 2Q22 figures from the preliminary 2Q22 LIMRA report released on August 1, 2022

# …and are well positioned to *succeed* in an uncertain environment

| Headwinds / uncertainties | Favourable *long-term* positioning |
|---|---|
| **Pandemic impacts** | • Geographic and business diversification supports resilient performance<br>• Our strong digital capabilities and investments have mitigated impact of containment measures<br>• Highlighted the importance of insurance protection which has and will continue to increase demand<br>• Megatrends underpinning our businesses have not changed and remain attractive |
| **Slowing GDP growth** | • Insurance demand is less dependent on GDP growth relative to other industries<br>• Our businesses and strategy are resilient under different scenarios; our in-force block represents ~75% of insurance core earnings, providing earnings stability |
| **Inflation** | • Diversified inforce portfolio with inflation mitigants including fixed benefits, participating features and premium adjustment mechanisms<br>• Our diversified ALDA portfolio includes real assets, providing protection in an inflationary environment<br>• Significant progress on efficiency, along with investments in digital, have increased operating resilience |
| **Interest rate volatility** | • Higher rates are a positive for Manulife over the long-term<br>• Hedging programs have performed effectively over the long-term |
| **Equity market volatility** | • Consistent effectiveness of hedging programs<br>• U.S. V.A. reinsurance transaction that closed in 1Q22 further reduced sensitivities<br>• Global WAM businesses represent 20% of our core earnings YTD 2Q22 |
| **IFRS 17 transition** | • Expect improved stability in net income, core earnings, equity and LICAT ratio<br>• Clarity on transition impacts with meaningful growth targets for CSM balance and new business CSM |



Note: See “Caution regarding forward-looking statements” above

# Key messages

- Delivered solid results despite challenges posed by the macro environment, including the impact of market headwinds in Global WAM and the continued adverse impacts of COVID-19 restrictions in Asia
- We are delivering strong performance in each of our operating segments, and we are well positioned to succeed in an uncertain environment
- Expense management, including initiatives to improve productivity, remains an important strategic priority and contributed to an expense efficiency ratio of less than 50% despite topline pressures
- Committed to delivering value to shareholders, and repurchased approximately 2% of shares outstanding so far this year
- Remain confident in our ability to execute on our long-term strategy, capitalizing on the attractive opportunities and megatrends in the markets in which we operate

# Delivering on Asia *opportunities*

**Damien Green**
*President & CEO, Manulife Asia*

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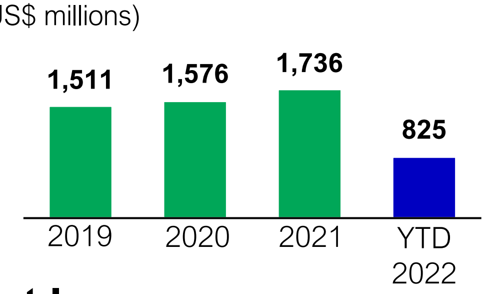
# Delivered core earnings *above* pre-pandemic levels, navigating impacts from COVID-19 with *resilience* and *flexibility*

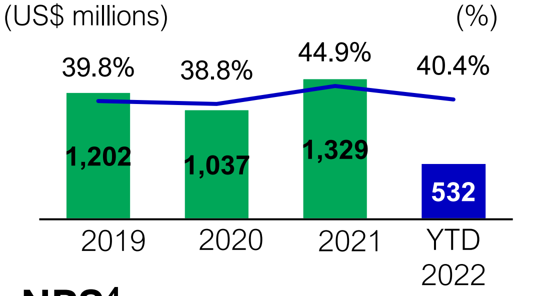
Asia secular **trends are compelling,** and we are **well-positioned to capture the opportunity:**

- **Grow and digitize agency:** *23% growth in MDRT members against pre-pandemic levels[1]*
- **Grow and maximize potential with bancassurance partners:** *Access to ~30M customer base through our 10 exclusive bancassurance partnerships*
- **Leverage Manulife Investment Management:** *24% growth in Asia retirement net flows in 1H22*
- **Accelerate China and South-East Asia:** *#1 in Vietnam and Cambodia, #2 in Singapore, #2 in China, and #4 in Philippines[2], with emerging opportunity in the Greater Bay Area[3]*

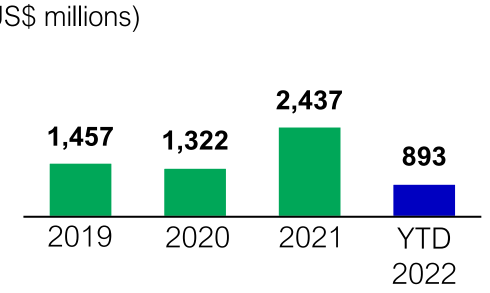
## Core Earnings



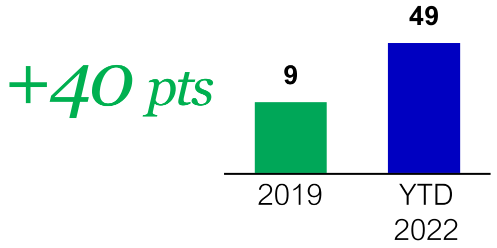

## NBV and NBV Margin




## Net Income




## rNPS[4]




## Asia Market Rankings[2]

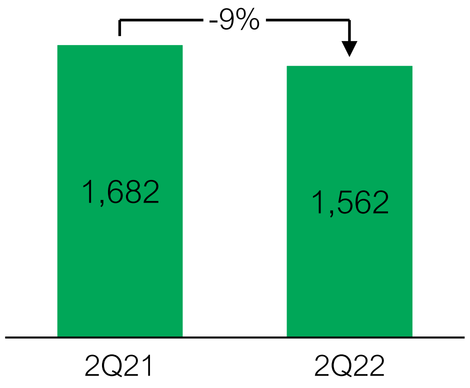

Note: [1]Million Dollar Round Table, 2022 MDRT members compared to 2020 (MDRT membership awarded based on prior year production). [2]Based on 1Q22 new business sales , except for Vietnam (2Q22), Philippines (FY21), China pertains to agency business (foreign insurers only), Japan (foreign insurers only). For Manulife, new business sales is the same as APE sales. Source: Local regulators, competitors' website, insurance association and informal (industry exchange) market share. Green triangle indicates increase in rank from FY19, grey rectangle indicates rank is the same as FY19 or rankings were not available. [3]Greater Bay Area refers to the cluster of 11 cities in the Pearl River Delta of South China, including Hong Kong, Macau and nine cities in Guangdong province. [4]Relationship Net Promoter Score ("rNPS"). In 2021, we adjusted the weightings in our relationship NPS methodology to more closely align with our focus on our highest potential businesses

# Financial and operating *results*

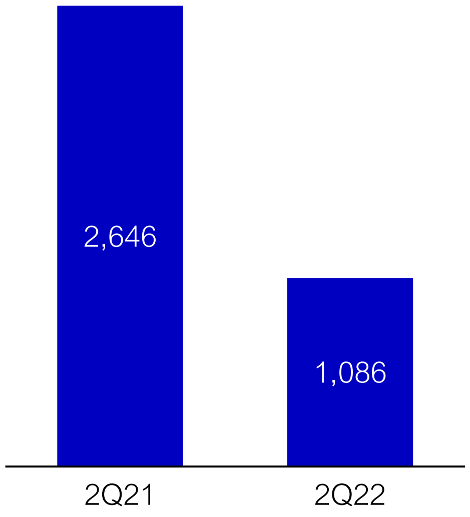
**Phil Witherington**
*Chief Financial Officer*

# *Delivered* core earnings of $1.6 billion, despite challenging macro environment

## Core earnings
(C$ millions)




## Net income attributed to shareholders
(C$ millions)




## Earnings reconciliation for the second quarter of 2022
(C$ millions, except per share amounts)

| | Post-Tax | Per Share |
|---|---|---|
| Core earnings before core investment gains | $1,462 | $0.73 |
| Core investment gains | 100 | 0.05 |
| **Core earnings** | **$1,562** | **$0.78** |
| Investment-related experience | 591 | 0.30 |
| Direct impact of equity markets | (623) | (0.32) |
| Direct impact of interest rates | (444) | (0.23) |
| **Net income attributed to shareholders** | **$1,086** | **$0.53** |

Note: Percentage growth/declines in core earnings stated on a constant exchange rate basis is a non-GAAP ratio. Core earnings is a non-GAAP financial measure. For more information on non-GAAP and other financial measures, see "Non-GAAP and Other Financial Measures" below.

# Core earnings *impacted* by unfavourable impact of markets, lower new business gains, and the VA reinsurance transaction

## Source of earnings[1]

(C$ millions)

| | Core earnings | | | Net income | | |
|---|---|---|---|---|---|---|
| | 2Q21 | 2Q22 | Change | 2Q21 | 2Q22 | Change |
| Expected profit from in-force business | 1,055 | 1,075 | 1% | 1,055 | 1,075 | 1% |
| Impact of new business | 328 | 253 | -25% | 328 | 253 | -25% |
| Core investment gains | 124 | 133 | 7% | 124 | 133 | 7% |
| Experience gains (losses) (excluding core investment gains) | (34) | 37 | – | 932 | (27) | – |
| Management actions and changes in assumptions | – | (2) | – | (44) | (97) | -122% |
| Earnings on surplus funds | 112 | 46 | -60% | 388 | (422) | – |
| Other | 73 | 16 | -78% | 90 | 16 | -82% |
| Insurance | 1,658 | 1,558 | -8% | 2,873 | 931 | -68% |
| Global Wealth and Asset Management | 420 | 362 | -16% | 419 | 363 | -16% |
| Manulife Bank | 60 | 58 | -3% | 60 | 58 | -3% |
| Unallocated overhead | (102) | (78) | 22% | (101) | (78) | 22% |
| Income before income taxes | 2,036 | 1,900 | -8% | 3,251 | 1,274 | -61% |
| Income tax (expense) recovery | (354) | (338) | 6% | (605) | (188) | 69% |
| **Earnings available to shareholders** | 1,682 | 1,562 | -9% | 2,646 | 1,086 | -59% |

**Expected profit from in-force business** increased driven by Canada and Asia, partially offset by the impact of the Variable Annuity reinsurance transaction in the U.S.

**Lower new business gains** across our insurance segments

**Experience gains** were primarily driven by net favourable policyholder experience in Canada, improved mortality experience in U.S life insurance, partially offset by unfavourable lapse experience in U.S. life insurance and unfavourable policyholder experience in mainland China and Vietnam. LTC experience was neutral

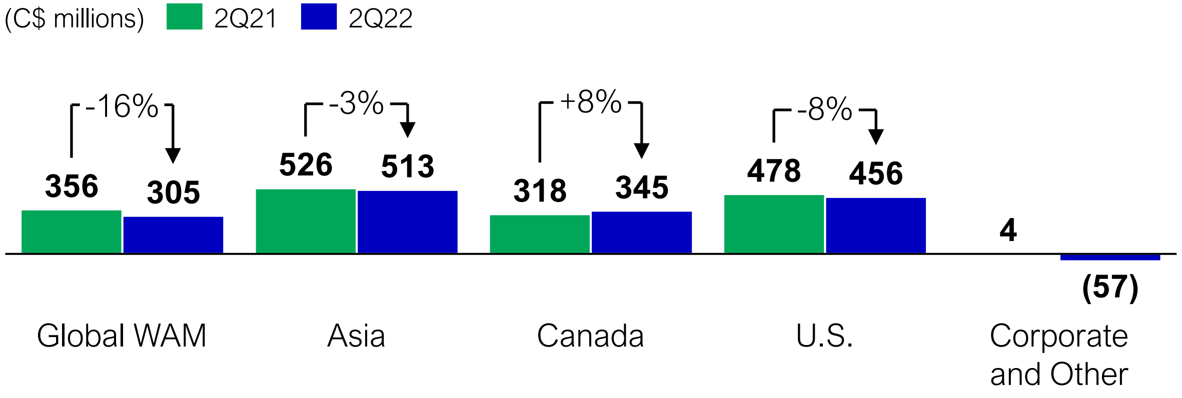
**Earnings on surplus** decreased primarily driven by the unfavourable impact of markets on seed money investments

[1] The Source of Earnings (SOE) analysis is prepared following the Office of the Superintendent of Financial Institutions Canada's ("OSFI's") Source of Earnings Disclosure (Life Insurance Companies) guideline. The SOE is used to identify the primary sources of gains or losses in each reporting period. The expected profit from in-force business denominated in foreign currencies is translated at the current quarter's statement of income rate.

# *Strong* core earnings growth in Canada, and *resilient* core earnings in Asia and U.S.

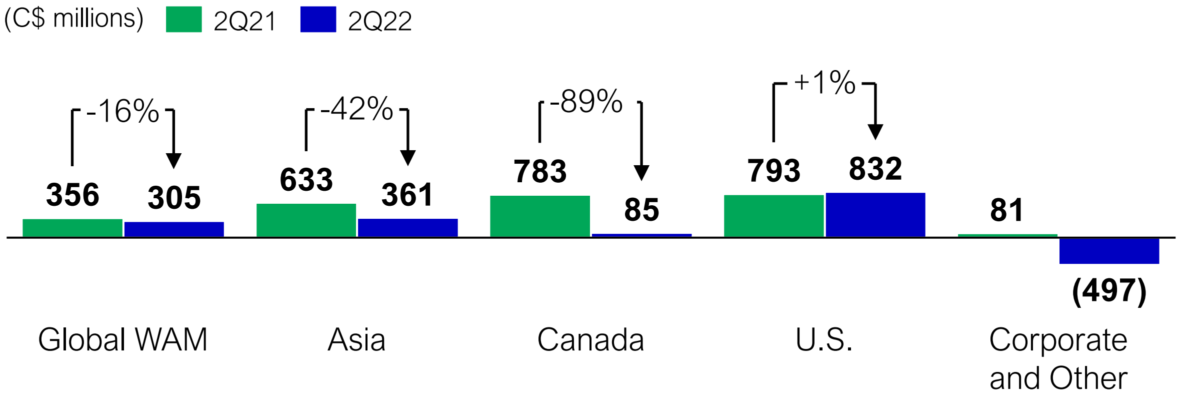
**Core earnings**

(C$ millions)



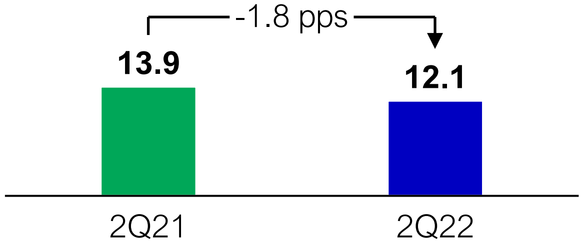

**Net income attributable to shareholders**

(C$ millions)



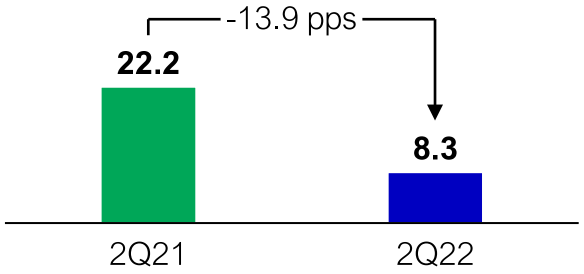

**Core ROE[1]**

(%)




**ROE[1]**

(%)




Note: Core return on common shareholders' equity ("core ROE") is a non-GAAP ratio.
[1] Annualized.

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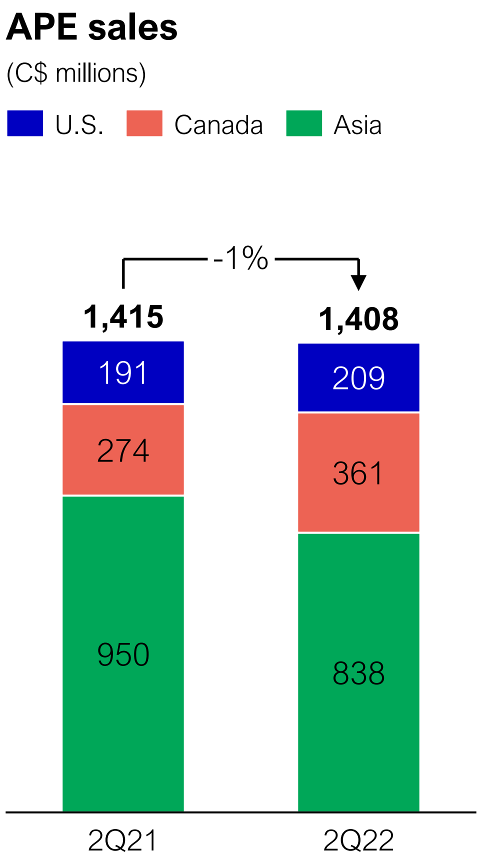
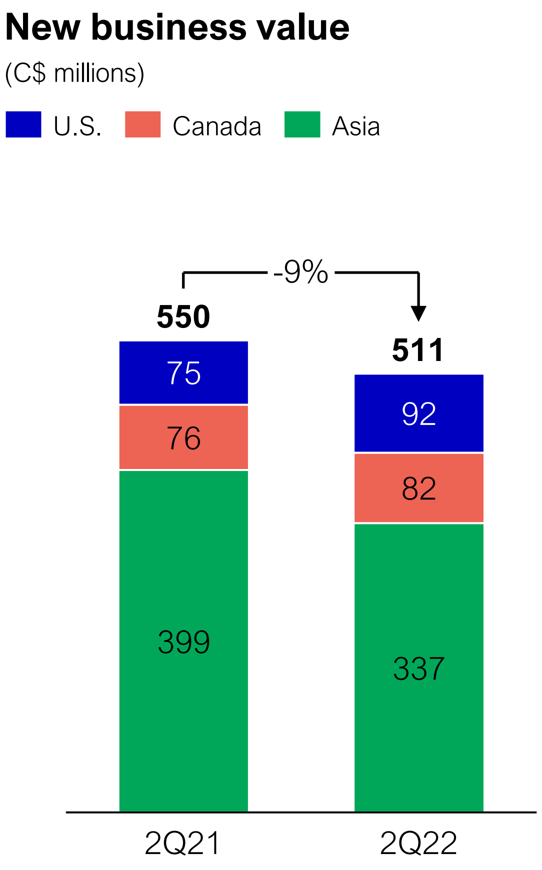
# APE Sales and NBV *declined* in Asia, offset by *growth* in North America



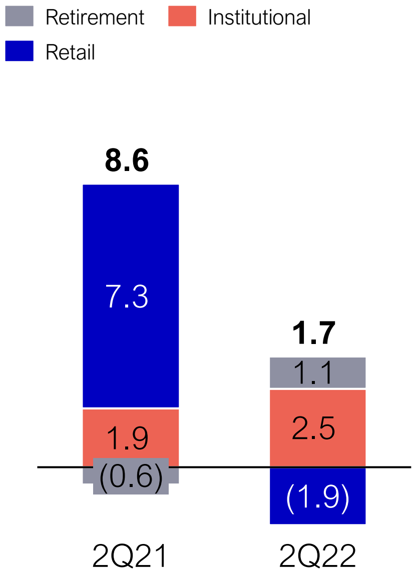

- Lower APE sales primarily driven by the continued adverse impacts from COVID-19 in Hong Kong, lower COLI product sales in Japan, and lower sales in Asia Other, offset by higher large-case group insurance and individual insurance par sales in Canada and strong international sales in the U.S.
- Lower NBV primarily driven by the decline in APE sales in Asia, unfavourable product mix in Asia Other, partially offset by higher volumes in large-case group insurance in Canada, as well as improved margins, higher international sales volumes, and higher interest rates in the U.S.

Note: APE sales and new business value exclude Global Wealth and Asset Management, Manulife Bank and P&C Reinsurance businesses. Percentage growth/declines in APE sales is on a constant exchange rate basis. For more information on APE sales, see "Non-GAAP and Other Financial Measures" below.

# Delivered *positive* Global WAM net flows and delivered core EBITDA margin of 30.7%

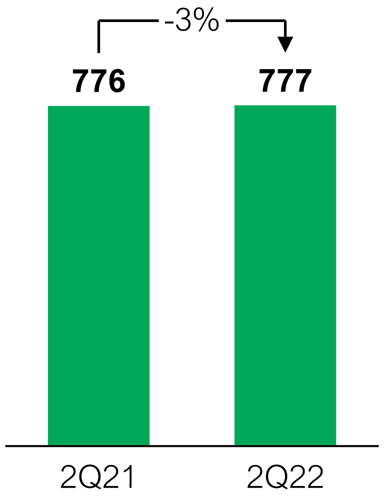
## Net flows by business line

(C$ billions)



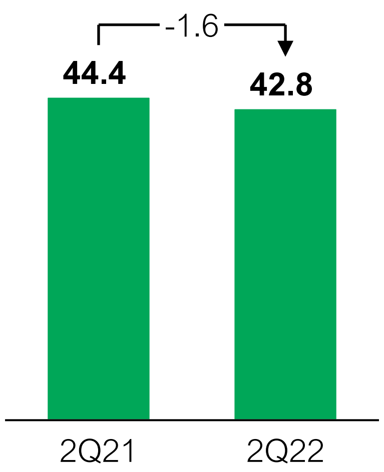

## Average AUMA

(C$ billions)



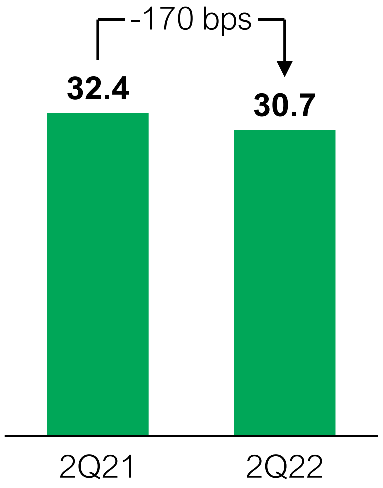

## Net fee income yield

(bps)




## Core EBITDA margin

(%)




- Lower retail net flows reflecting decreased investor demand amid equity market declines and higher interest rates, partially offset by growth in Retirement and Institutional Asset Management
- Lower average AUMA driven by the unfavourable impact of markets in 1H2022
- Lower net fee income yield reflecting lower fees spread
- Lower core EBITDA margin driven by a decline in net fee income and a modest increase in general expenses

Note: Order of the vertical bars on the chart correspond to the order in the legend. Percentage change in average AUMA is stated on a constant exchange rate basis. For more information see "Non-GAAP and Other Financial Measures" below. Net fee income yield and core EBITDA margin are non-GAAP ratios. For more information see "Non-GAAP and Other Financial Measures" below and that section in the 2Q22 MD&A.

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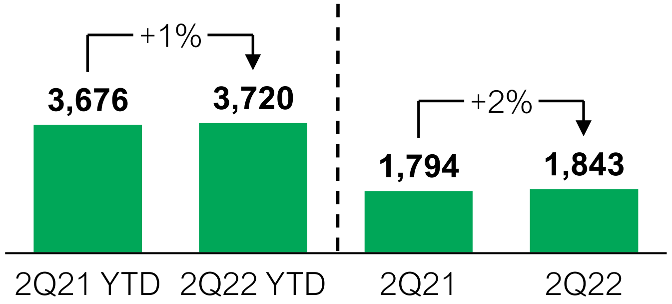
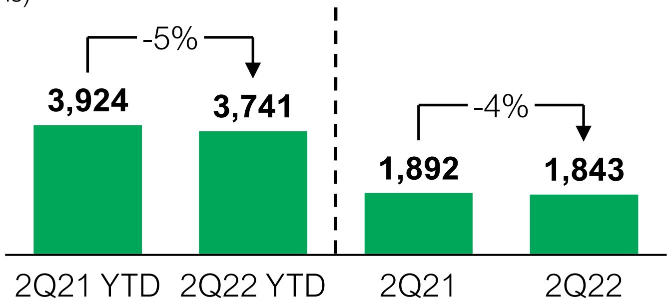
# *Maintained* an expense efficiency ratio of *less than 50%* through disciplined management, despite topline pressures

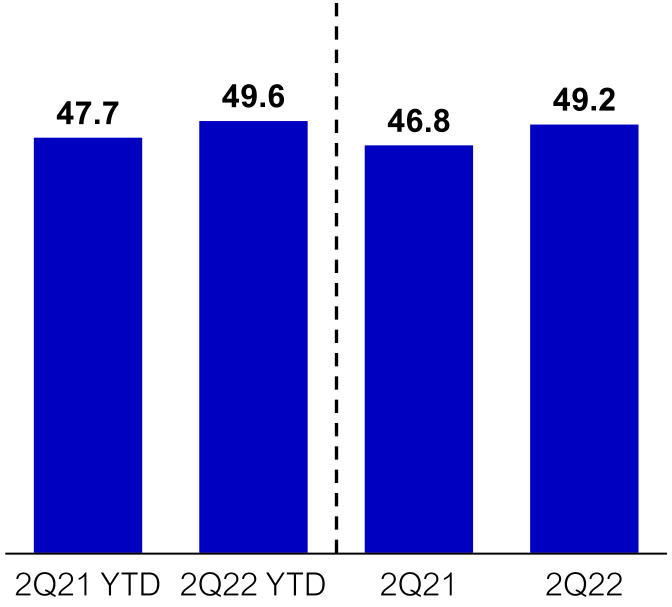
### Core general expenses
(C$ millions)




### General expenses
(C$ millions)




### Expense efficiency ratio
(%)



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# Manulife continued to maintain *financial flexibility* during 2Q22

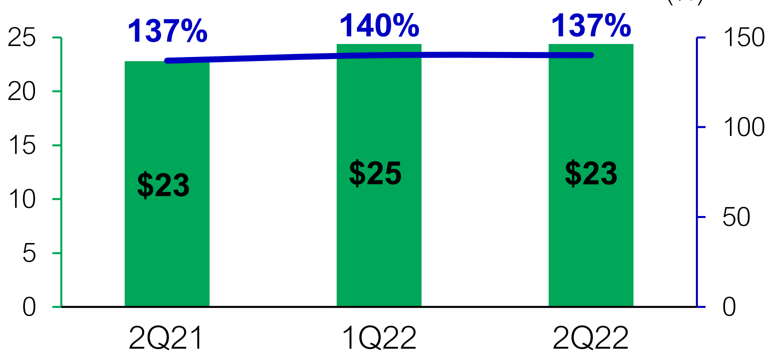
## Capital metrics

### Capital over supervisory target

(C$ billions)

### LICAT Ratio[1]

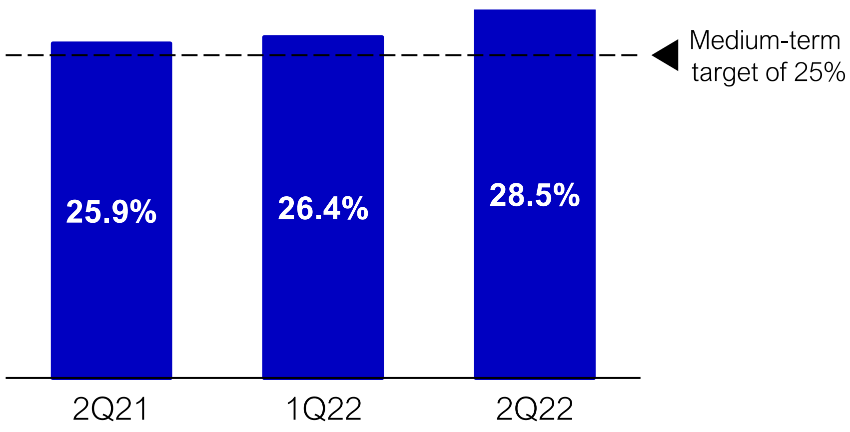
(%)




- The impact of IFRS 17 is expected to be approximately neutral to the LICAT capital ratio based on markets as of June 30, 2022 and calibration adjustments that OSFI made to the LICAT guideline[2] for 2023

## Financial leverage ratio

(%)




## Share buyback

- 18.0 million shares purchased for cancellation in 2Q22

Note: See “Caution regarding forward-looking statements” above.
[1] Life Insurance Capital Adequacy Test (LICAT) total ratio of The Manufacturers Life Insurance Company (MLI). LICAT ratio is disclosed under OSFI’s Life Insurance Capital Adequacy Test Public Disclosure Requirements guideline. [2]As indicated in OSFI’s final Life Insurance Capital Adequacy Test (LICAT) 2023 guideline issued on July 21, 2022.

# 2Q22 *financial summary*

| | (C$ millions, unless noted) | 2Q21 | 2Q22 | Change |
|---|---|---|---|---|
| Profitability | Net income attributed to shareholders | $2,646 | $1,086 | ▼ 59% |
| | Core earnings | $1,682 | $1,562 | ▼ 9% |
| | Core return on equity (annualized) | 13.9% | 12.1% | ▼ 1.8 pps |
| | Expense efficiency ratio | 46.8% | 49.2% | ▲ 2.4 pps |
| Growth | APE sales (C$ billions) | $1.4 | $1.4 | ▼ 1% |
| | New business value | $550 | $511 | ▼ 9% |
| | Global WAM net flows (C$ billions) | $8.6 | $1.7 | ▼ $6.9 |
| | Global WAM core EBITDA margin | 32.4% | 30.7% | ▼ 170 bps |
| | Global WAM average AUMA (C$ billions) | $776 | $777 | ▼ 3% |
| Balance sheet | MLI's LICAT total ratio | 137% | 137% | In line |
| | Financial leverage ratio | 25.9% | 28.5% | ▲ 2.6 pps |
| | Dividend per common share | 28.0¢ | 33.0¢ | ▲ 18% |

# Financial *targets* summary

| | 2019 | 2020 | 2021 | 2Q22 | Medium-Term Targets |
|---|---|---|---|---|---|
| **Core EPS growth[1]** | +8% | -7% | +18% | **-6%** | **10% – 12%** |
| **Core ROE** | 13.1% | 10.9% | 13.0% | **12.1%** | **13%+** |
| **Leverage ratio** | 25.1% | 26.6% | 25.8% | **28.5%** | **25%** |
| **Dividend payout ratio[2]** | 34% | 41% | 36% | **42%** | **30% - 40%** |

| | | | | |
|---|---|---|---|---|
| EPS growth[1] | +18% | +6% | +21% | **-60%** |
| ROE | 12.2% | 11.6% | 14.2% | **8.3%** |
| Common share dividend payout | 36% | 38% | 33% | **62%** |

Note: See "Caution regarding forward-looking statements" above. [1] Based on an actual exchange rate basis. On a Constant Exchange Rate (CER) basis, core EPS decreased 8% and reported EPS decreased 60% in 2Q22. Core EPS growth is a non-GAAP ratio. For more information see "Non-GAAP and Other Financial Measures" below and that section in our 2Q22 MD&A.
[2] Common share core dividend payout ratio ("Dividend payout ratio") is a non-GAAP ratio. For more information see "Non-GAAP and Other Financial Measures" below and that section in our 2Q22 MD&A.

# Question & Answer *session*

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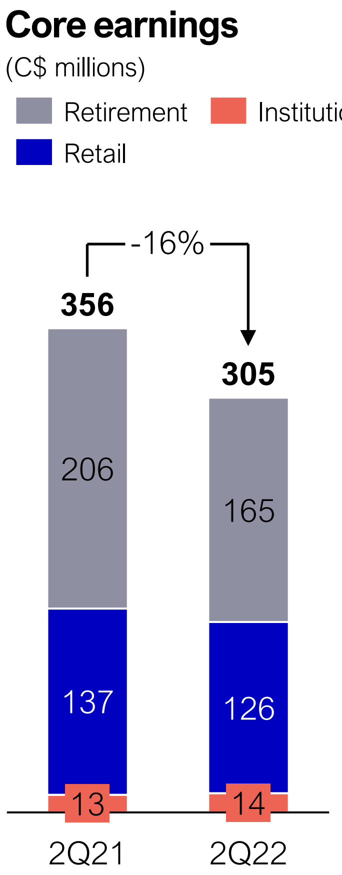
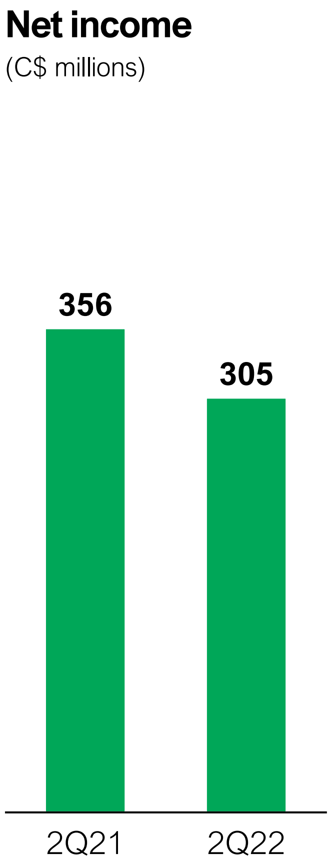
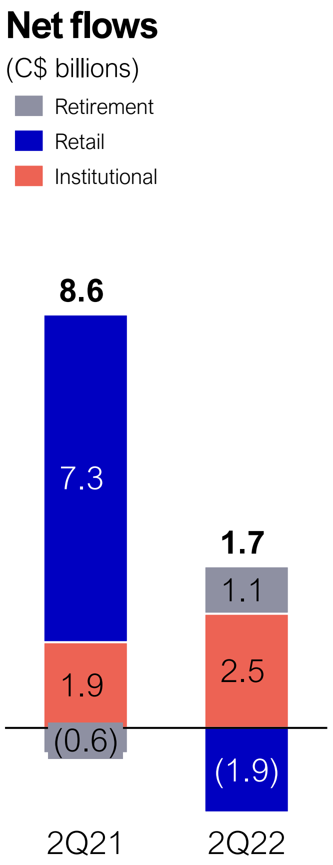
# Appendix

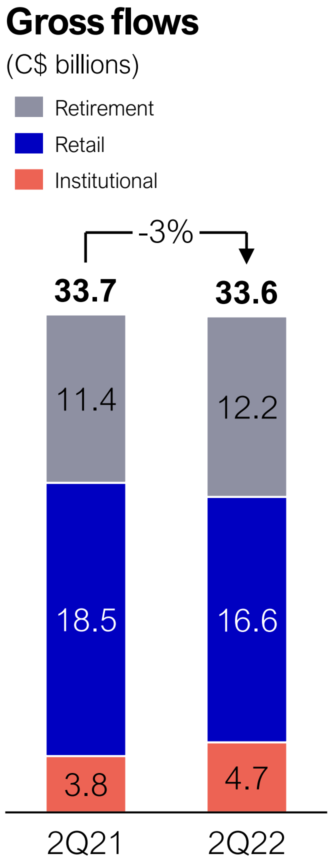
- Operating segment performance
- Invested asset mix
- Credit experience
- Sensitivities
- Non-GAAP and other financial measures

# Global WAM: Core earnings impacted by market headwinds; net flows remains *positive*




- Lower core earnings driven by a decrease in net fee income from lower fee spread, and lower average AUMA on a constant exchange rate basis due to equity market declines and higher interest rates in 2022, as well as modestly higher general expenses
- Lower retail net flows reflected higher mutual fund redemption rates and lower gross flows due to decreased investor demand amid equity market declines and higher interest rates, partially offset by growth in Retirement and Institutional
- Lower gross flows driven by similar factors as mentioned above

Note: Order of the vertical bars on the chart correspond to the order in the legend. Percentage change in core earnings stated on a constant exchange rate basis is a non-GAAP ratio. Percentage changes in gross flows are stated on a constant exchange rate basis.

# Global WAM: *Solid* long-term investment performance

| Public Asset class | % of total | 1-Year | 3-Year | 5-Year |
|---|---|---|---|---|
| | | % of assets above peer/index | | 0-49% / 50-69% / 70-89% / 90-100% |
| Equity | 37% | 45% | 69% | 58% |
| Fixed income[1] | 28% | 41% | 86% | 84% |
| Asset allocation | 25% | 37% | 53% | 51% |
| Balanced | 9% | 78% | 93% | 97% |
| Alternatives | 1% | 63% | 56% | 23% |
| Total[2] | 100% | 45% | 71% | 66% |

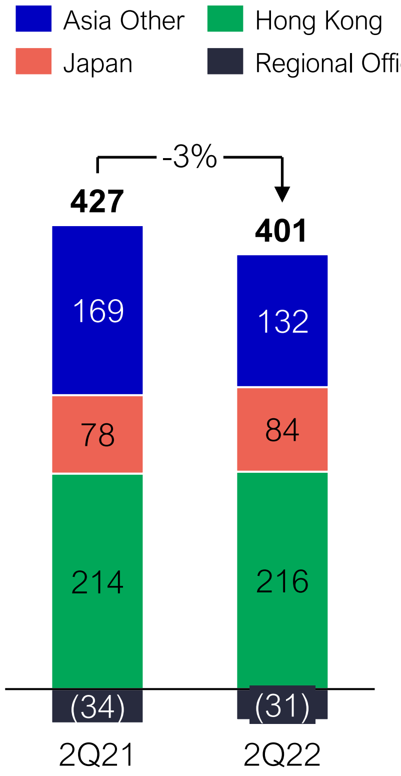
- Our strategies are performing in line with expectations given the current market conditions and our long-term performance track records remain solid[3]

Note: Past performance is not indicative of future results. Investment performance data is as of June 30, 2022 and is based on preliminary data available at that time. The performance data reflects representative information for all of Global WAM's Retail, Institutional, Insurance and Retirement platforms, globally. Performance shown is derived from applicable benchmarks or peer median information, as selected by Global WAM. This calculation does not include non-benchmarked assets. Peer medians are based in part on data from Morningstar, Inc. [1] Fixed Income includes Money Market products and strategies. [2] Asset Allocation AUM includes component funds managed by Global WAM. [3] Investment performance represents assets under management of $549.8 billion. The $549.8 billion represents Global WAM managed AUM and does not include assets under administration. Global WAM AUM excludes liability-driven investment assets, Private Markets' funds and accounts, passive strategies, as well as certain assets managed on behalf of the Company's other Segments and select Retirement assets. The performance data does not include accounts terminated prior to June 30, 2022 and accounts for which data is not yet available. If such accounts had been included, the performance data provided may have differed from that shown. Performance comparisons shown are gross of fees for Institutional accounts and net of fees for funds. Fund performance reflects the reinvestment of dividends and distributions.

# Asia: *Resilient* core earnings, amid a challenging operating environment impacting APE sales and NBV

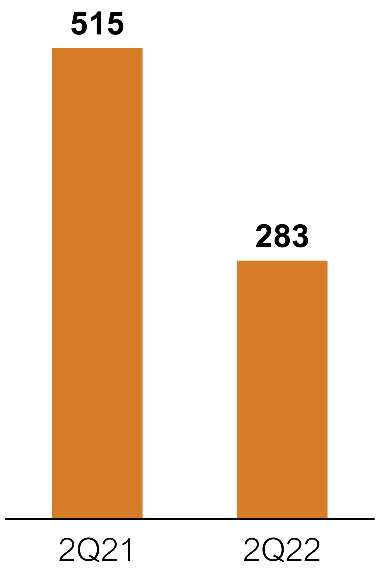
**Core earnings**

(US$ millions)



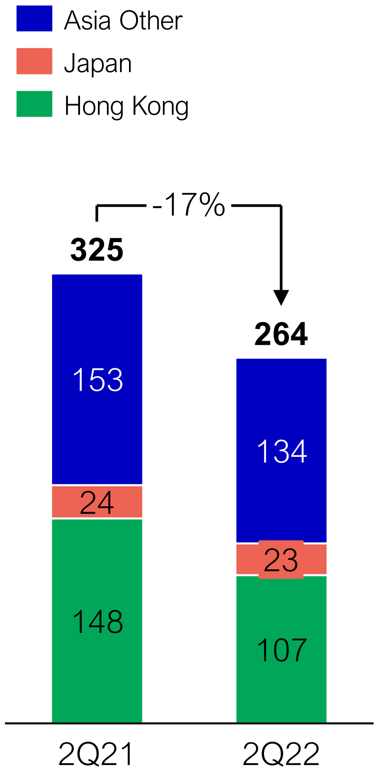

**Net income**

(US$ millions)



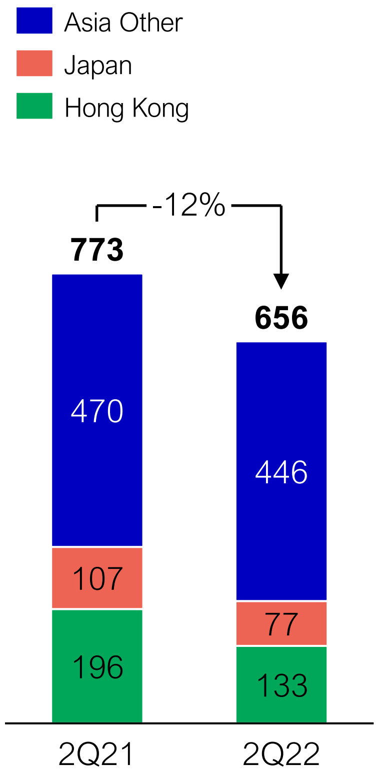

**New business value**

(US$ millions)




**APE sales**

(US$ millions)

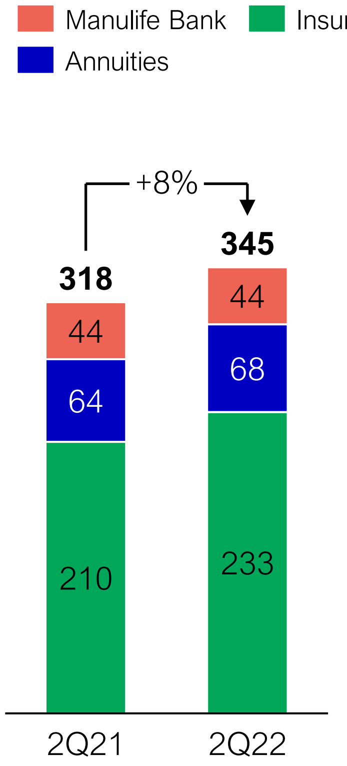



- Lower core earnings primarily driven by lower new business volumes reflecting continued COVID-19 containment measures in Hong Kong and several markets in Asia Other, unfavourable policyholder experience in mainland China and Vietnam, and unfavourable product mix in mainland China
- Lower APE sales reflects continued adverse impacts from COVID-19 in Hong Kong, lower COLI product sales in Japan and lower sales in Asia Other
- Lower NBV primarily driven by the decline in APE sales, unfavourable product mix in Asia Other

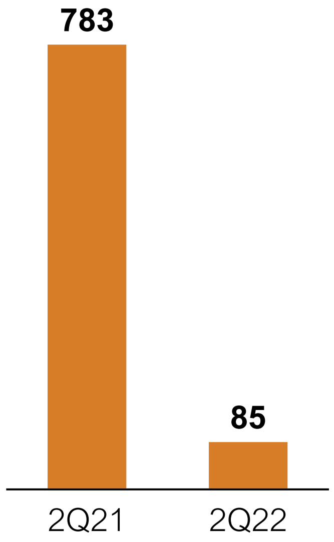
Note: Order of the vertical bars on the chart correspond to the order in the legend. Percentage change in core earnings stated on a constant exchange rate basis is a non-GAAP ratio. Percentage change in NBV and APE sales are stated on a constant exchange rate basis.

# Canada: *Strong* growth in core earnings, APE sales and new business value

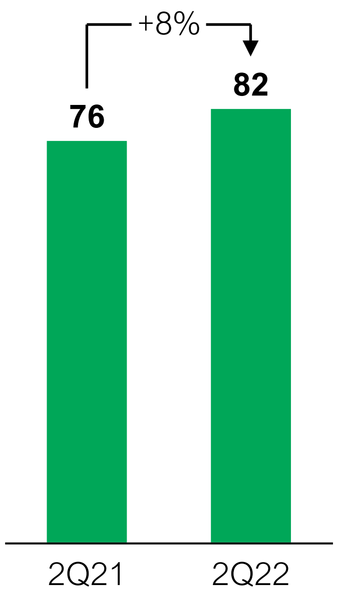
## Core earnings
(C$ millions)



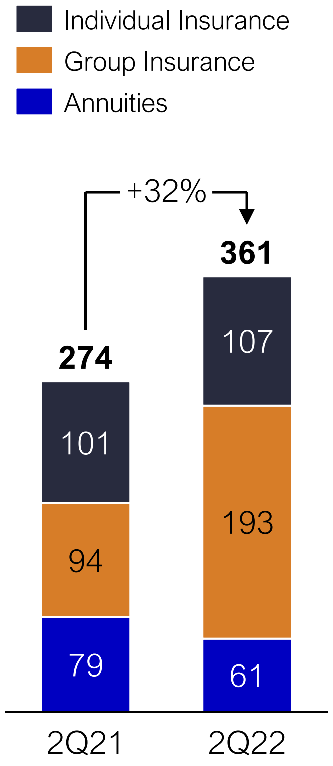

## Net income
(C$ millions)




## New business value
(C$ millions)



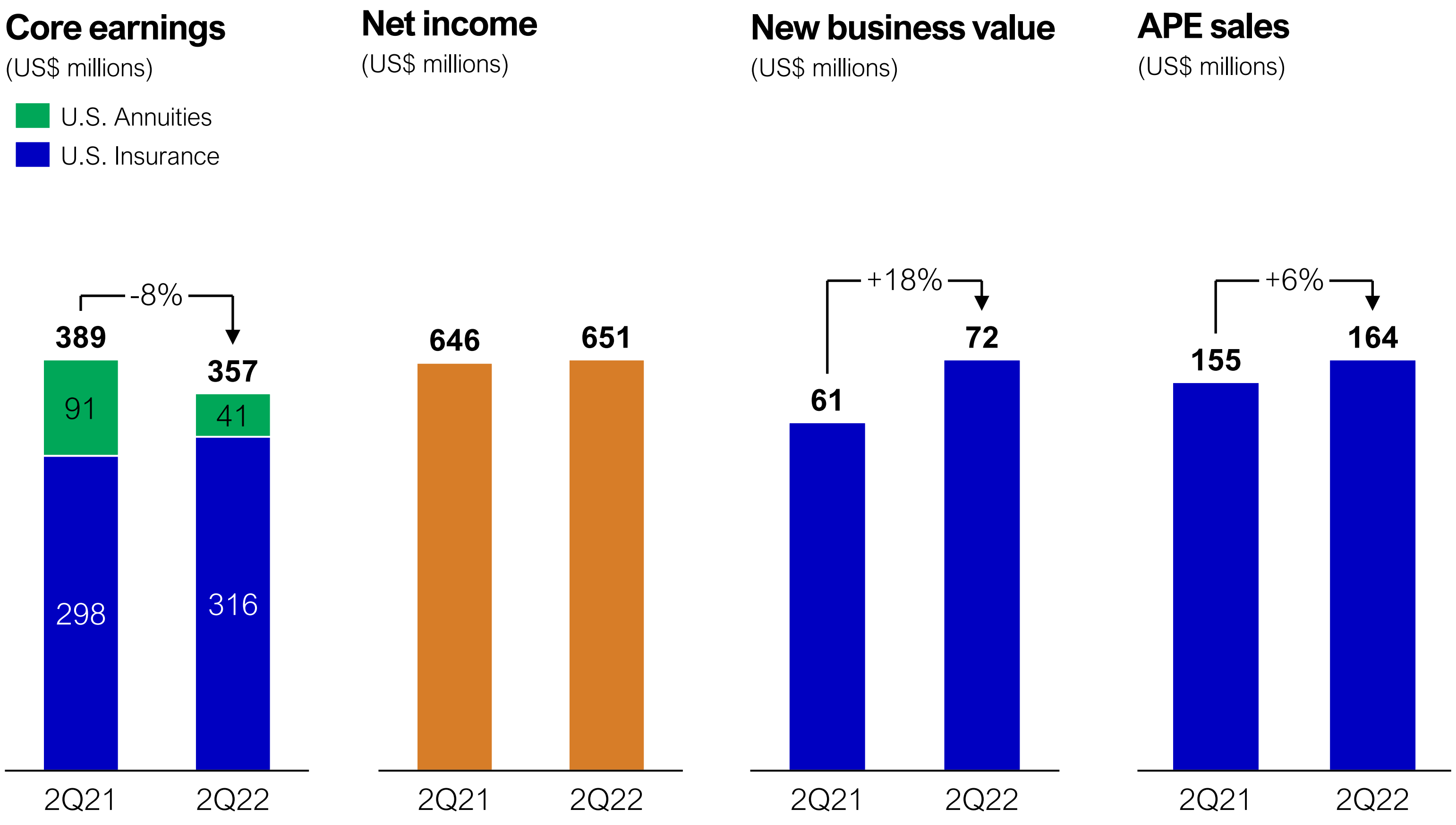

## APE sales
(C$ millions)




- Higher core earnings primarily reflected favourable experience gains in Individual Insurance and Annuities and higher in-force earnings in insurance businesses, partially offset by less favourable experience gains in Group Insurance and lower new business gains due to business mix
- Higher NBV primarily driven by higher volumes in large-case group insurance, partially offset by less favourable business mix in insurance
- Higher APE sales primarily driven by higher large-case group insurance and individual insurance par sales, partially offset by lower segregated fund product sales

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

# U.S.: *Solid* core earnings growth offset by the impact of Variable Annuity reinsurance transaction



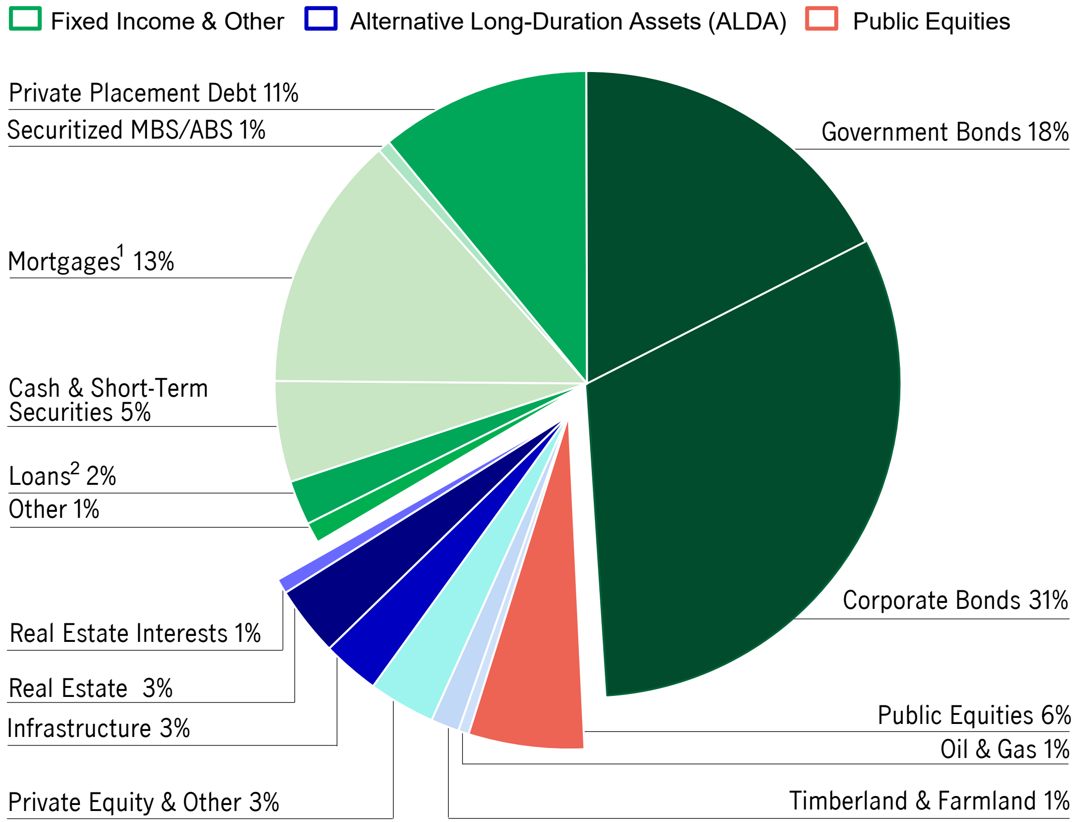

- Lower core earnings primarily driven by reduced in-force earnings due to the Variable Annuity reinsurance transaction that closed in 1Q22 and unfavourable lapse experience in the life insurance business, partially offset by improved mortality experience in the life insurance business
    - Excluding the Variable Annuity reinsurance transaction, core earnings would have increased 2%
- Higher NBV was driven by improved margins due to product actions, higher international sales volumes and higher interest rates
- Higher APE sales primarily due to strong international sales. This increase was partially offset by lower sales of domestic protection-oriented insurance products, as the impact of higher inflation on household discretionary spending reduced demand

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

# Diversified *high quality* asset mix avoids risk concentrations

## Total invested assets

(C$402.3 billion, carrying values as of June 30, 2022)



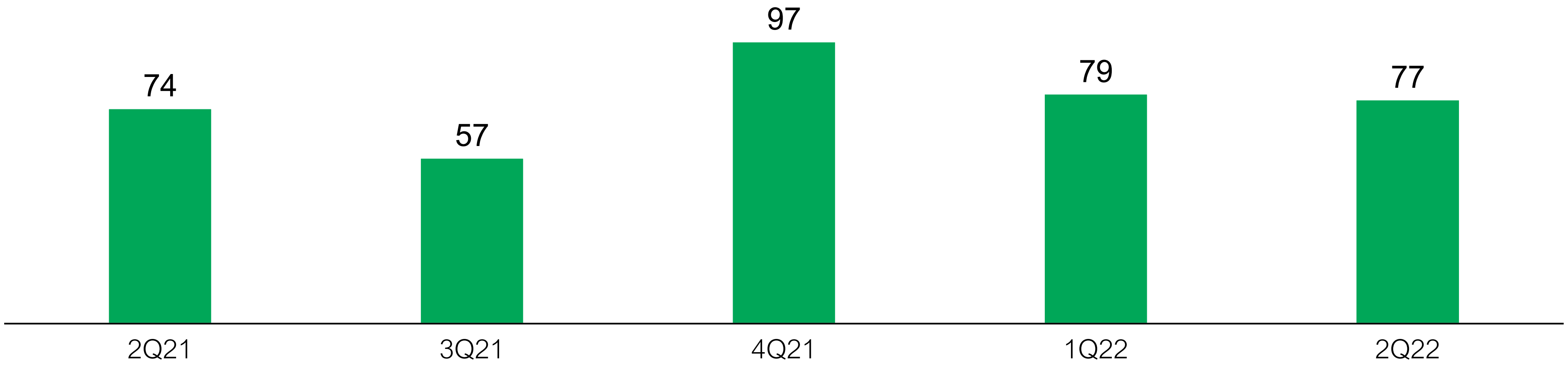

- High quality and diverse asset mix
  - 96% of bonds are investment grade
  - Large holdings in defensive Government and Utility bonds
  - 71% of bonds are rated A or higher
- ALDA generates enhanced yield; minimizes need to pursue riskier fixed income strategy
  - Portfolio is positioned at the low end of the risk return spectrum with ~75% in real assets and ~25% in Private Equity
- Robust risk management framework
  - Has supported our underwriting and favourable credit quality
- No exposure to Russia and Ukraine

[1] Includes government insured mortgages ($7.5 billion or 14% of total mortgages). [2] Includes Policy Loans and Loans to Bank Clients.

# Credit experience

## Net credit experience

(C$ millions, post-tax)




## Credit experience

| (C$ millions) | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 |
|---|---|---|---|---|---|
| Change in ratings | (4) | (2) | 28 | 19 | 21 |
| Impairments, net of recoveries | 25 | 3 | 12 | 3 | 6 |
| Release of best estimate credit | 53 | 56 | 57 | 57 | 50 |
| Net Credit Experience | 74 | 57 | 97 | 79 | 77 |

# Interest rate related sensitivities remain within our risk appetite limits

| | 1Q22 | | 2Q22 | |
|---|---|---|---|---|
| **Potential impact[1] on net income of an immediate parallel change in "all rates":** (C$ millions) | **-50bps** | **+50bps** | **-50bps** | **+50bps** |
| Excluding change in market value of AFS fixed income assets held in the Corporate and Other segment | (200) | 100 | (200) | 100 |
| Changes in other comprehensive income from fair value changes in AFS fixed income assets held in the Corporate and Other segment[2] | 1,700 | (1,500) | 1,600 | (1,400) |
| MLI's LICAT total ratio (change in percentage points)[3] | 3 | (3) | 3 | (3) |
| **Potential impact[1] on net income of a parallel change in corporate spreads:** (C$ millions) | | | | |
| Corporate spreads | (200) | 200 | nil | nil |
| MLI's LICAT total ratio (change in percentage points)[3] | (3) | 3 | (3) | 3 |
| **Potential impact[1] on net income of a parallel change in swap spreads:** (C$ millions) | **-20bps** | **+20bps** | **-20bps** | **+20bps** |
| Swap spreads | nil | nil | nil | nil |
| MLI's LICAT total ratio (change in percentage points) | nil | nil | nil | nil |

[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 2Q22 Management's Discussion and Analysis. [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. [3] In accordance with OSFI guidelines, lower interest rates and/or corporate bond spreads could trigger a switch to a more adverse prescribed interest stress scenario that would increase LICAT capital. Refer to the "Interest Rate and Spread Risk Sensitivities and Exposure Measures" section in our 2Q22 Management's Discussion and Analysis.

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

| (C$ millions) | 2Q22 -10% Core earnings | -10% Direct impact of equity markets | -10% Total | +10% Core earnings | +10% Direct impact of equity markets | +10% Total |
|---|---|---|---|---|---|---|
| S&P | (20) | (270) | (290) | 20 | 110 | 130 |
| TSX | – | (150) | (150) | – | 140 | 140 |
| HSI[3] | – | (40) | (40) | – | 30 | 30 |
| Other[3] | (20) | (100) | (120) | 20 | 80 | 100 |
| **Total** | **(40)** | **(560)** | **(600)** | **40** | **360** | **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 2Q22 Management's Discussion and Analysis.
[2] The table excludes the impacts from asset-based fees earned on assets under management and policyholder account value. [3] Consists largely of markets in Asia where we operate.

# *Non-GAAP* and *other* financial measures

Manulife prepares its Consolidated Financial Statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. We use a number of non-GAAP and other financial measures to evaluate overall performance and to assess each of our businesses. This section includes information required by National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure in respect of "specified financial measures" (as defined therein).

**Non-GAAP financial measures** include core earnings (loss); core earnings before income taxes, depreciation and amortization ("core EBITDA"); core general expenses; Global WAM managed AUMA; and net annualized fee income. In addition, non-GAAP financial measures include the following stated on a constant exchange rate ("CER") basis: any of the foregoing non-GAAP financial measures and net income attributed to shareholders.

**Non-GAAP ratios** include core ROE; diluted core earnings per common share ("core EPS"); core EPS growth; common share core dividend payout ratio; expense efficiency ratio; core EBITDA margin; and net annualized fee income yield on average AUMA. In addition, non-GAAP ratios include the percentage growth/decline on a CER basis in any of the above non-GAAP financial measures; net income attributed to shareholders; general expenses; basic earnings per common share; and diluted earnings per common share.

**Other specified financial measures** include new business value ("NBV"); new business value margin ("NBV margin"); annualized premium equivalent ("APE") sales; gross flows; net flows; average assets under management and administration ("average AUMA"); remittances; any of the foregoing specified financial measures stated on a CER basis; and percentage growth/decline in any of the foregoing specified financial measures on a CER basis.

Non-GAAP financial measures and non-GAAP ratios are not standardized financial measures under GAAP and, therefore, might not be comparable to similar financial measures disclosed by other issuers.

For more information on the non-GAAP and other financial measures in this document, see the section "Non-GAAP and Other Financial Measures" in our 2Q22 Management's Discussion and Analysis, which is incorporated by reference and available on SEDAR at www.sedar.com.

# Reconciliation: *Core EPS*

| (C$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period) | 2019 | 2020 |
|---|---|---|
| Core earnings available to common shareholders (post-tax) | 5,832 | 5,345 |
| Diluted weighted average common shares outstanding (millions) | 1,962 | 1,943 |
| Core earnings per share ($ per common share) | $2.97 | $2.75 |
| **Core EPS growth** | **+8%** | **-7%** |

| **Core EPS, CER** | | |
|---|---|---|
| Core earnings available to common shareholders (post-tax) | 5,582 | 5,041 |
| Diluted weighted average common shares outstanding (millions) | 1,962 | 1,943 |
| Core earnings per share ($ per common share) | $2.84 | 2.59 |
| **Core EPS growth, CER** | **+7%** | **-9%** |

# Reconciliation: *Dividend Payout*

| (C$) | 2019 | 2020 |
|---|---|---|
| Per share dividend | 1.00 | 1.12 |
| Core EPS | 2.97 | 2.75 |
| **Common share core dividend payout ratio** | **34%** | **41%** |

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# Reconciliation: *Asia Core Earnings*

| (US$ millions, post-tax) | 2019 | 2020 |
|---|---|---|
| **Core earnings** | **1,511** | **1,576** |
| Investment-related experience related to fixed income trading, market value increases in excess of expected alternative assets investment returns, asset mix changes and credit experience | 147 | 167 |
| Direct impact of equity markets and interest rates and variable annuity guarantee liabilities | (196) | (433) |
| Change in actuarial methods and assumptions | (5) | (32) |
| Reinsurance transactions | - | 44 |
| **Net income attributed to shareholders** | **1,457** | **1,322** |

| (Canadian $ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period) | | |
|---|---|---|
| **Net income attributed to shareholders** | **1,935** | **1,762** |

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