

Second Quarter 2018

Financial & Operating Results

August 9, 2018



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 the Company’s strategic priorities and 2022 targets for net promoter score, employee engagement, its high potential businesses, expense efficiency and portfolio optimization; its medium-term targets for core EPS growth, core ROE, leverage ratio and common share dividend payout ratio; the sale of Signator and its expected impact, the expected annual run-rate savings resulting from Manulife’s announced expense initiatives; the expected impact of our decision to reduce the allocation to ALDA in our portfolio asset mix supporting our legacy business; and the estimated impact of the annual review of actuarial methods and assumptions, 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 “will”, “expect”, “estimate”, “believe”, “plan”, “objective”, “continue”, and “goal”, (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 amount of time required to reduce the allocation to ALDA in our asset mix supporting our legacy business and redeploy capital towards higher-return businesses, the specific type of ALDA we dispose of and the value realized from such dispositions; the amount and timing of strategic investment in our business; the 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 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; acquisitions or divestitures, and our ability to complete transactions; 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

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

2Q18 highlights

Net Income

\$1.3_{bn}
+4%

Core Earnings

\$1.4_{bn}
+25%

Core ROE

14.0%
+250 bps

Efficiency Ratio

51.2%
-300 bps

Net Flows

\$0.1_{bn}
-98%

New Business Value

\$411_{mm}
+24%

Executing on our five priorities



**Portfolio
Optimization**



**Expense
Efficiency**



**Accelerate
Growth**



**Digital,
Customer
Leader**



**High
Performing
Team**

Target to release \$5 billion in capital from legacy businesses by 2022



ALDA sales released
\$400 million of capital in
2Q18



Announced disposition of
Signator to release ~\$100
million of capital in 4Q18



Released \$940 million of
capital since Jan 1, 2018

Executing on our five priorities



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Optimization



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Target to achieve a 50% efficiency ratio & \$1 billion in cost saving and avoidance by 2022



Announced plans to
achieve \$300 million in
pre-tax run-rate savings



51% efficiency ratio in
2Q18, improved 300 bps



Limited core expense¹
growth to only 4%

Note: Forward looking statements, see "Caution in regards to forward looking statements" above.

¹ Core expenses are general expenses included in core earnings.

Executing on our five priorities



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Target to generate two-thirds of core earnings from highest potential businesses by 2022



Asia core earnings up
19% and NBV up 27%



WAM core earnings up
15% and continued
positive net flows



Strong core earnings in
Group Insurance

Executing on our five priorities



Portfolio
Optimization



Expense
Efficiency



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Growth



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Performing
Team

Target to improve Net Promoter Score by 30 percentage points by 2022



First insurer in Canada to
underwrite using artificial
intelligence



Launched end-to-end
paperless solution with
Bank Danamon



Announced initiatives to
digitize our back-office
functions in Canada

Executing on our five priorities



Portfolio
Optimization



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Efficiency



Accelerate
Growth



Digital,
Customer
Leader



High
Performing
Team

Target to achieve top quartile employee engagement by 2022



New mission launch
invigorating team



Employee led development
of corporate values



Transforming our
Canadian workforce

CFO's remarks



Phil Witherington
Chief Financial Officer

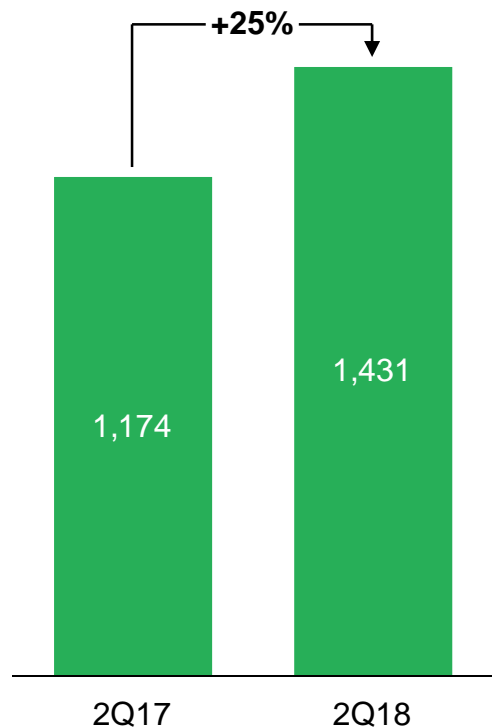
2Q18 financial summary

	(C\$ millions, unless noted)	2Q17	2Q18	Change ²
Profitability	Net income attributed to shareholders	\$1,255	\$1,262	▲ 4%
	Core earnings	\$1,174	\$1,431	▲ 25%
	Core return on equity (annualized)	11.5%	14.0%	▲ 250 bps
	Expense efficiency ratio	54.2%	51.2%	▼ 300 bps
Growth	APE sales (C\$ billions)	\$1.6	\$1.2	▼ 22%
	New business value	\$338	\$411	▲ 24%
	WAM net flows (C\$ billions)	\$5.9	\$0.1	▼ \$(5.8)
	Wealth and asset management AUMA (C\$ billions)	\$583	\$640	▲ 9%
Balance Sheet	MLI's Total LICAT Ratio ¹	n/a	132%	n/a
	Financial leverage ratio	29.2%	29.4%	▲ 20 bps
	Dividend per common share	20.5¢	22.0¢	▲ 7%

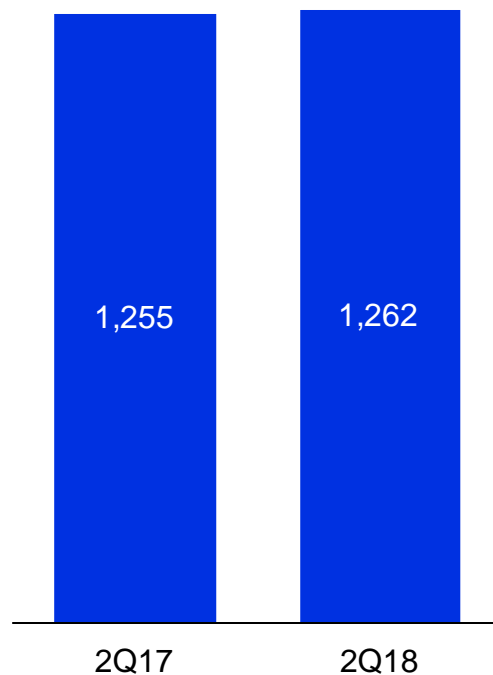
¹ Life Insurance Capital Adequacy Test Ratio of the Manufacturers Life Insurance Company (MLI). ² Percentage changes in net income, core earnings, APE sales, new business value, and AUMA, are stated on a constant exchange rate basis, a Non-GAAP measure. See "Note to users – Performance and Non-GAAP Measures".

Delivered strong core earnings and net income in 2Q18

Core earnings (C\$ millions)



Net income attributed to shareholders (C\$ millions)



Earnings reconciliation for the second quarter of 2018 (C\$ millions, except per share amounts)

	Pre-Tax	Post-tax	Per Share
Core earnings	\$1,709	\$1,431	\$0.70
Direct impact of markets	72	45	0.02
Investment-related experience	19	18	0.01
Restructuring charges	(250)	(200)	(0.10)
Other items	(34)	(32)	(0.02)
Net Income attributed to shareholders	\$1,516	\$1,262	\$0.61

Improved policyholder experience, expense efficiencies and growth in in-force drove core earnings growth

Source of earnings¹

(C\$ millions)

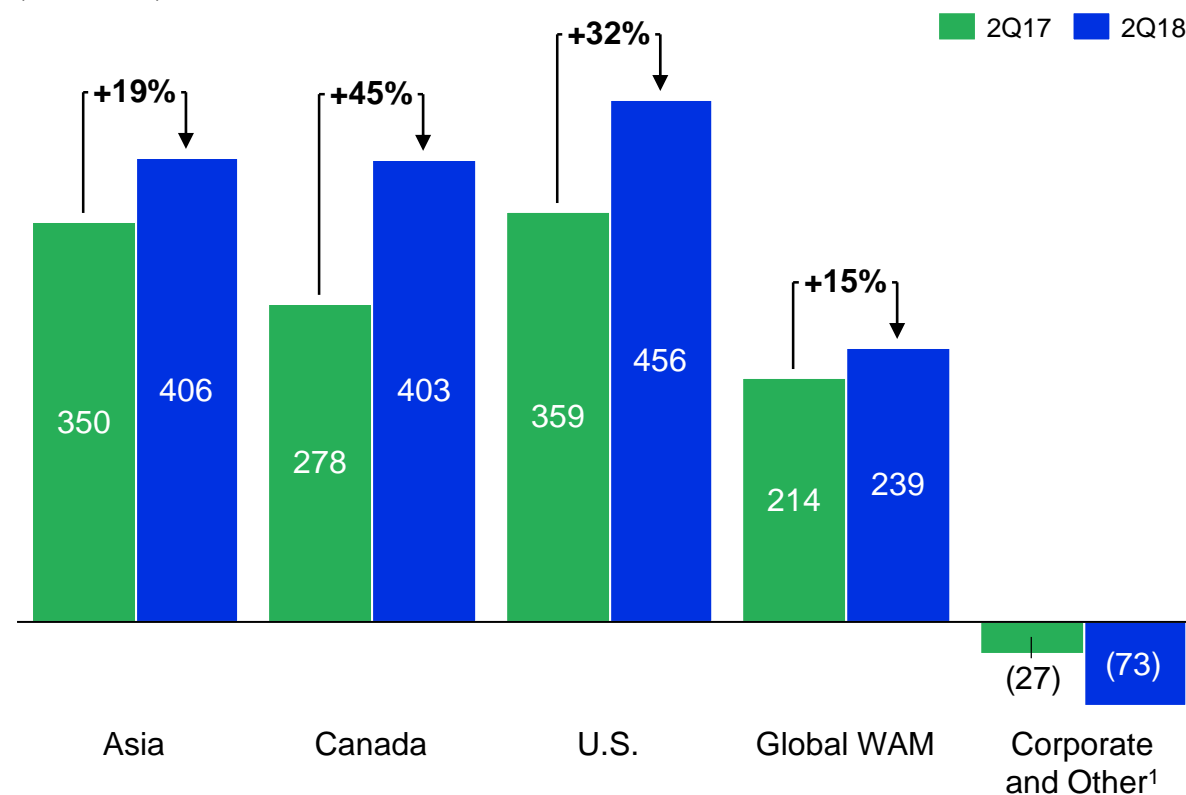
	Core Earnings		Net Income	
	2Q17	2Q18	2Q17	2Q18
Expected profit on in-force	957	967	957	967
Impact of new business	182	195	182	195
Core investment gains	206	114	206	114
Experience gains/(Losses) (excluding core investment gains)	(196)	27	(111)	241
Mgmt actions & chgs in assumptions	(38)	(5)	(74)	(366)
Earnings on surplus funds	118	133	188	140
Other	43	62	16	17
Subtotal	1,272	1,493	1,364	1,308
Global Wealth and Asset Management	266	271	252	263
Manulife Bank	43	38	43	38
Unallocated overhead	(96)	(93)	(96)	(93)
Income before taxes	1,485	1,709	1,563	1,516
Income taxes	(311)	(278)	(308)	(254)
Earnings available to shareholders	1,174	1,431	1,255	1,262

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).

Strong core earnings growth across our businesses and strong core ROE

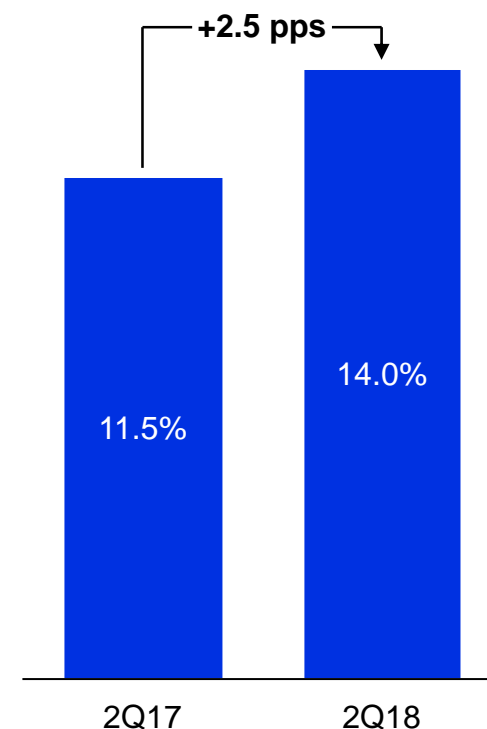
Core earnings

(C\$ millions)



Core ROE

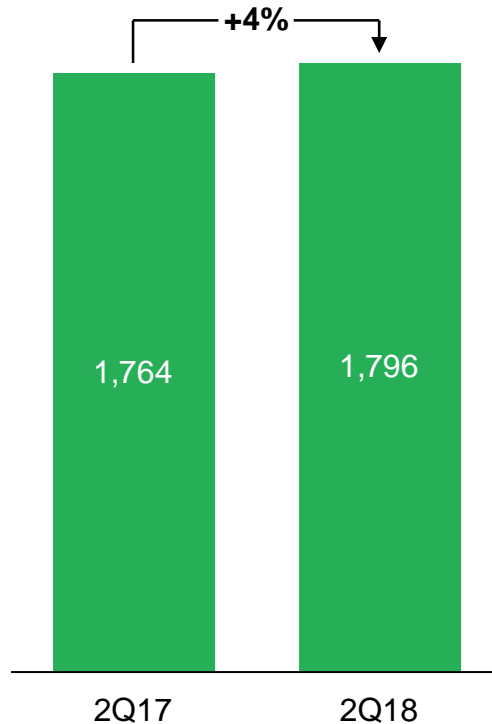
(%)



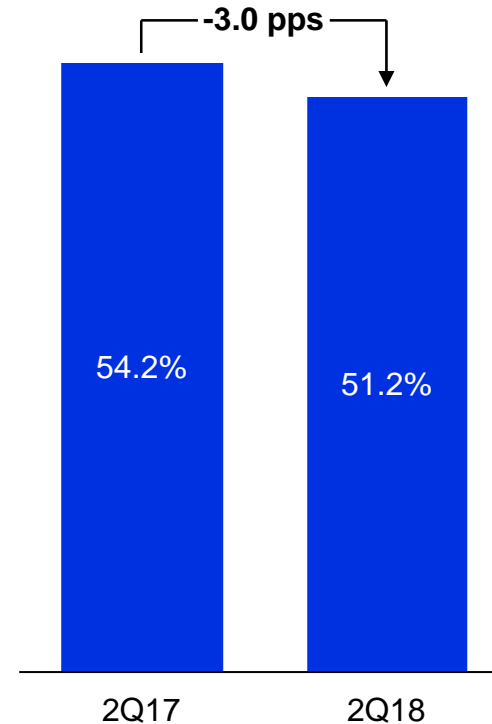
¹ Includes \$154 million of core investment gains in 2Q17 and \$104 million of core investment gains in 2Q18.

Strong core earnings growth compares favourably to expense growth, resulting in an improved expense efficiency ratio

Core expenses¹
(C\$ millions)



Expense efficiency ratio
(%)



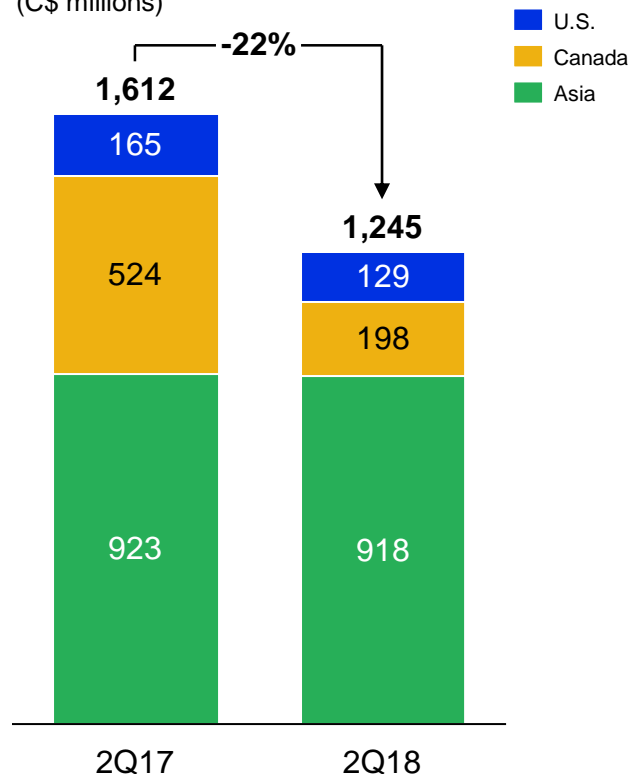
- Improvement in expense efficiency ratio driven by increased operating leverage
 - Increase in core expenses of 4%
 - Pre-tax core earnings increased 18%

¹ Core expenses are general expenses included in core earnings.

Strong NBV growth, despite decline in APE sales due to lower Group Insurance sales

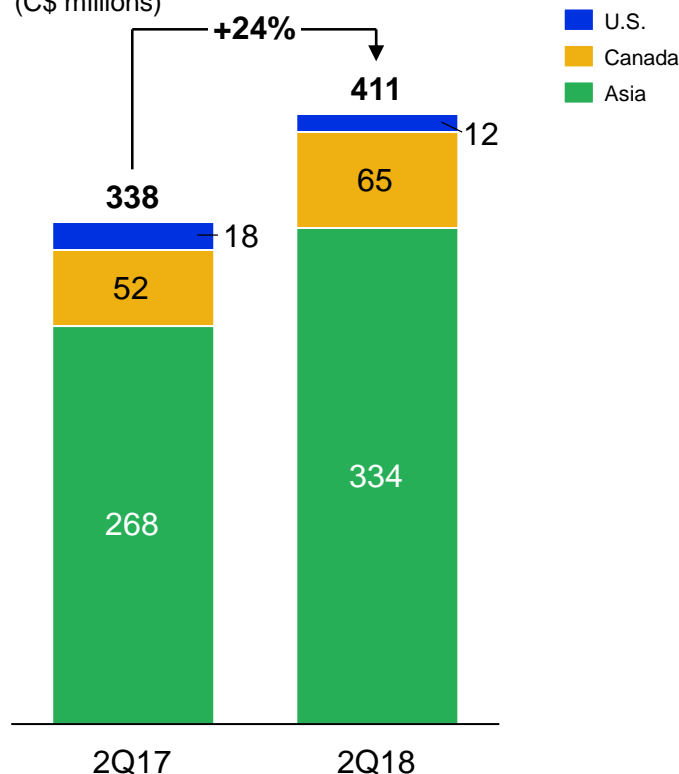
APE sales¹

(C\$ millions)



New business value (NBV)¹

(C\$ millions)



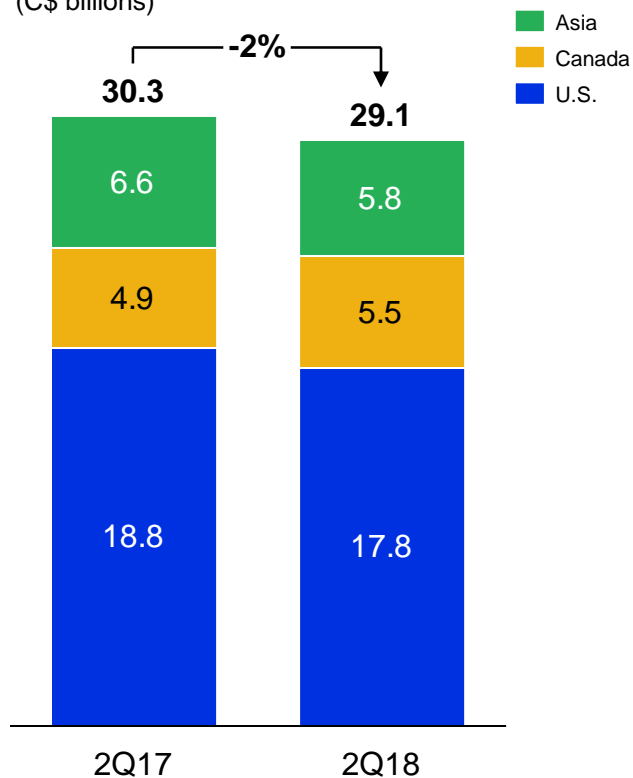
- Large case Canada Group Insurance sale in prior year
- Strong sales in Hong Kong and Other Asia offset by competitive pressures in Japan
- Asia NBV margin of 38.6%, up 8.0 percentage points from 2Q17

¹ Excludes wealth and asset management, the Bank and P&C reinsurance businesses.
Note: Order of the vertical bars on the chart correspond to the order in the legend.

Another quarter of positive net flows in Global Wealth and Asset Management

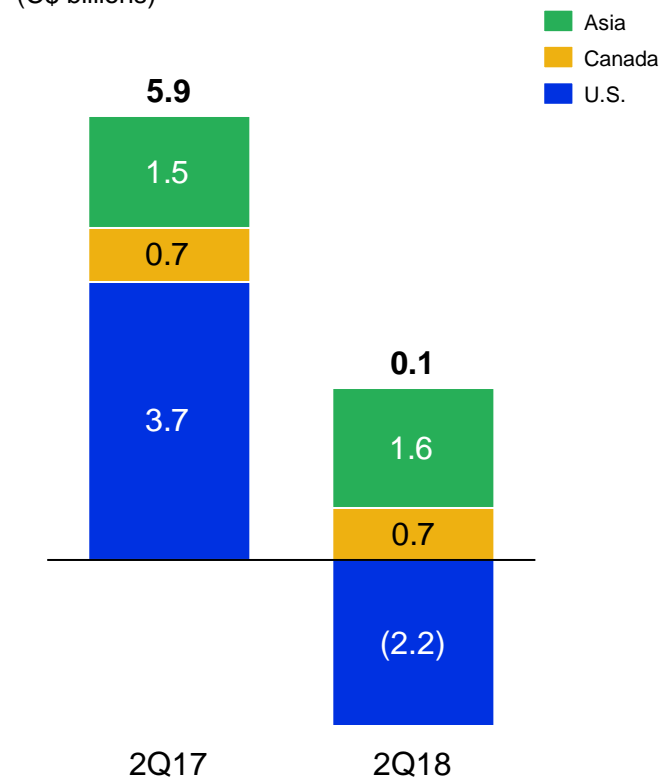
Wealth & asset management gross flows

(C\$ billions)



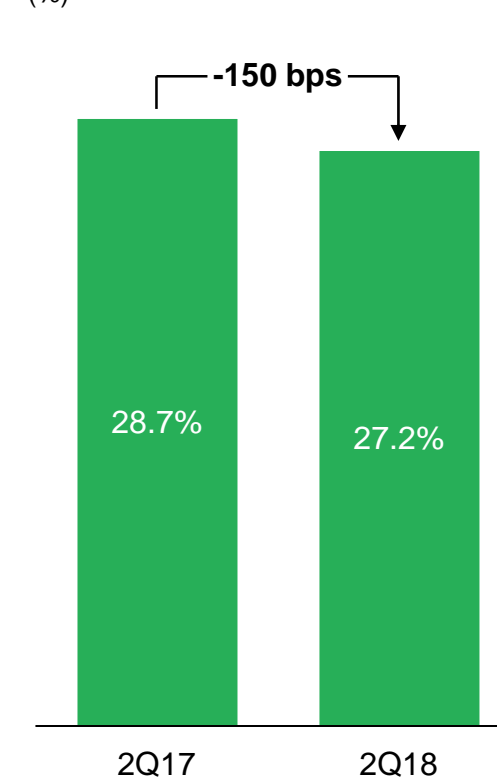
Wealth & asset management net flows

(C\$ billions)



Core EBITDA margin

(%)



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

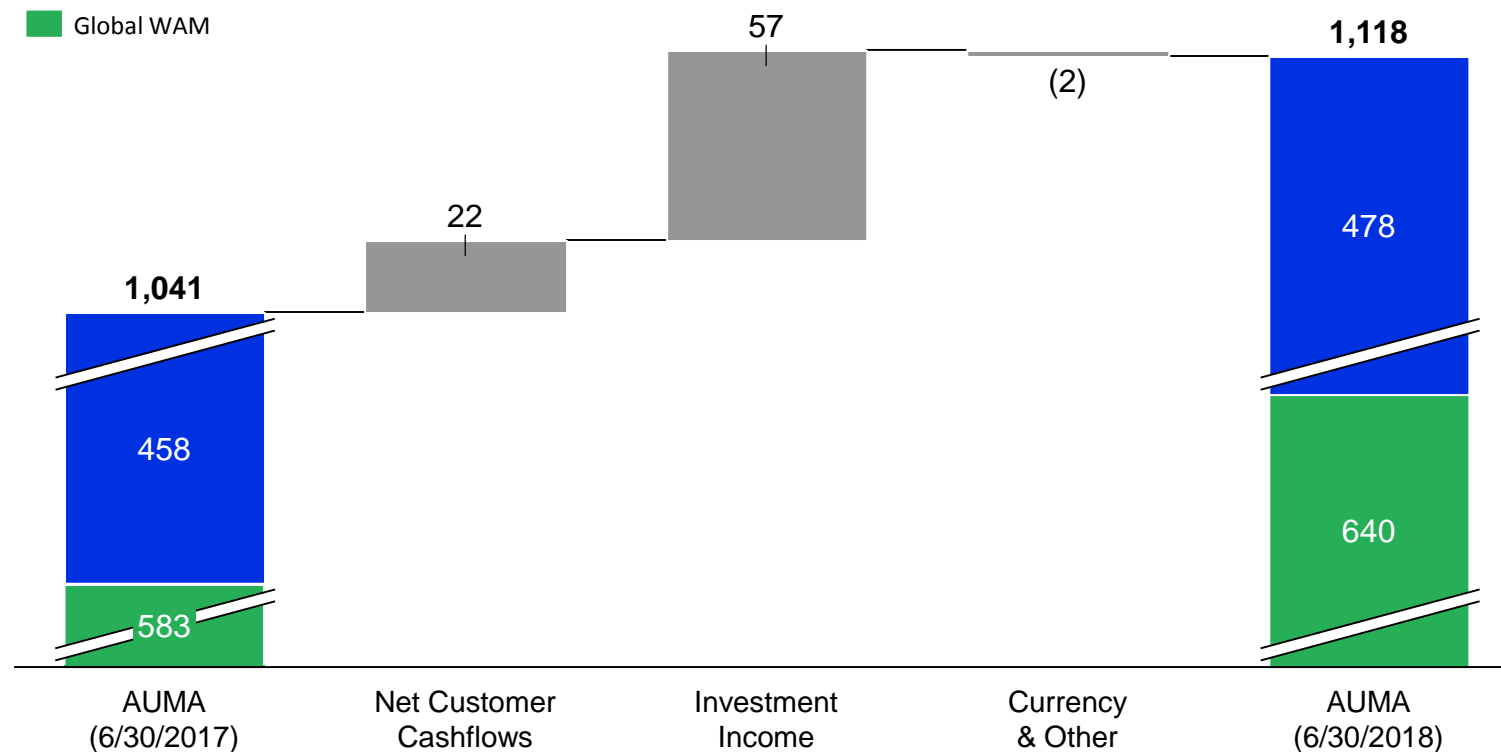
Achieved \$1.1 trillion in total company AUMA, driven by strong growth in WAM assets

Assets under management and administration (AUMA)

(C\$ billions)

Other

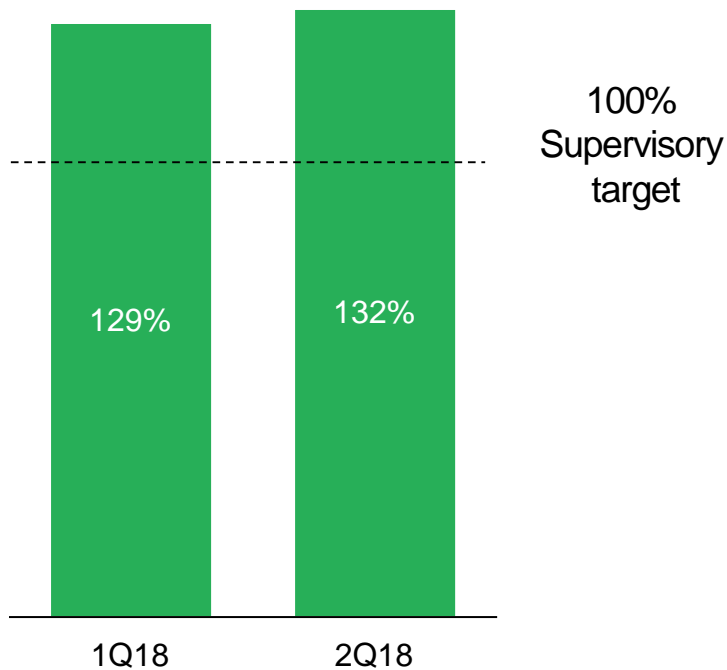
Global WAM



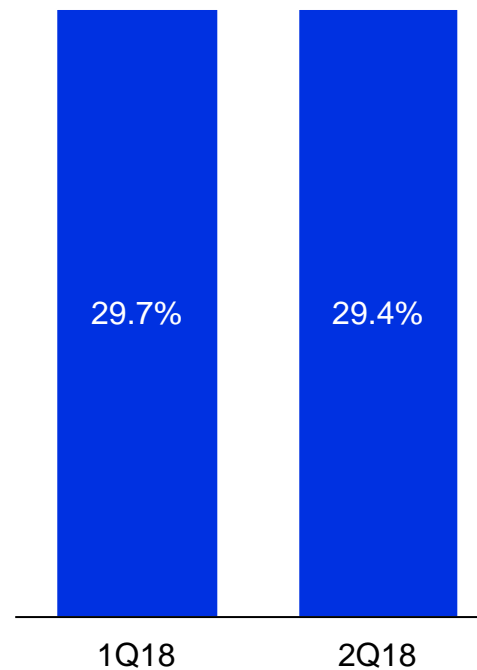
- Achieved over \$1.1 trillion in Total Company AUMA
- WAM AUMA of \$640 billion
 - +9% increase vs 2Q17
 - Growth across all markets

Increased financial flexibility with higher capital ratio and reduced leverage ratio

MLI LICAT¹ ratio
(%)



Financial leverage ratio
(%)



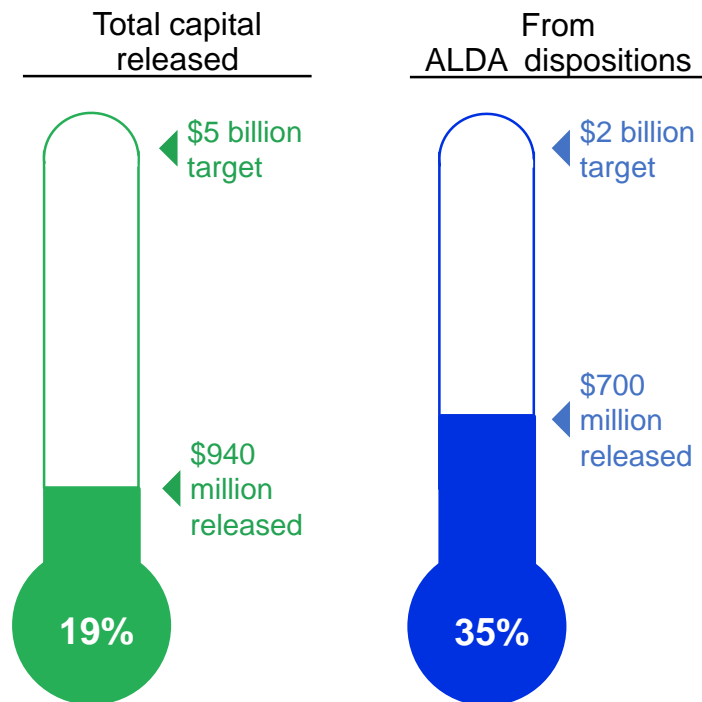
- \$17.7 billion of capital over regulatory target, up \$1.8 billion vs 1Q18
- 30 bps decline in leverage ratio

¹ Life Insurance Capital Adequacy Test (LICAT) ratio of The Manufacturers Life Insurance Company (MLI).

Delivering meaningful progress to free-up capital to optimize our business

Cumulative capital release

(C\$ billions)



- Freed up approximately \$700 million in capital to date from ALDA sales
 - Freed up \$400 million in capital in 2Q18, including sale of assets to Manulife managed Singapore REIT and U.S. Infrastructure Fund
- \$240 million of capital released in 1Q18 from reinsurance
- Announced disposition of Signator, which is expected to free up approximately \$100 million of capital upon close in 4Q18

Solid progress against financial targets

	2015	2016	2017	2018 YTD	Medium-Term Target ¹
Core EPS growth	+14%	+17%	+13%	+20%	10% - 12%
Core ROE	9.2%	10.1%	11.3%	13.7%	13%+
Leverage ratio	23.8%	29.5%	30.3%	29.4%	25%
Dividend payout ²	39.6%	37.8%	36.9%	33.1%	30% - 40%
					2022 Target ¹
Expense efficiency ratio	59.8%	59.3%	55.4%	51.6%	<50%
Capital released (cumulative)	-	-	-	\$940 million	\$5 billion

¹ Forward looking statement, see "Caution in regards to forward looking statements" above.

² Dividend payout ratio based on core earnings.

Question & Answer Session



Appendix

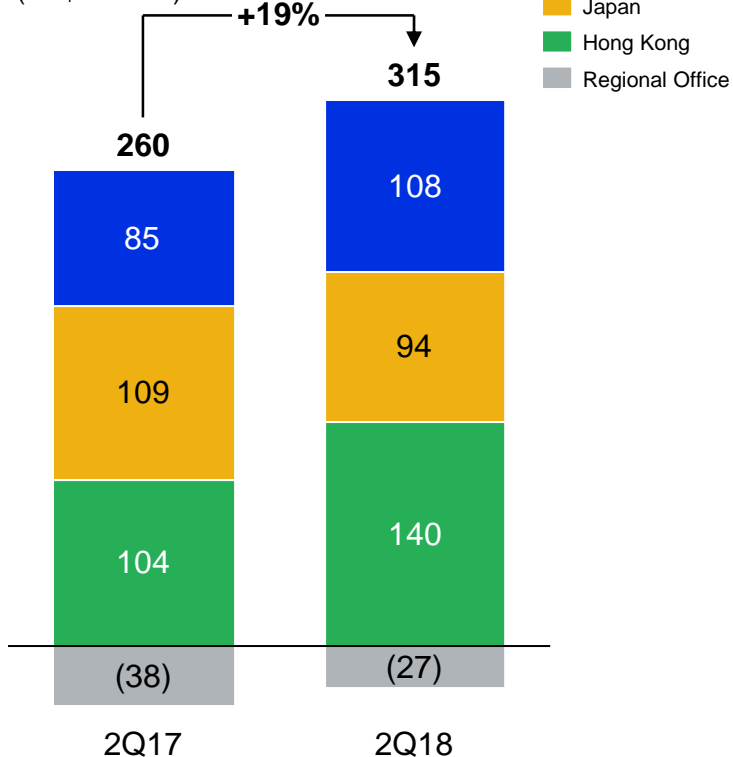


- Divisional Performance
- Source of Earnings Experience breakdown
- Core Earnings Change by Division
- Invested Asset Mix & Credit Experience
- Earnings Sensitivities
- Equity Exposure by Market

Asia: Strong core earnings and NBV growth

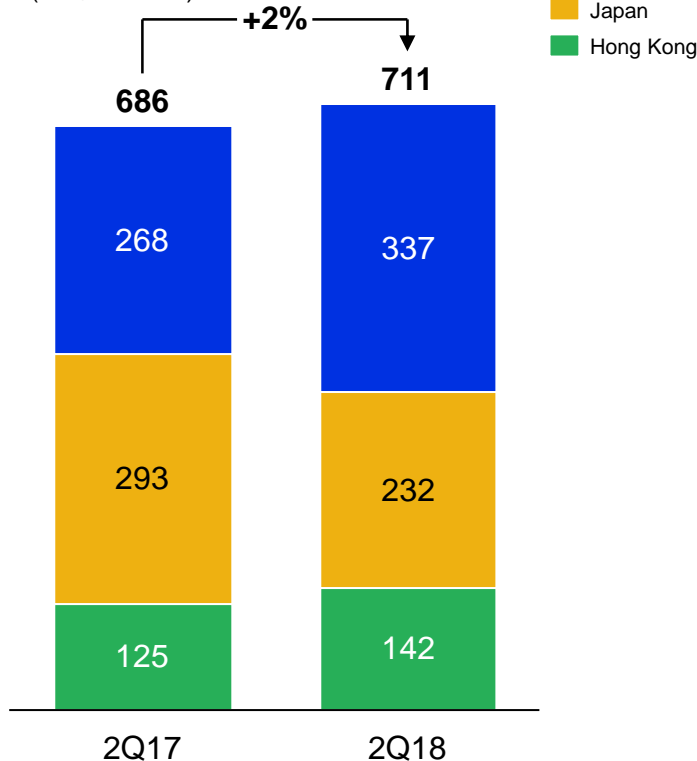
Core earnings

(US\$ millions)



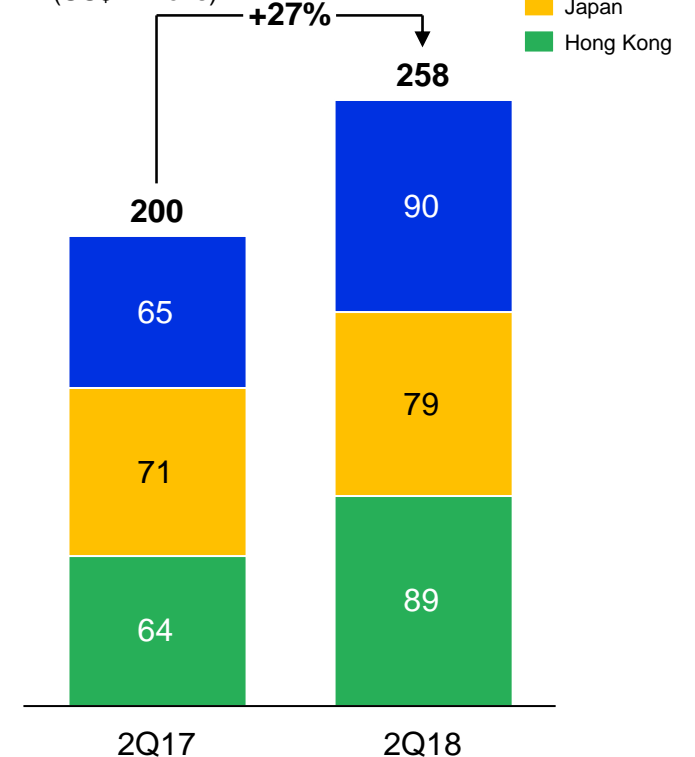
APE sales

(US\$ millions)



New business value

(US\$ millions)



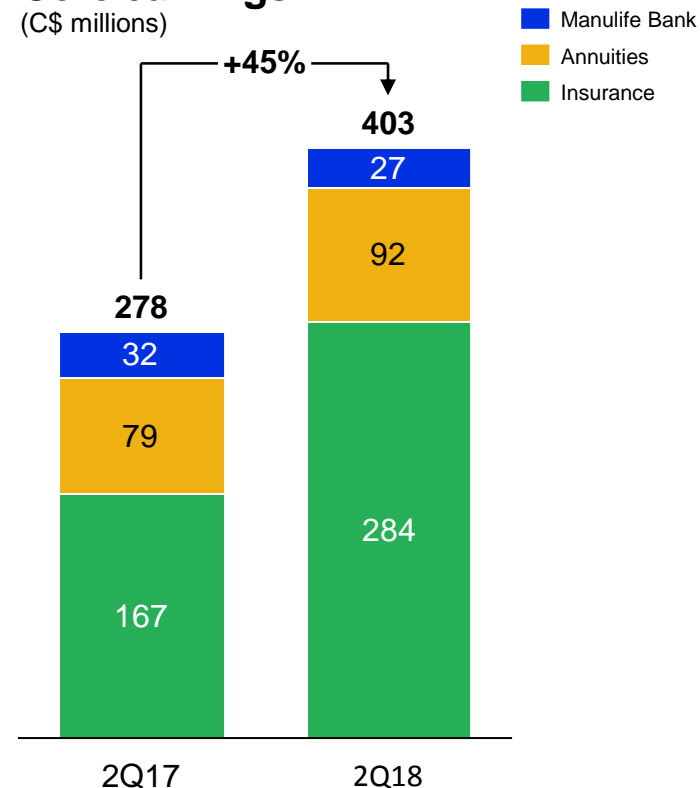
- +19% core earnings growth driven by strong growth in Hong Kong and Asia Other
- Strong APE sales growth in Hong Kong and Asia Other, largely offset by lower sales volumes in Japan
- +27% new business value growth reflecting strong growth in most of our markets

¹Note: Order of the vertical bars on the chart correspond to the order in the legend.

Canada: Strong growth in core earnings and NBV

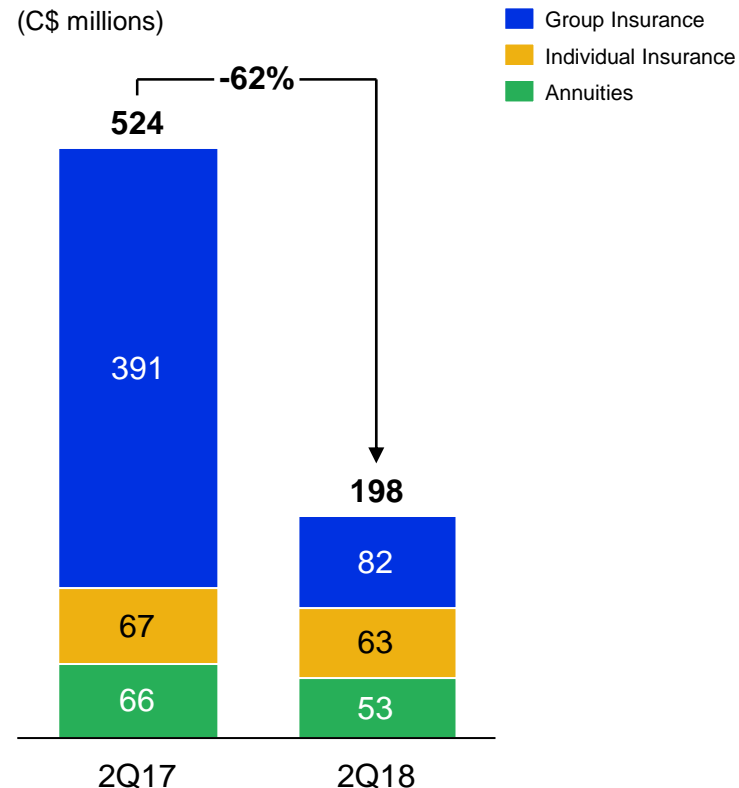
Core earnings

(C\$ millions)



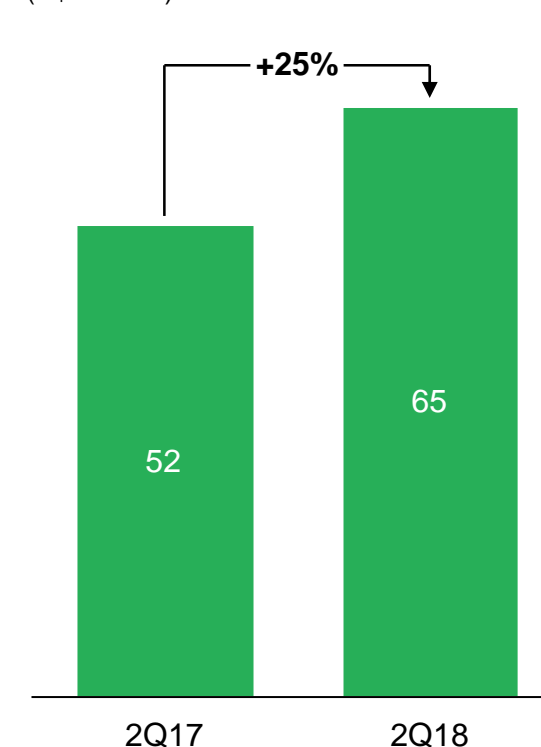
APE sales

(C\$ millions)



New business value

(C\$ millions)



- +45% core earnings growth driven by favourable policyholder experience, more favourable release of tax-related provisions and improved impact of new business due to pricing actions
- Lower APE sales driven by large prior year large-case Group Insurance sale

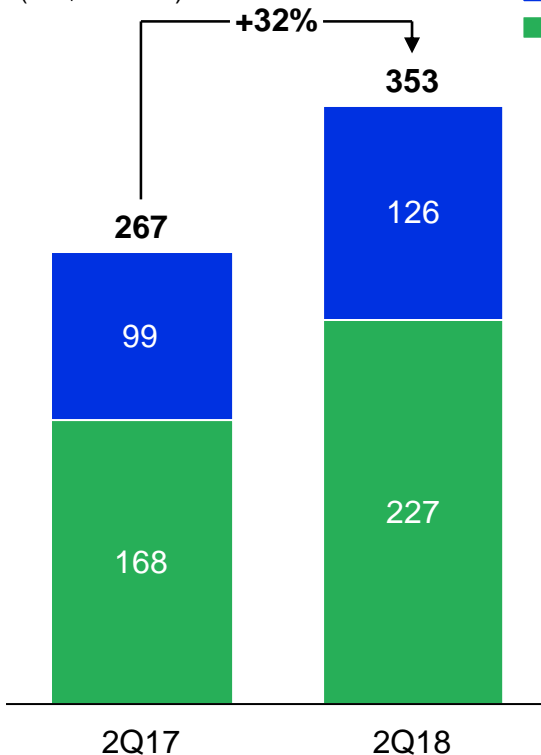
Note: Order of the vertical bars on the chart correspond to the order in the legend.

U.S.: Solid core earnings growth

Core earnings

(US\$ millions)

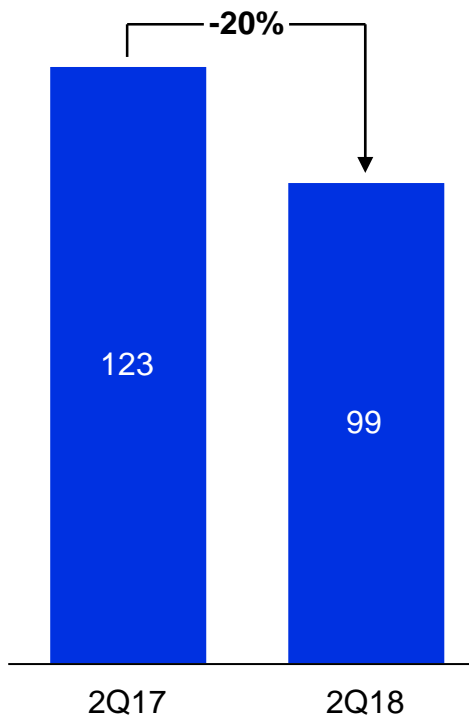
■ U.S. Annuities
■ U.S. Insurance



APE sales

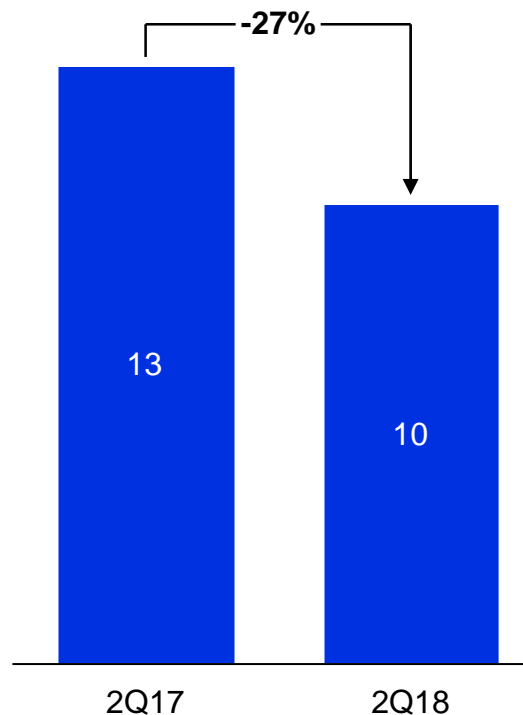
(US\$ millions)

■ JH Life



New business value

(US\$ millions)



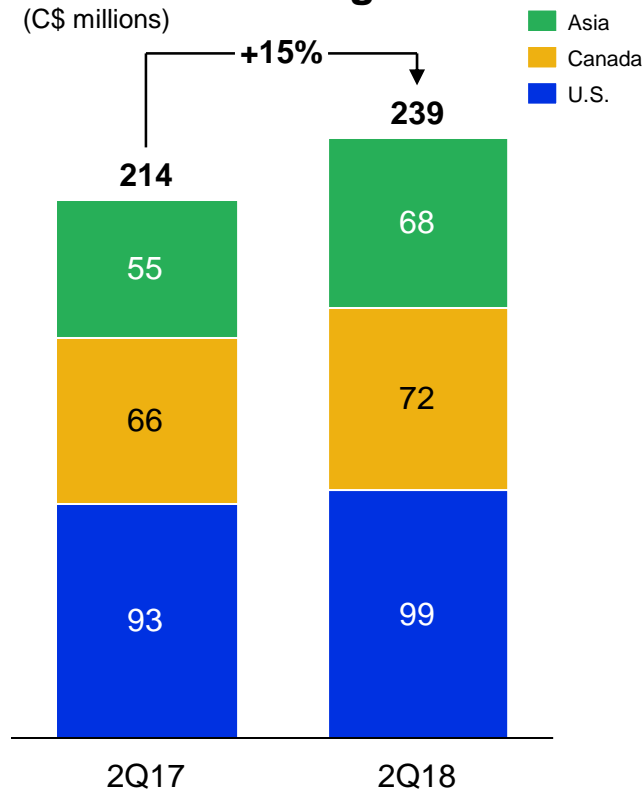
- +32% core earnings driven by lower U.S. tax rates, improved policyholder experience and lower DAC amortization on our Variable Annuity business, partially offset by the impact of lower sales and changes in new business product mix
- Lower APE sales driven primarily from lower international sales, partially offset by strong sales of products with the Vitality feature

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

Global WAM: Solid growth in core earnings and continued positive net flows

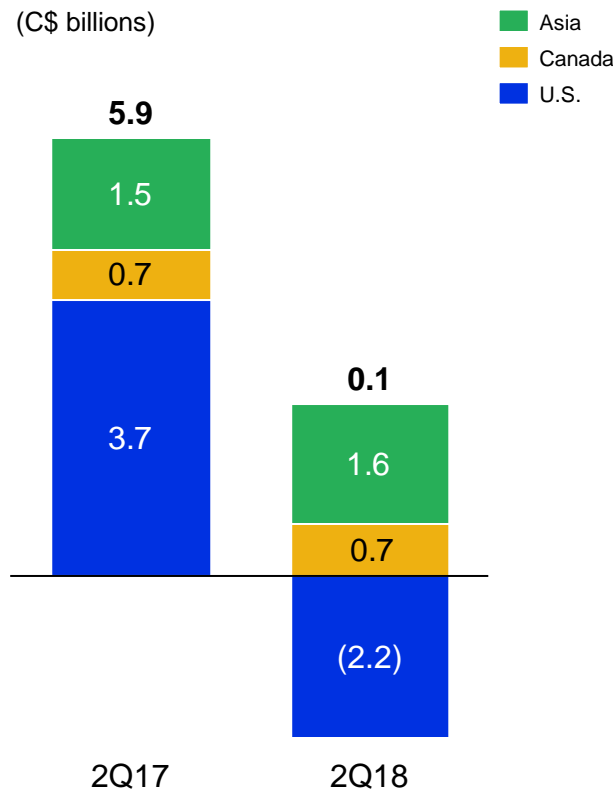
WAM core earnings

(C\$ millions)



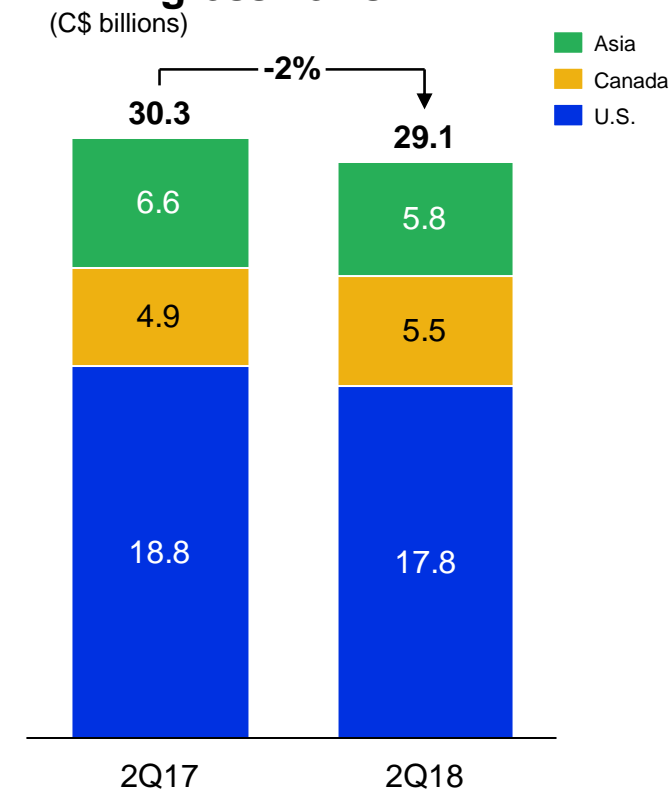
WAM net flows

(C\$ billions)



WAM gross flows

(C\$ billions)



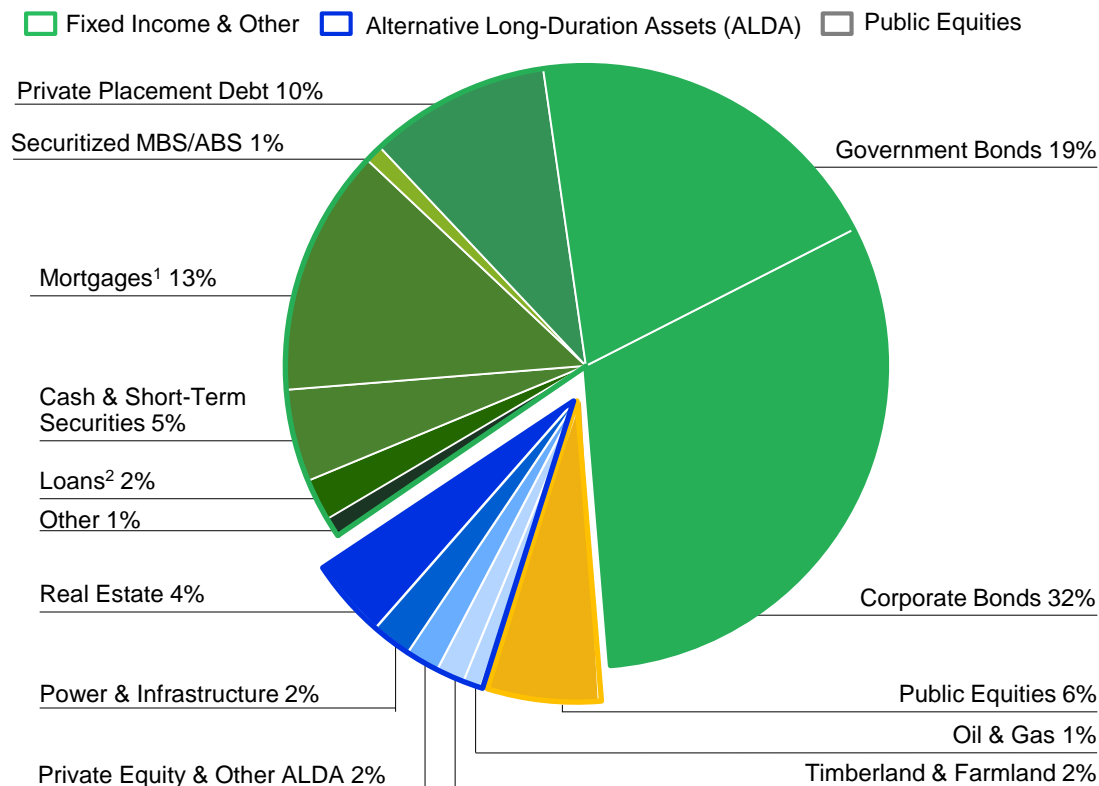
- +15% core earnings driven by fee income growth from higher AUMA and lower U.S. tax rates, partially offset by non-recurrence of favourable expense item in 2Q17
- Another quarter of positive net flows, despite the exit of three large retirement plans

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\$349.0 billion, Carrying values as of June 30, 2018)



Fixed Income & Other³

- 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 government insured mortgages (\$7.5B or 16% of total mortgages).

² Includes Policy Loans and Loans to Bank Clients.

³ 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.

Interest rate related sensitivities remain well within our risk appetite limits

Potential impact ¹ of an immediate parallel change in “all rates”:		1Q18		2Q18	
(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)	\$ 1,400	\$ (1,200)

Potential impact ¹ of a parallel change in corporate bond spreads:		1Q18		2Q18	
(C\$ millions)		-50 bps	+50 bps	-50 bps	+50 bps
Corporate spreads		\$ (900)	\$ 900	\$ (800)	\$ 700

Potential impact ¹ of a parallel change in swap spreads:		1Q18		2Q18	
(C\$ millions)		-20 bps	+20 bps	-20 bps	+20 bps
Swap spreads		\$ 300	\$ (300)	\$ 300	\$ (300)

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 2Q18 Report to Shareholders.

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 remains well within our risk appetite limits

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

(C\$ millions)	1Q18	2Q18
S&P	(270)	(280)
TSX	(100)	(100)
TOPIX	(20)	(20)
EAFE (Europe, Australasia & Asia ex. Japan) ³	(110)	(110)
Net income impact assuming full hedge offset	(500)	(510)
Assumed partial dynamic hedge offset	(180)	(200)
Net income impact assuming partial dynamic hedge offset	(680)	(710)

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 2Q18 Report to Shareholders.

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.

Note to users – Performance and Non-GAAP Measures

Manulife uses a number of non-GAAP financial measures to measure overall performance and to assess each of its businesses, including its financial objectives of: annual diluted core earnings per common share (“core EPS”) growth of 10% to 12% on average over the medium term, core return on common shareholders’ equity (“core ROE”) of 13% or more, a leverage ratio of 25% and a common share dividend payout ratio of 30% to 40% of core earnings.

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; Diluted Core Earnings per Common Share; Core Earnings Before Income Taxes, Depreciation and Amortization (“core EBITDA”); Core EBITDA Margin; Core Investment Gains; Constant Exchange Rate Basis (measures that are reported on a constant exchange rate basis include percentage growth/declines in Core Earnings, Sales, APE Sales, Gross Flows, Premiums and Deposits, Core EBITDA, New Business Value, New Business Value Margin, Assets under Management and Assets under Management and Administration); Embedded Value; New Business Value; New Business Value Margin, Sales; APE Sales; Gross Flows; Net Flows; capital and efficiency ratio. Efficiency ratio is a non-GAAP measure which Manulife uses to measure progress towards our target to be more efficient. Efficiency ratio is defined as pre-tax general expenses included in core earnings divided by the sum of pre-tax core earnings and pre-tax general expenses included in core earnings. 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 2Q18 Management’s Discussion and Analysis.

Thank you



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