

First Quarter 2018

Financial & Operating Results

May 3, 2018



Caution regarding forward-looking statements

From time to time, 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 ALDA in our portfolio asset mix supporting some of our legacy businesses and of U.S. Tax Reform. The forward-looking statements in this presentation 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 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 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 and our ability to complete acquisitions including the availability of equity and debt financing for this purpose; 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

1Q18 highlights

Net Income

\$1.4_{bn}
+6%

Core Earnings

\$1.3_{bn}
+22%

Core ROE

13.4%
+230 bps

Embedded Value

\$49.2_{bn}
+6%

New Business Value

\$384_{mm}
flat

Net Flows

\$10_{bn}
+123%

Solid progress on our priorities

Recent achievements

1 <i>Optimizing our Portfolio</i>	▪ Canadian reinsurance transaction frees up \$240 million in capital ▪ Sold ALDA assets to free up capital ▪ Announced closure of corporate and bank owned life insurance to new sales in the U.S.
2 <i>Aggressively manage costs</i>	▪ Announced consolidation of U.S. IT infrastructure vendors to reduce costs and improve digitization ▪ Rationalizing our U.S. regional head office footprint to reduce costs and improve collaboration
3 <i>Accelerating growth in highest potential businesses</i>	▪ Over 20% growth in Asia and Global WAM core earnings ▪ Continued solid net flows in Global Wealth and Asset Management ▪ Solid NBV generation in Asia
4 <i>Putting customers first</i>	▪ Launched ManulifeMOVE in Singapore, and enhanced the program in China ▪ Noticeable improvement in Canada's NPS led by recent digital enhancements ▪ Continued to improve our retirement offering around the world
5 <i>Building a high performing team and culture</i>	▪ Organization structure announced for Global WAM, including new Global Head of Retirement ▪ Organization structure announced for legacy businesses, the U.S. and Canada

Actions taken on legacy businesses to improve financial results and risk-return profile

Canadian legacy reinsurance transaction

- Covers a portion of our legacy individual insurance business in Canada
- Frees up \$240 million in capital
- Reduces risk
- Upfront gain
- No meaningful impact to go-forward core earnings

Executing on ALDA sales

- Sold ALDA assets in 1Q18
- Manulife REIT (Singapore) in April agreed to purchase \$500 million of real estate from MFC
- Obtained commitments for further ALDA sales in coming quarters

Additional Actions

- Exiting sales in the U.S. market of corporate owned and bank owned life insurance, to focus efforts on higher return products

Taking actions to improve expense efficiency

Consolidation of U.S. IT infrastructure vendors



Rationalizing own-use real estate in U.S.



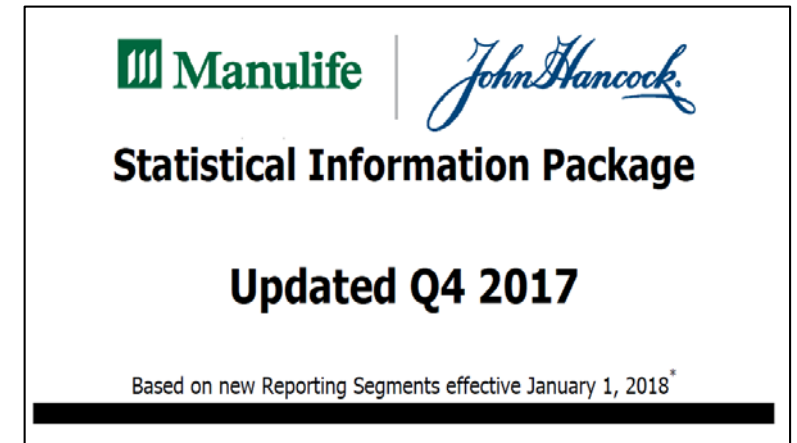
CFO's remarks



Phil Witherington
Chief Financial Officer

Significant changes to reporting to better align with our business

- Global WAM has become a separate reporting segment
- Introduced Source of Earnings analysis on a “core” basis
- Improved granularity of Source of Earnings analysis
- Merged the Insurance and Other Wealth business lines
- Introduced core earnings disclosure by business unit



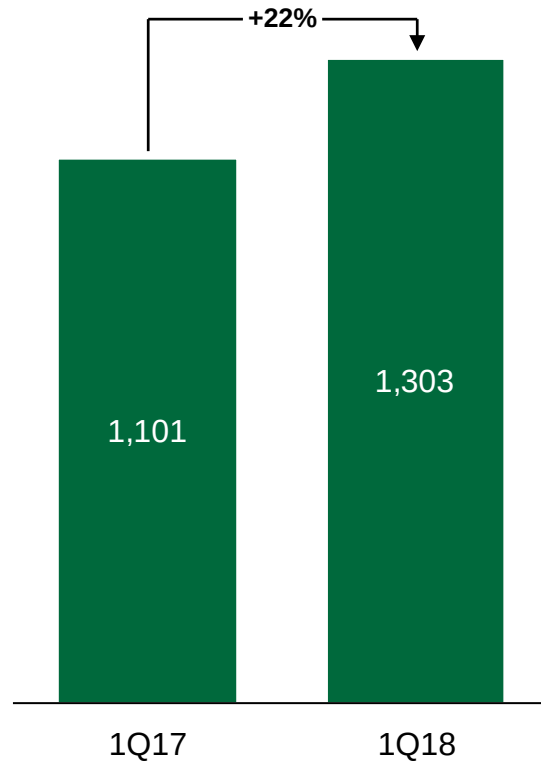
1Q18 financial summary

	(C\$ millions, unless noted)	1Q17	1Q18	Change ²
Profitability	Net income attributed to shareholders	\$1,350	\$1,372	▲ 6%
	Core earnings	\$1,101	\$1,303	▲ 22%
	Core return on equity (annualized)	11.1%	13.4%	▲ 2.3 pps
Growth	APE sales (C\$ billions)	\$1.5	\$1.4	▼ 10%
	New business value	\$386	\$384	0%
	WAM net flows (C\$ billions)	\$4.6	\$10.0	▲ 123%
	Wealth and asset management AUMA (C\$ billions)	\$575	\$627	▲ 11%
Balance Sheet	MLI's Total LICAT Ratio ¹	n/a	129%	n/a
	Financial leverage ratio	30.1%	29.7%	▼ 0.4 pps
	Dividend per common share	20.5¢	22.0¢	▲ 7%

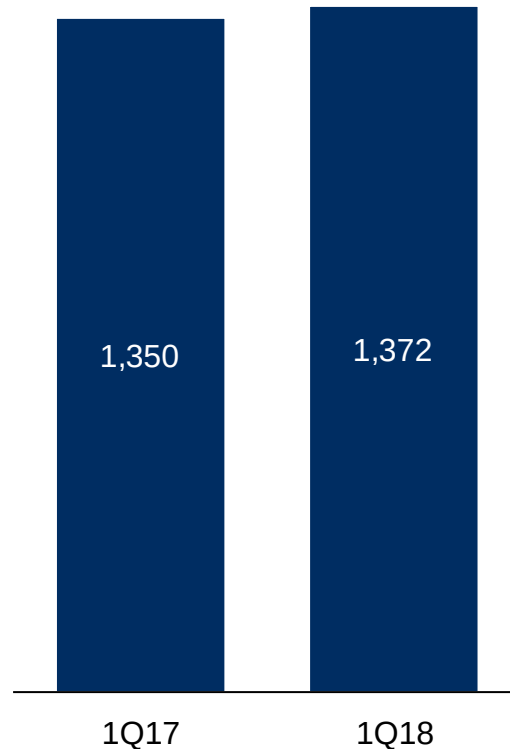
¹ Life Insurance Capital Adequacy Test Ratio of the Manufacturers Life Insurance Company (MLI). ² Percentage changes in net income, core earnings, APE sales, new business value, net flows and AUMA, are stated on a constant exchange rate basis, a Non-GAAP measure. See "Note to users – Performance and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

Delivered strong core earnings and net income

Core earnings (C\$ millions)



Net income attributed to shareholders (C\$ millions)



Earnings reconciliation for the first quarter of 2018

C\$ millions	Pre-Tax	Post-tax	Per Share
Core earnings	1,618	\$1,303	\$0.64
Direct impact of markets	65	50	\$0.02
Other Items	32	19	\$0.01
Net Income attributed to shareholders	\$1,715	\$1,372	\$0.67

Continued solid contribution from impact of new business

Source of earnings¹

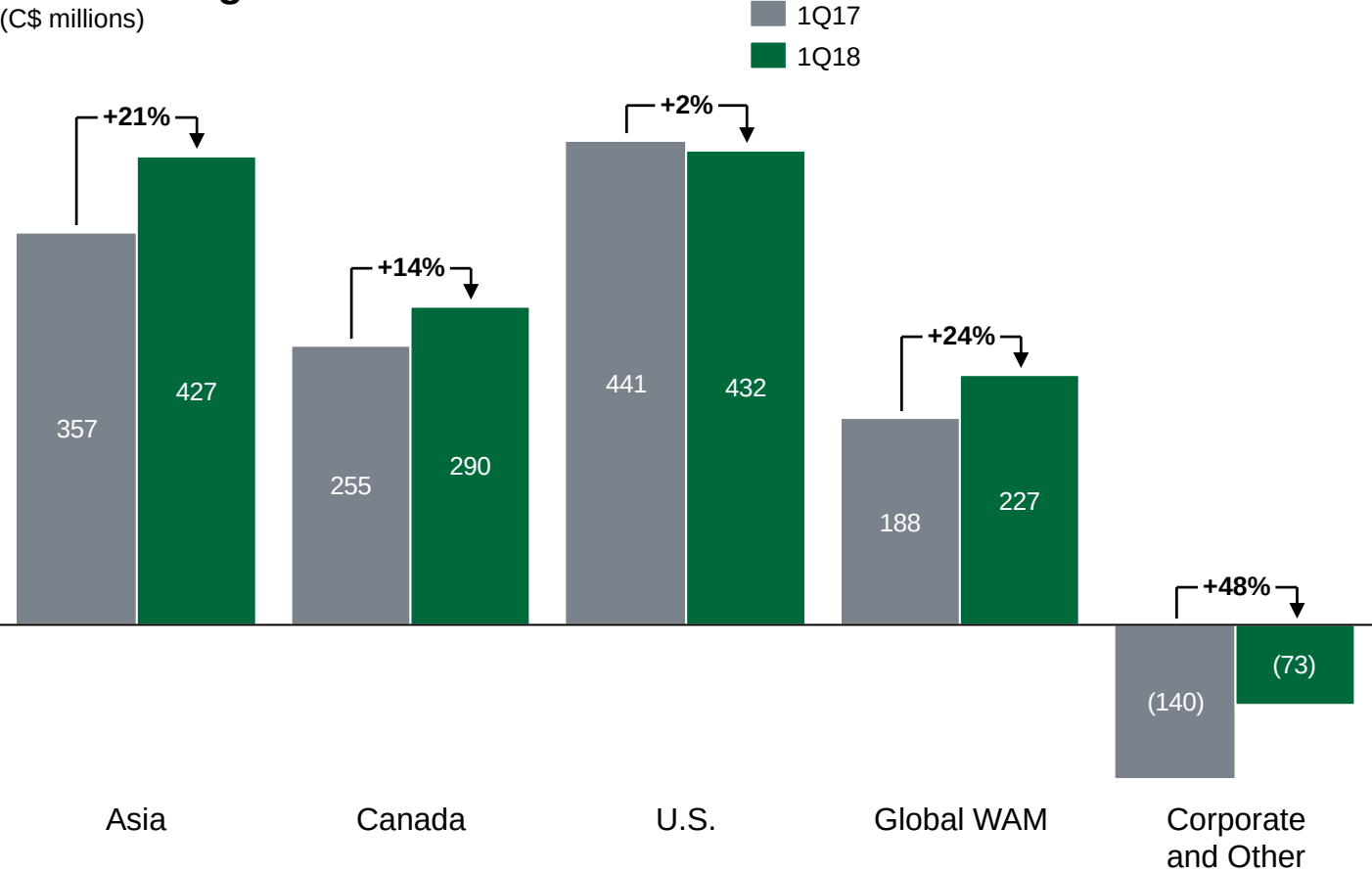
(C\$ millions)

	Core Earnings		Net Income	
	1Q17	1Q18	1Q17	1Q18
Expected Profit on In-Force	939	935	939	935
Impact of New Business	204	171	204	171
Core investment gains	53	130	53	130
Experience Gains/(Losses) (excluding core investment gains)	(94)	18	236	214
Mgmt Actions & Chgs in Assumptions	(30)	(2)	(42)	18
Earnings on Surplus Funds	99	140	112	97
Other	48	18	36	(53)
Subtotal	1,219	1,410	1,538	1,512
Global Wealth and Asset Management	230	258	214	253
Manulife Bank	48	49	48	49
Unallocated Overhead	(100)	(99)	(101)	(99)
Income Before taxes	1,397	1,618	1,699	1,715
Income Taxes	(296)	(315)	(349)	(343)
Earnings Available to Shareholders	1,101	1,303	1,350	1,372

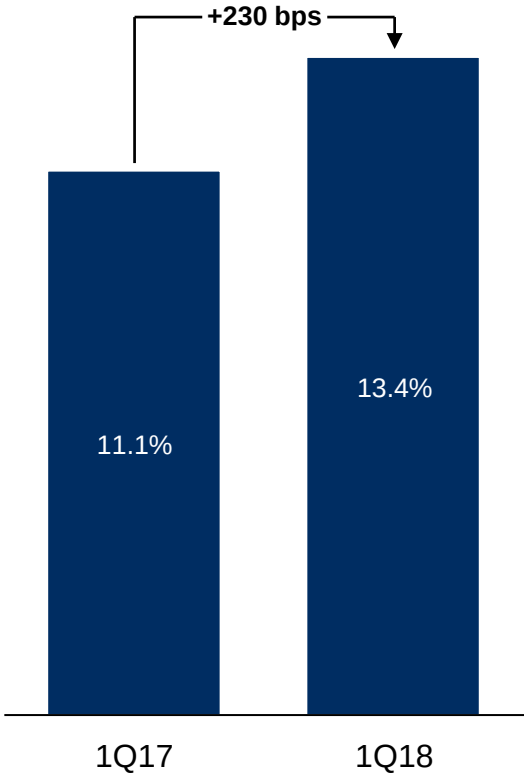
¹ The Source of Earnings (SOE) analysis is prepared following OSFI regulatory guidelines and draft guidelines of the Canadian Institute of Actuaries. The SOE is used to identify the primary sources of gains or losses in each reporting period. Per OSFI instructions, Expected Profit on In-Force denominated 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 driven by improved operating results across our businesses

Core earnings
(C\$ millions)

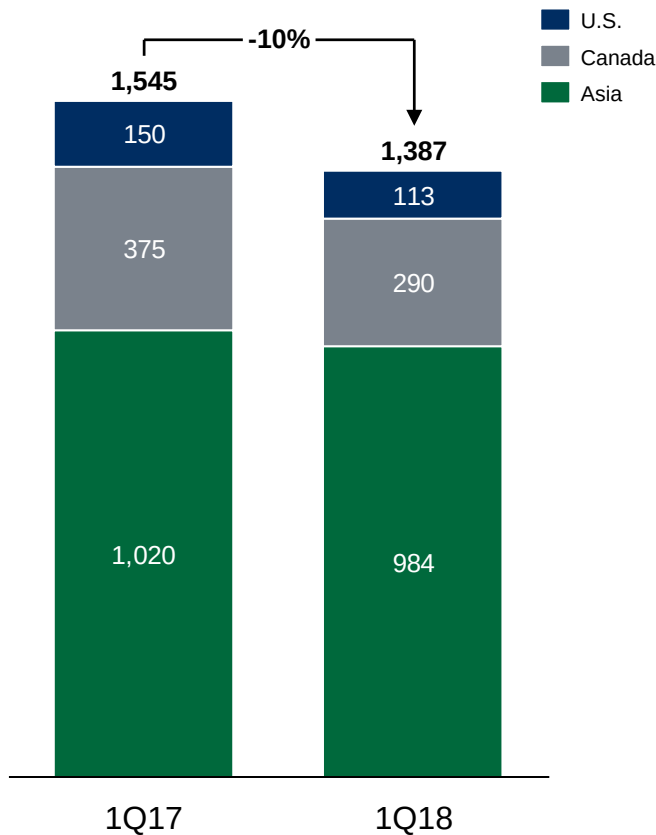


Core ROE
(%)

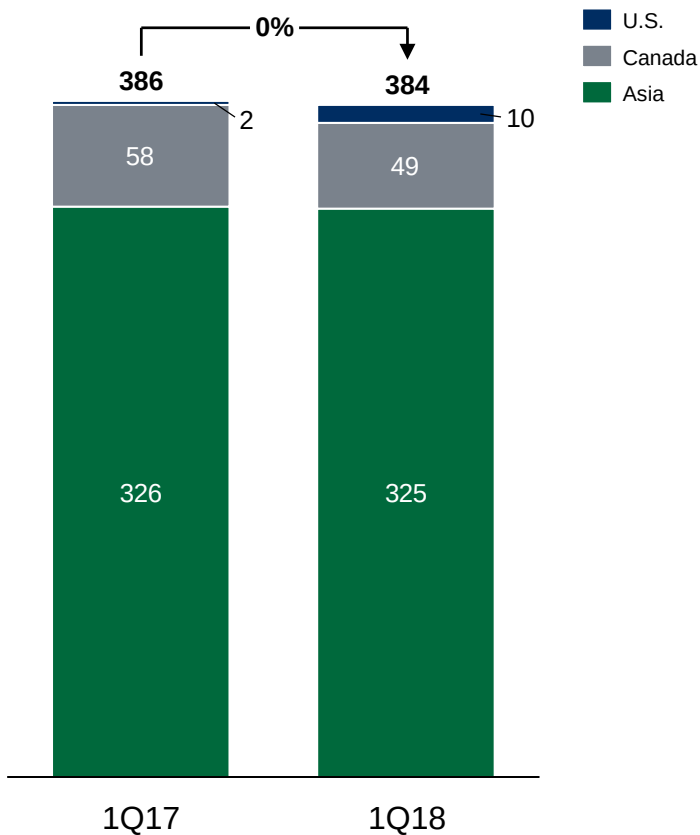


NBV sustained despite lower APE sales

APE sales¹
(C\$ millions)



New business value (NBV)¹
(C\$ millions)

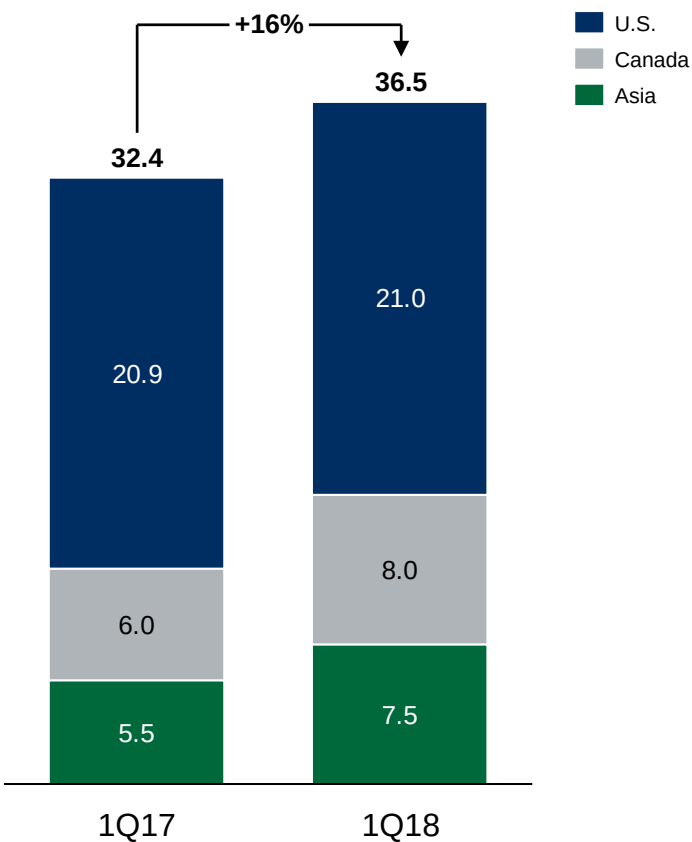


- Strong prior year APE sales in Asia and Canada
- Lower international and variable universal life sales and the impact of our decision to exit sales of COLI/BOLI in the U.S.
- Asia NBV margins of 35.9%, up 140 bps from 1Q17 on improved business mix

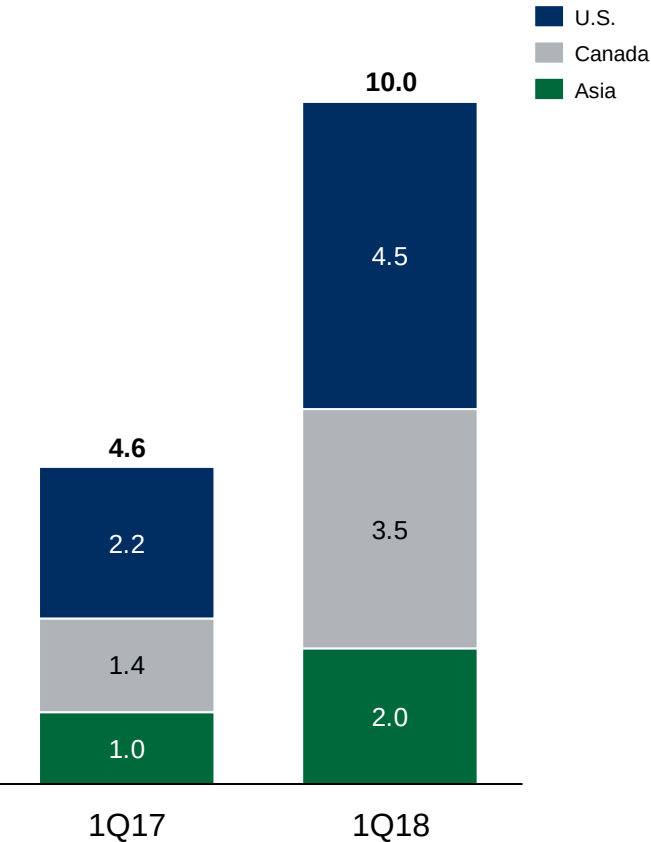
¹ Excludes wealth and asset management, the Bank and P&C reinsurance businesses.
Note: Order of the vertical bars on the chart correspond to the order in the legend.

\$10 billion inflows, marking another quarter of positive net flows in Global Wealth and Asset Management

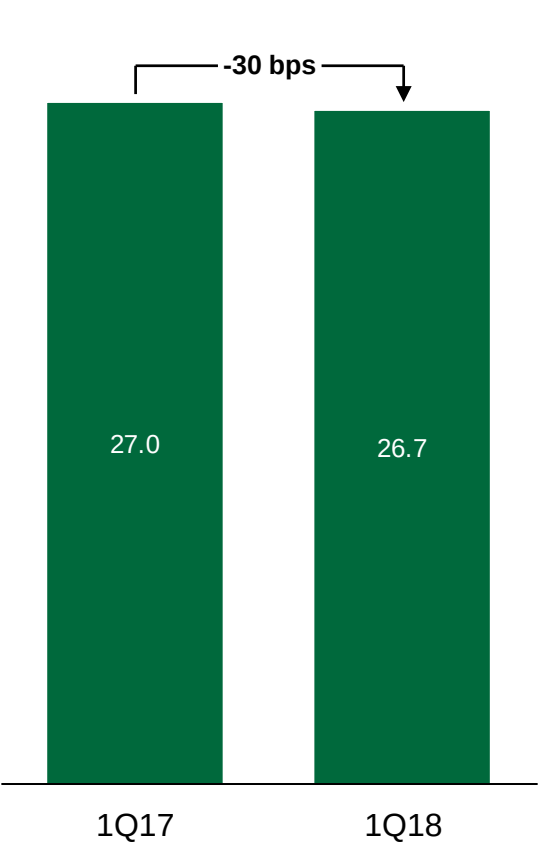
Wealth & asset management gross flows
(C\$ billions)



Wealth & asset management net flows
(C\$ billions)



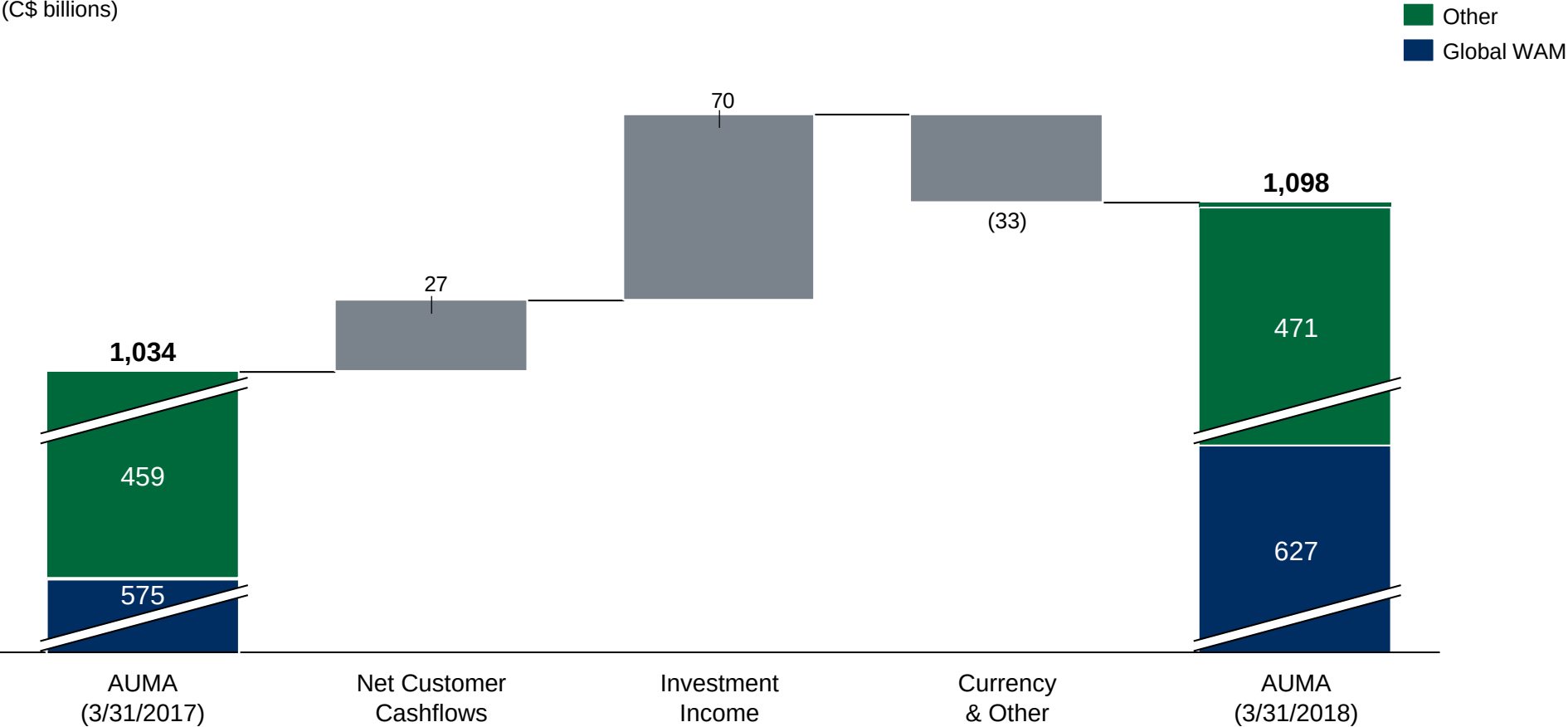
Core EBITDA margin
(%)



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

Strong growth in WAM AUMA

Assets under management and administration (AUMA)
(C\$ billions)

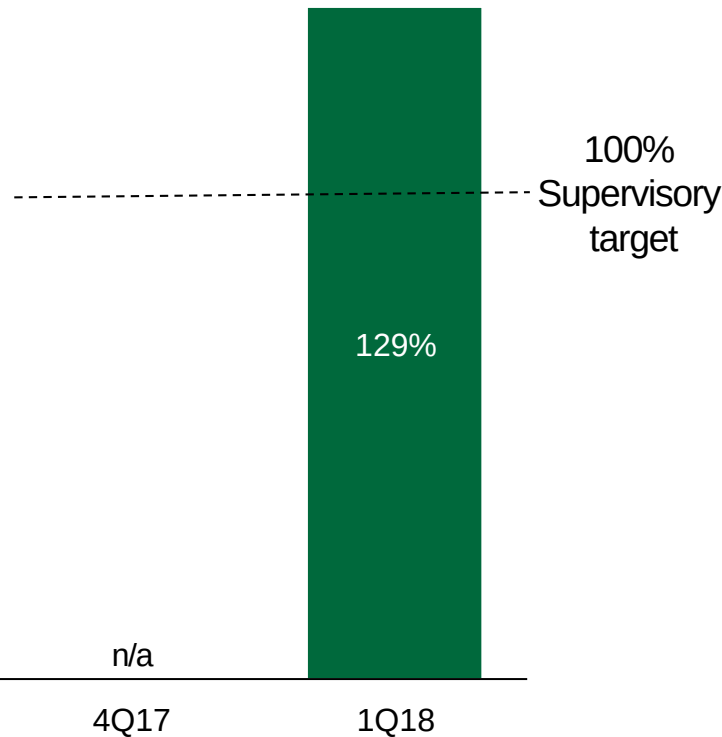


+11%
WAM AUMA with
growth across all
markets

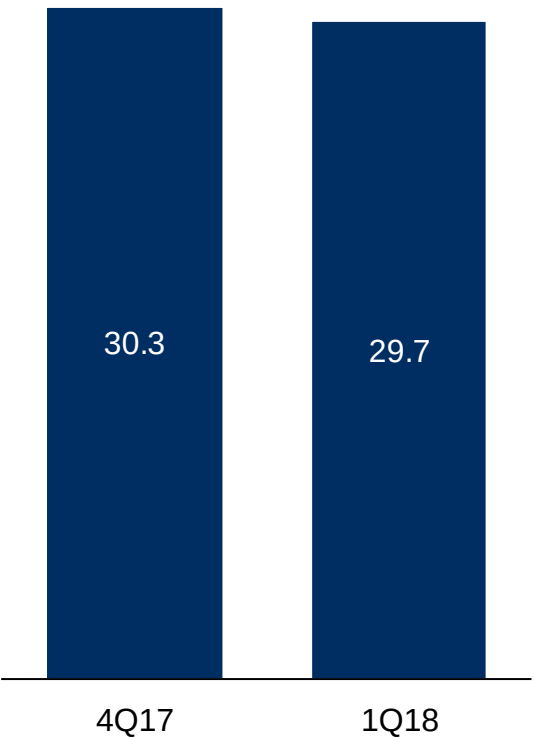
Over
\$1 trillion
in Total Company
AUMA

Reported 129% LICAT ratio

LICAT¹ Ratio for MLI
(%)



Financial leverage ratio
(%)

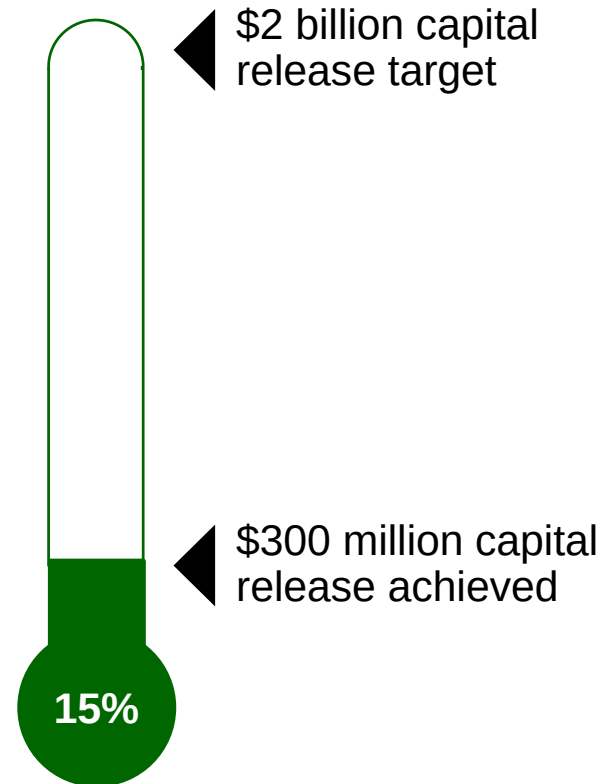


Healthy
capital position

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

Delivering meaningful progress on reducing our ALDA portfolio asset mix backing our legacy businesses

Capital Released in 1Q18 from ALDA dispositions



- Disposed of ALDA assets in 1Q18 resulting in capital relief of \$300 million
- Further ALDA sales commitments have been secured including the transaction with Singapore REIT announced in April

Chief Actuary remarks



Steve Finch
Chief Actuary

Starting in 2018, LICAT replaced MCCSR as the capital framework for Canadian life insurance companies

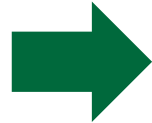
MCCSR Ratio

LICAT Ratio

Available Capital

Required Capital

Supervisory Target = 150%



Available Capital

Still based on IFRS balance sheet, but more restrictive criteria and deductions

+

Surplus Allowance

Margins for insurance risk and interest rate risk

Base Solvency Buffer (BSB)

105% of Net Capital Requirement

Supervisory Target (total capital) = 100%

= 129%

LICAT capital reacts differently to interest rates than MCCSR

Potential impact of an immediate parallel change in “all rates” on MLI’s capital ratio¹:

(Percentage points)	LICAT 1Q18		MCCSR 4Q17	
	-50 bps	+50 bps	-50 bps	+50 bps
Impact excluding change in market value of AFS bonds held in surplus ²			(7) Pts	5 pts
Impact from fair value changes in AFS bonds held in surplus, if realized ²			4 pts	(5) pts
LICAT impact ²	3 pts	(2) Pts		

Potential impact on net income attributed to shareholders arising from a 10% change in public equity returns¹

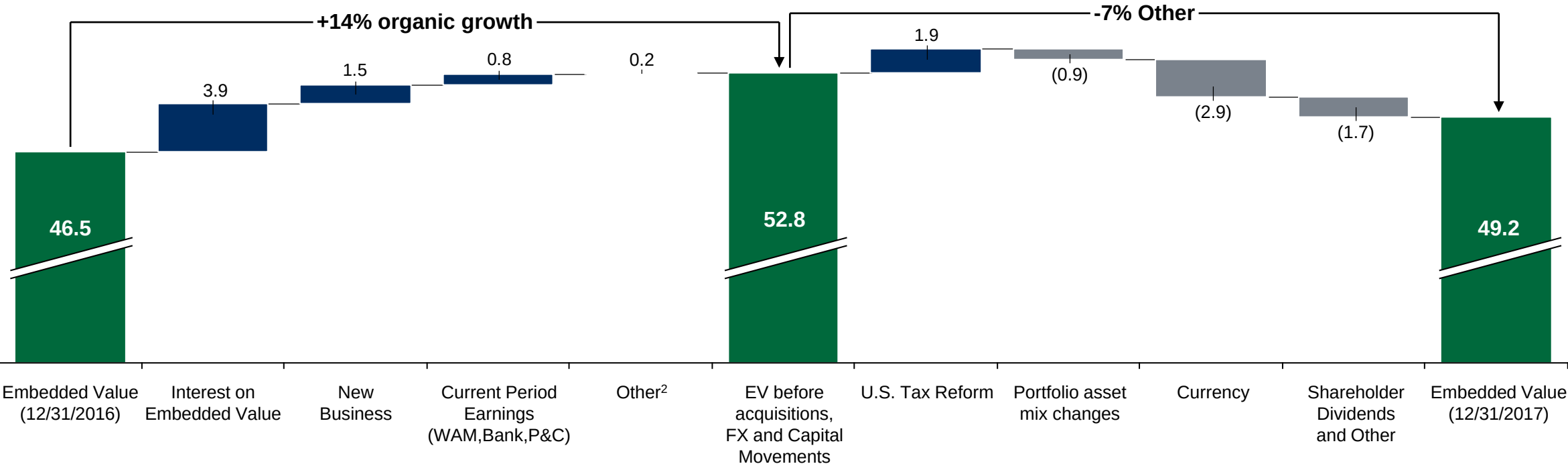
(percentage points)	LICAT 1Q18		MCCSR 4Q17	
	-10%	+10%	-10%	+10%
	(2) pts	2 Pts	(4) pts	3 pts

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 1Q18 Report to Shareholders.

² LICAT capital automatically includes the impact of changes in AFS bonds, while MCCSR only included changes in AFS bonds if realized.

Delivered strong organic growth in embedded value

Embedded Value¹
(C\$ billions)



- +14% organic growth in embedded value from in-force and new business
- EV of \$24.88 per share reflects only a portion of the value of Manulife’s businesses¹

¹ Embedded value does not include any value of in-force related to wealth and asset management, the Bank and P&C reinsurance businesses or value of our insurance new business franchise. Embedded value excludes goodwill and intangible assets. ² Largely relates to changes in investment and operating assumptions, and investment and operating experience.

Conclusion



Roy Gori

President & Chief Executive Officer

Areas of focus



We are taking actions to optimize our portfolio



We are becoming bolder and more ambitious on driving expense efficiencies



We are accelerating growth in high return businesses such as Asia and Wealth and Asset Management



We are improving our customer experience through innovation and digitization



We are improving accountability to deliver on short-term results while executing on long-term opportunities

Investor Day 2018



Manulife is pleased to invite you to its 2018 Institutional Investor Day in Toronto

Wednesday June 27, 2018

Please access the live webcast at:
www.manulife.com/presentations

Question & Answer Session



Appendix

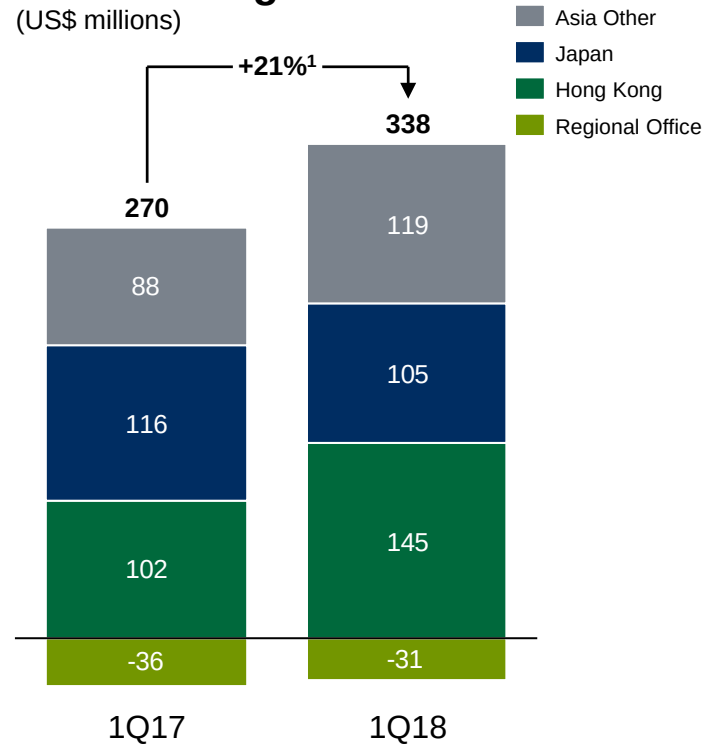


- Divisional Performance
- Source of Earnings Experience breakdown
- Core Earnings Change by Division
- Invested Asset Mix & Credit Experience
- Earnings Sensitivities
- Equity Exposure by Market

Asia: Generated strong core earnings growth

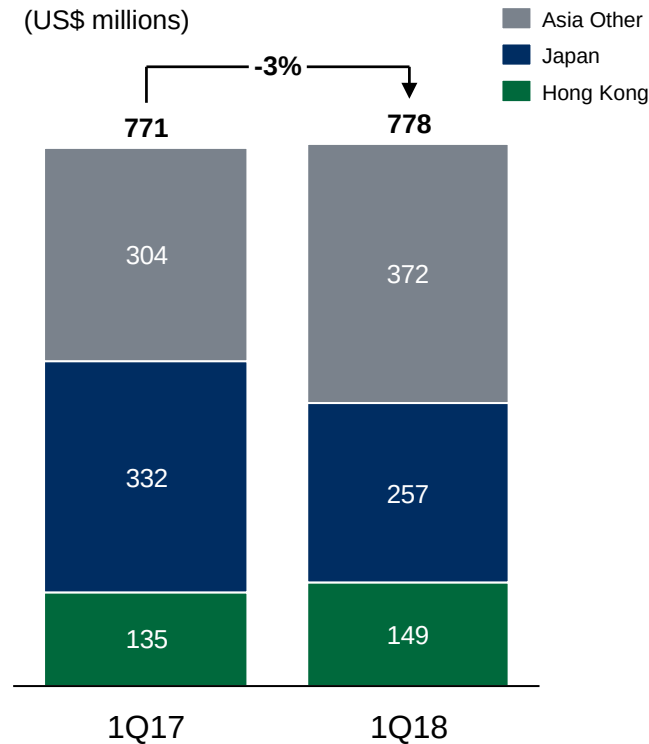
Core earnings

(US\$ millions)



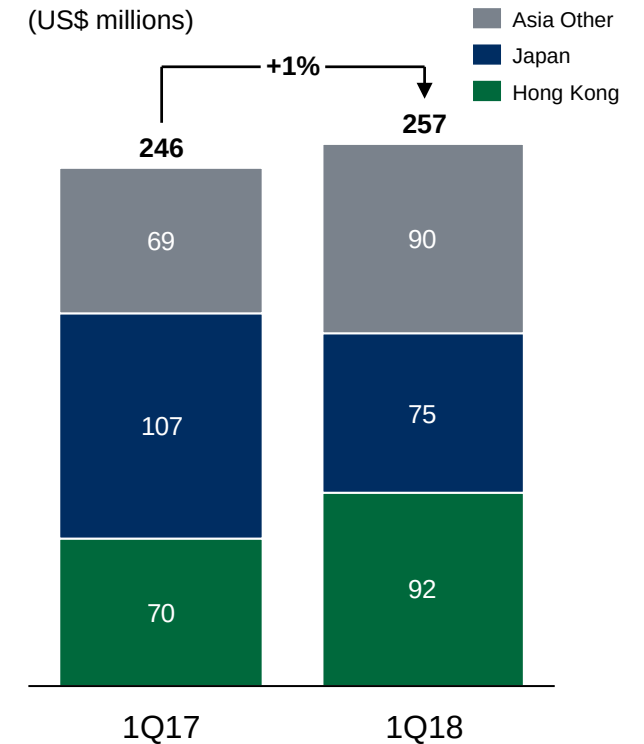
APE sales

(US\$ millions)



New business value

(US\$ millions)



- +21% core earnings growth driven by strong in-force, new business growth, favourable product mix and scale benefits in Hong Kong and Asia Other, partially offset by lower new business volumes in Japan
- +1% growth in new business value with strong growth in Asia Other and Hong Kong largely offset by Japan
- NBV margin of 36%, +1.4 pps

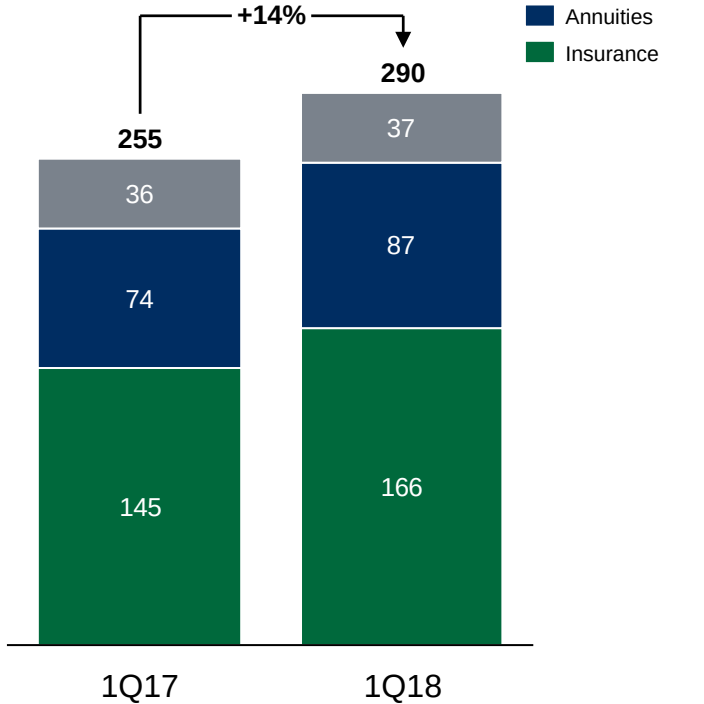
¹ Core earnings percent increase is adjusted for currency.

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

Canada: Delivered strong core earnings growth

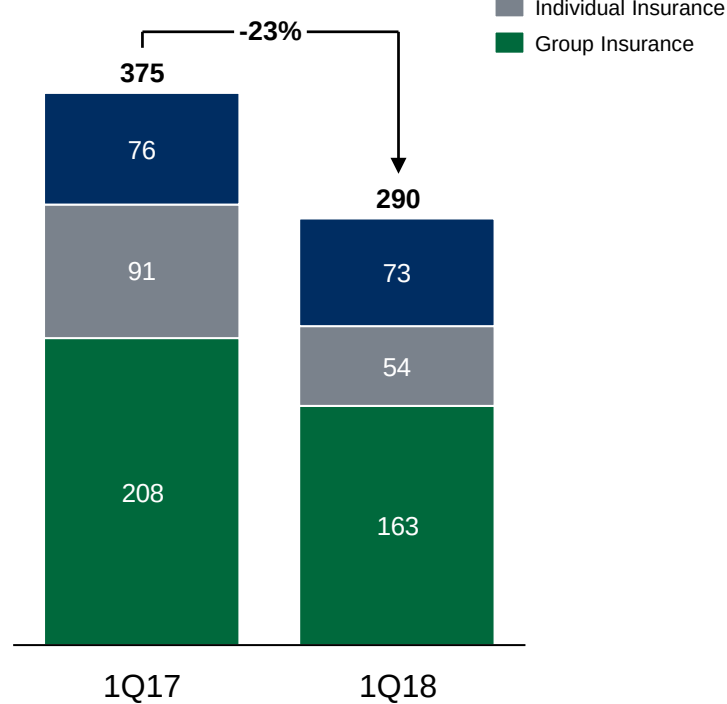
Core earnings

(C\$ millions)



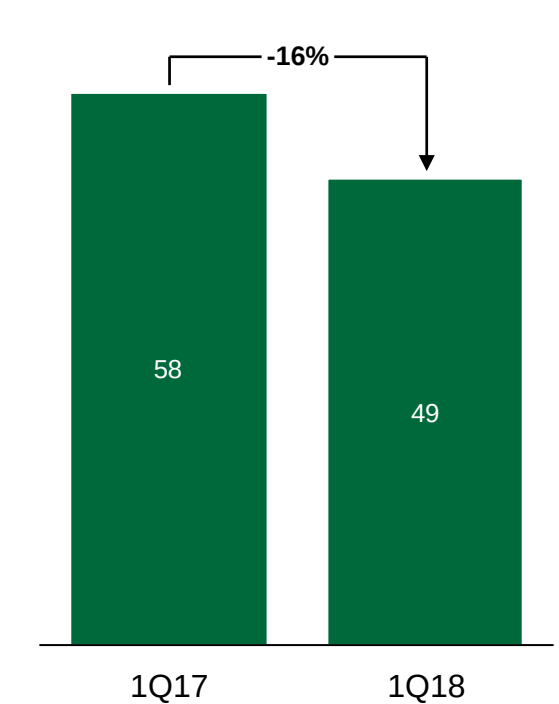
APE sales

(C\$ millions)



New business value

(C\$ millions)



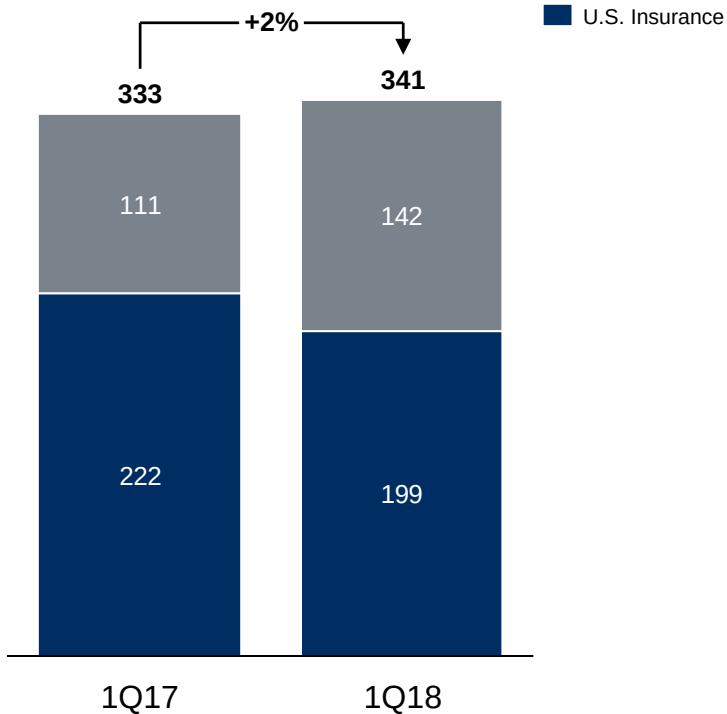
- +14% core earnings growth driven by improved Group benefits long term disability claims experience
- Lower APE sales driven favourable prior year sales due to regulatory changes in individual insurance and a large case group benefits sale

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

U.S.: Generated solid core earnings

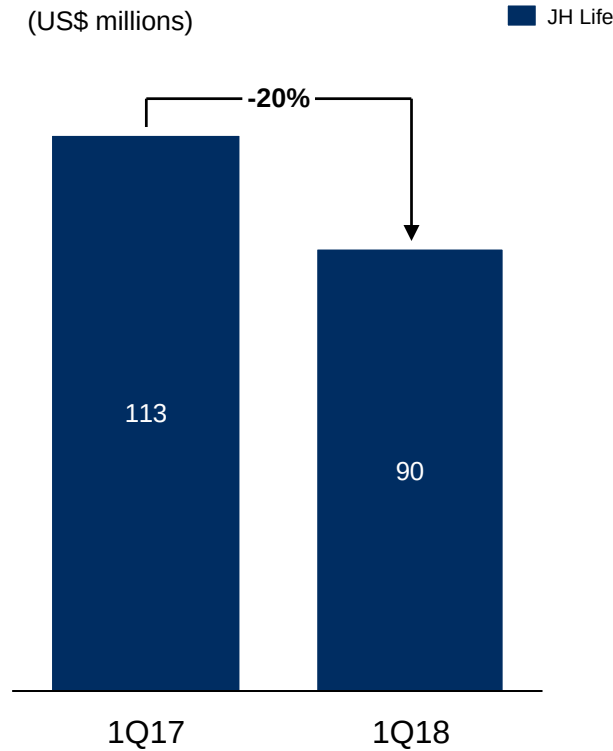
Core earnings

(US\$ millions)



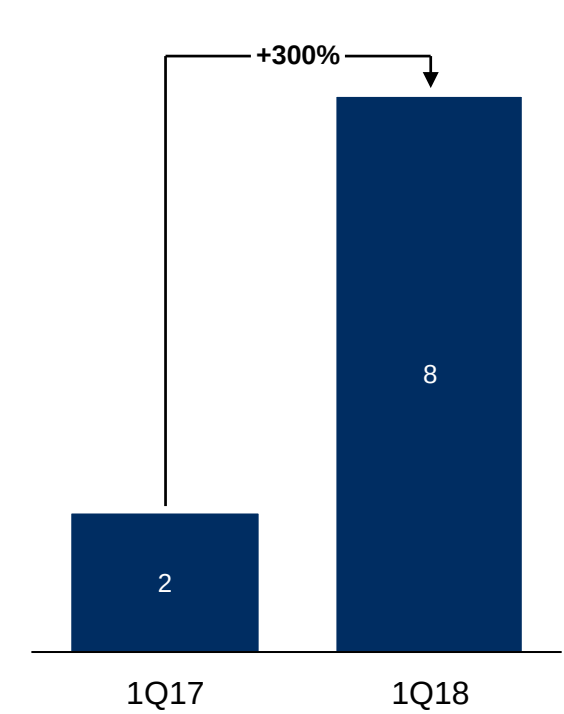
APE sales

(US\$ millions)



New business value

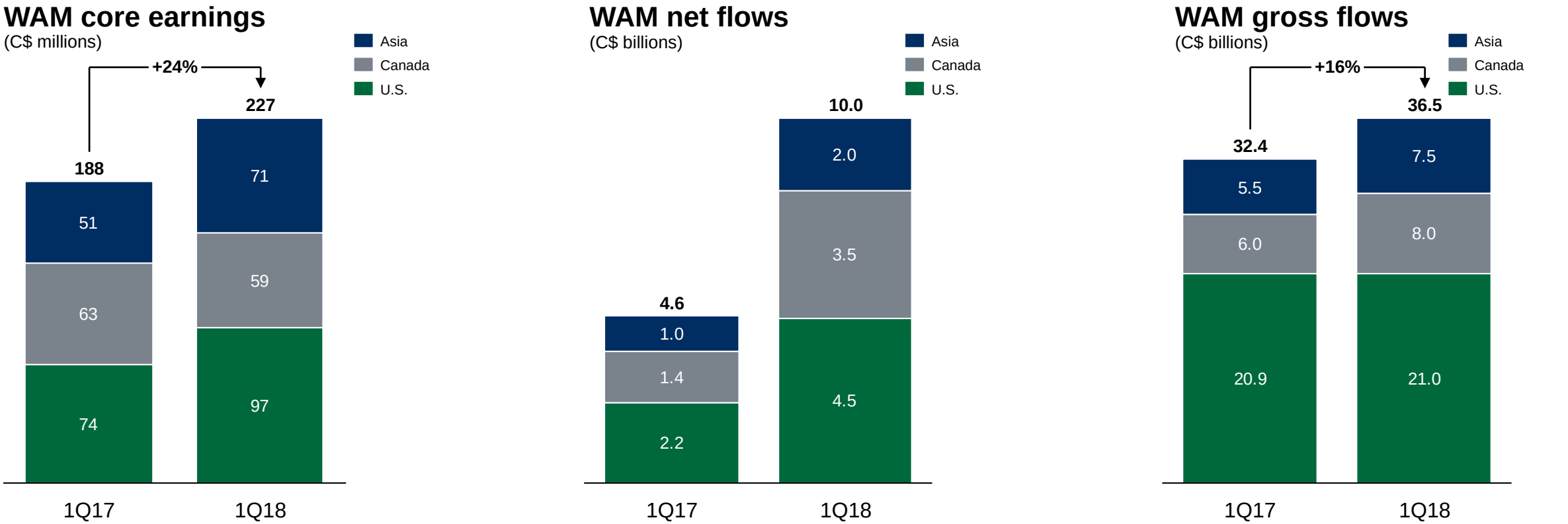
(US\$ millions)



- +2% core earnings driven by the benefit of lower U.S. tax rates and a historical reinsurance item, partially offset by impact of lower sales, product mix changes and less favourable policyholder experience
- Favourable long-term care policyholder experience
- APE sales declined due to lower international and variable universal life sales and the impact of our decision to exit sales of corporate and banked-owned life insurance

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

Global Wealth and Asset Management: Strong growth in core earnings and assets, and continued net inflows



- +24% core earnings driven by growth in AUMA and favourable impact of U.S. tax reform
- Another quarter of positive net flows, with net flows in all business lines and regions

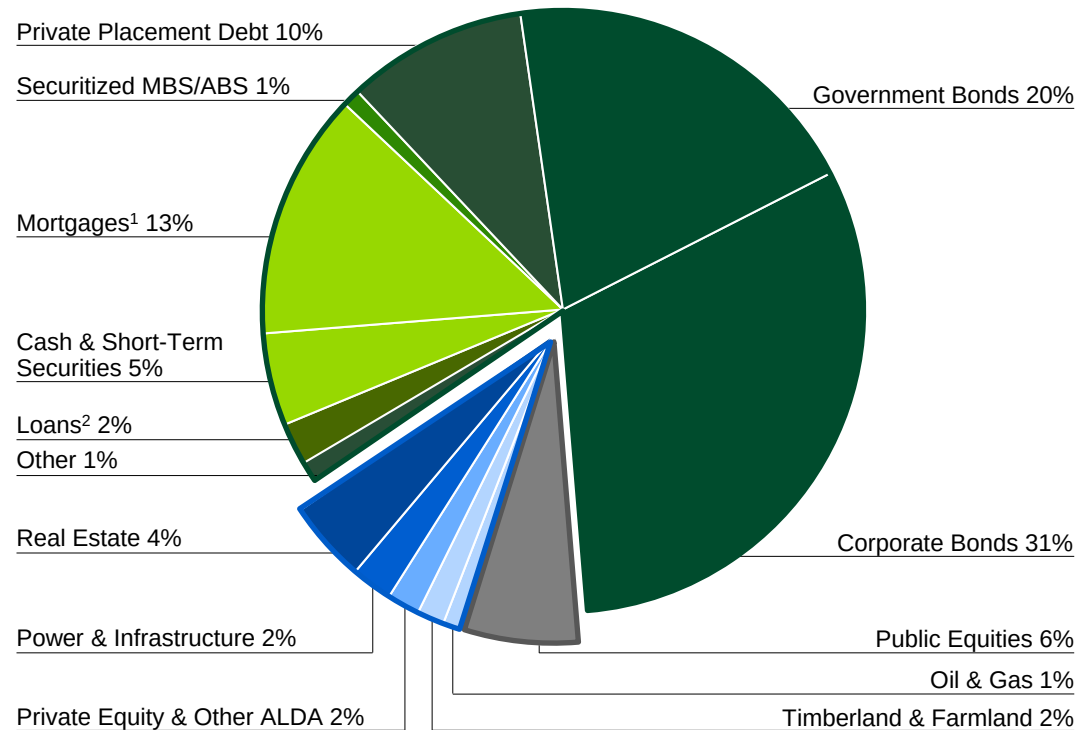
Note: Order of the vertical bars on the chart correspond to the order in the legend.

Diversified high quality asset mix avoids risk concentrations

Total Invested Assets

(C\$342 billion, Carrying values as of March 31, 2018)

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



¹ Includes government insured mortgages (\$7.6 or 17% 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.

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

Interest rate related sensitivities remain well within our risk appetite limits

Potential impact ¹ of an immediate parallel change in “all rates”: (C\$ millions)	4Q17		1Q18	
	-50 bps	+50 bps	-50 bps	+50 bps
Excluding change in market value of AFS bonds held in surplus	\$ (200)	\$ 100	\$ -	\$ (100)
From fair value changes in AFS bonds held in surplus, if realized ²	\$ 1,100	\$ (1,000)	\$ 1,000	\$ (900)

Potential impact ¹ of a parallel change in corporate bond spreads: (C\$ millions)	4Q17		1Q18	
	-50 bps	+50 bps	-50 bps	+50 bps
Corporate spreads	\$ (1,000)	\$ 1,000	\$ (900)	\$ 900

Potential impact ¹ of a parallel change in swap spreads: (C\$ millions)	4Q17		1Q18	
	-20 bps	+20 bps	-20 bps	+20 bps
Swap spreads	\$ 400	\$ (400)	\$ 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 1Q18 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 by market

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

(C\$ millions)	4Q17	1Q18
S&P	(240)	(270)
TSX	(90)	(100)
TOPIX	(20)	(20)
EAFE (Europe, Australasia & Asia ex. Japan) ³	(120)	(110)
Net income impact assuming full hedge offset	(470)	(500)
Assumed partial dynamic hedge offset	(140)	(180)
Net income impact assuming partial dynamic hedge offset	(610)	(680)

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 if it is presented other than in accordance with generally accepted accounting principles used for the Company's audited financial statements. Non-GAAP measures referenced in this presentation include: Core Earnings (Loss); Core ROE; Diluted Core Earnings Per Common Share; Core Investment Gains; Constant Exchange Rate Basis (measures that are reported on a constant exchange rate basis include percentage growth/decline in Core Earnings, Sales, APE Sales, Gross Flows, New Business Value, New Business Value Margin and Assets under Management and Administration); Assets under Management; Assets under Management and Administration; 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 1Q18 and 2017 Management's Discussion and Analysis.

Thank you



Investor Relations contacts

Robert Veloso, MBA, CFA
Head of Investor Relations
robert_veloso@manulife.com
(416) 852-8982

Daniel Kenigsberg, MBA, CFA
daniel_kenigsberg@manulife.com
(416) 852-7208

Shubha Khan
shubha_khan@manulife.com
(416) 852-4459

Eileen Tam, HKICPA
eileen_tam@manulife.com
(852) 2202-1101

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