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2022 Comparative Results under IFRS 17 and IFRS 9

May 11, 2023

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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 the expected improved stability of Manulife's earnings, book value and capital under IFRS 17 and IFRS 9; the variance between net income attributed to shareholders and core earnings as our investment activities further align to IFRS 17 and hedge accounting programs mature; the Company's strategic priorities and 2025 targets for its highest potential businesses, core earnings contribution from Asia region, portfolio optimization, and expense efficiency; and its medium-term financial targets 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, 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 fair value through other comprehensive income; 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 in the Management's Discussion and Analysis ("MD&A") in our most recent interim report 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 the MD&A in our most recent annual report and, in the "Risk Management" note to the 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.

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Note to readers

- Our 2022 results have been restated for the adoption of IFRS 17 “Insurance Contracts”, including the other comprehensive income option, and IFRS 9 “Financial Instruments”
- The restated 2022 results may not be fully representative of our market risk profile, as the transition of our general fund portfolio for asset-liability matching purposes under IFRS 17 and IFRS 9 was not completed until early 2023. Consequently, year-over-year variations between our 2023 results compared to the 2022 results should be viewed in this context
- In addition, our 2022 results are also not directly comparable to 2023 results because IFRS 9 hedge accounting and expected credit loss (ECL) principles are applied prospectively effective January 1, 2023. Accordingly, we have also presented comparative quarterly 2022 results in our first quarter of 2023 MD&A as if IFRS had allowed such principles to be implemented for 2022 as “transitional” 2022 results
- IFRS 9 hedge accounting – Manulife uses derivatives for economic hedging purposes. Effective January 1, 2023, the Company designated additional existing derivatives in new hedge accounting relationships, with the objective to reduce accounting mismatches between reporting of the change in the value of hedging derivatives in net income and the reporting of the change in financial risk of insurance contract liabilities reported in other comprehensive income (OCI) *without* hedge accounting and net income *with* hedge accounting
- Our restated 2022 core earnings and transitional net income are non-GAAP financial measures and will also reflect the impact of the IFRS 9 principles noted above (e.g., hedge accounting and ECL) as well as the expected long-term (ELT) returns for the corresponding period. Note that the core investment gains recognized under the previous accounting regime are no longer applicable under the restated 2022 core earnings

Agenda

2022 financial highlights under IFRS 17
Roy Gori, President & Chief Executive Officer

Understanding 2022 comparative results
Phil Witherington, Chief Financial Officer

Appendix

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2022 financial highlights under *IFRS 17*

Roy Gori
President & Chief Executive Officer

Key messages

- **IFRS 17 does not impact the fundamental economics of our business or our financial strength and dividend capacity. Our strategic priorities have not changed and we remain committed to achieving our targets**
- IFRS 17/9 are **expected to improve the stability of earnings, book value and capital**
- **IFRS 17 transition impacts** on core earnings, book value per common share, total equity and LICAT are **consistent with our guidance**
- Delivered **solid core earnings** in 2022 as shown through the **new drivers of earnings (DOE) analysis**, which adds clarity to the financial results
- **CSM is a driver of future earnings and an important metric for monitoring growth**. We generated **resilient new business CSM** and organic growth in the CSM balance throughout 2022
- **Adjusted book value,** an **important measure of enterprise value,** demonstrated **stable growth** in 2022

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Full year 2022 financial highlights *under IFRS 17*

Profitability

Transitional net income attributed to shareholders

$3.5B

Core earnings

$5.8B

Core ROE

14.0%

Growth

New business CSM[1]

$1.9B

Organic CSM growth

$1.3B

Total CSM growth[2]

$0.2B

Balance Sheet

Adjusted book value per common share[3]

$29.42

Book value per common share

$21.56

MLI's LICAT ratio[4]

136%

Core earnings and transitional net income attributed to shareholders are non-GAAP financial measures. For more information on 2022 transitional results, see the "Note to readers" above and section A1 "Implementation of IFRS 17" of the 1Q23 MD&A. Adjusted book value per common share and core return on equity (ROE) are non-GAAP ratios. For more information on non-GAAP and other financial measures, see "Non-GAAP and Other Financial Measures" below and that section in 1Q23 MD&A, which is incorporated by reference.

[1] New business CSM is net of non-controlling interests. [2] The total CSM growth excludes the decrease related to the 1Q22 U.S. VA reinsurance transaction. [3] Adjusted book value per common share represents book value per common share plus CSM balance (post-tax) net of non-controlling interests per common share. [4] Life Insurance Capital Adequacy Test (LICAT) ratio of The Manufacturers Life Insurance Company (MLI) as at January 1, 2023. LICAT ratio is disclosed under OSFI's Life Insurance Capital Adequacy Test Public Disclosure Requirements guideline

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IFRS 17 transition impacts *are consistent with our guidance*

		Communicated in February 2023[1]	Actual results
IFRS 17 transition impacts	2022 Core earnings (decrease vs. IFRS 4)	5% - 10%	6.2%
	Total equity on Jan. 1, 2023 (decrease vs. IFRS 4)	~15%	14.5%
	BVPS[2] on Jan. 1, 2023 (decrease vs. IFRS 4)	~20%	18.6%
	MLI's LICAT ratio on Jan. 1, 2023[3] (impact vs. IFRS 4)	low single-digit increase	+5 pps

See KPI definitions in appendix below.
[1] Update on transition impact estimates were disclosed in the 4Q22 earnings call presentation. [2] Book value per common share. [3] Based on December 31, 2022 market conditions.

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Understanding *2022 comparative* results

Phil Witherington
Chief Financial Officer

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Full year 2022 *financial summary KPIs*

	(C$ millions, unless noted)	2022
Profitability	Transitional net income attributed to shareholders	$3,498
	Core earnings	$5,801
	Core return on equity (%)	14.0%
	Expense efficiency ratio (%)	45.7%
	Expenditure efficiency ratio (%)	52.8%
Growth	APE sales (C$ billions)	$5.7
	New business value	$2,063
	New business CSM	$1,895
	CSM balance growth (year-over-year % change)	n/a
	Global WAM net flows (C$ billions)	$3.2
	Global WAM core EBITDA margin (%)	27.2%
	Global WAM average AUMA (C$ billions)	$790
Balance Sheet	Book value per common share (C$)	$21.56
	CSM balance per common share (C$)[2]	$7.86
	Adjusted book value per common share (C$)[3]	$29.42
	MLI's LICAT ratio (%)[4]	136%
	Financial leverage ratio (%)	25.1%
	Dividend per common share (C$)	$1.32

[1] Core ROE, expense efficiency ratio, expenditure efficiency ratio, core EBITDA margin, adjusted book value per common share, financial leverage ratio and CSM balance per common share are non-GAAP ratios. [2] CSM balance is post-tax net of non-controlling interest, a non-GAAP financial measure. CSM balance per common share is a non-GAAP ratio. See "Non-GAAP and Other Financial Measures" below. [3] Adjusted book value per common share includes post-tax CSM net of non-controlling interests. [4] As at January 1, 2023.

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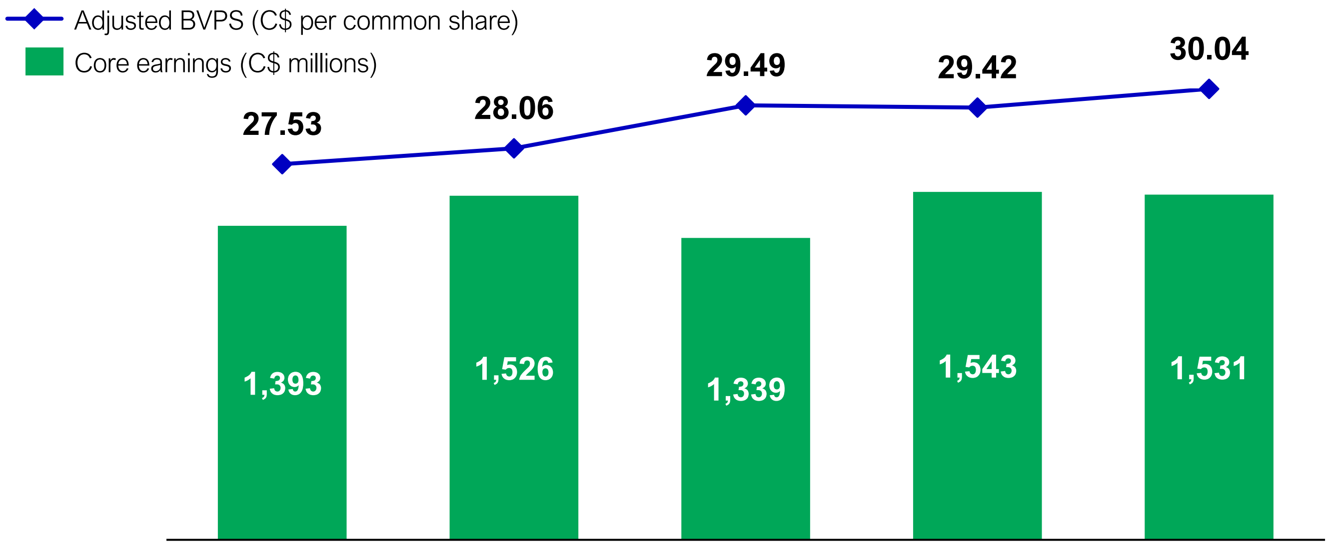
Adjusted book value is an important metric for monitoring *growth* and measuring *insurance businesses' value*

Adjusted book value per common share[1] and core earnings



	1Q22	2Q22	3Q22	4Q22	1Q23
Book value per common share	20.11	20.62	21.78	21.56	22.01
Adjusted book value per common share	27.53	28.06	29.49	29.42	30.04

- We expect **adjusted book value per common share to have more stable growth** under IFRS 17 and IFRS 9 as it better aligns with the economics of our business
- We also expect the **LICAT ratio to be less sensitive** to market movements given Book Value is more stable
- Our LICAT ratio under IFRS 17 as at January 1, 2023 was 136%

[1] Adjusted book value per common share (BVPS) is a non-GAAP ratio. It represents book value per common share plus CSM balance (post-tax) net of non-controlling interests per common share.

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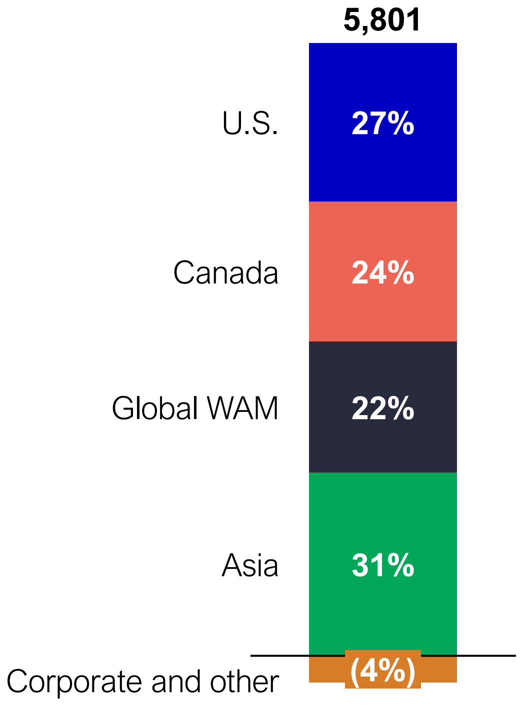
Asia segment remains the *largest contributor* to core earnings and new business CSM, and represents the majority of the CSM balance

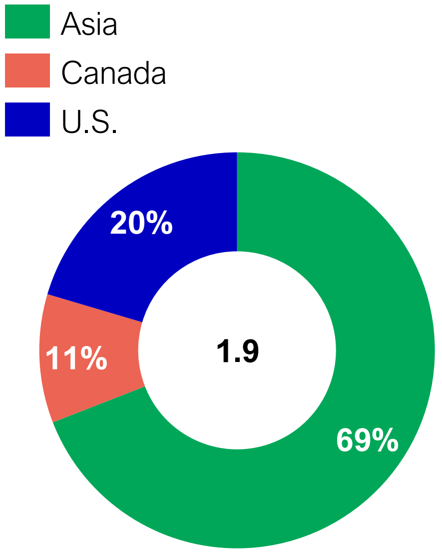
Core earnings

(C$ millions unless otherwise noted)



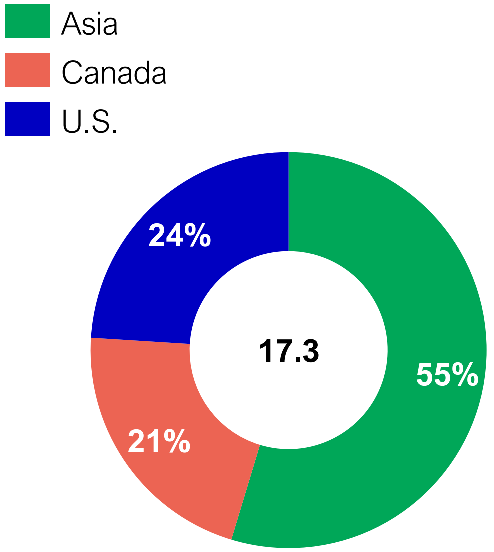
New business CSM[1]

(C$ billions unless otherwise noted)



Total CSM[1,2]

(C$ billions unless otherwise noted)



Full year 2022 restated IFRS 17 results.

[1] Net of CSM attributed to non-controlling interests. [2] Total CSM includes $0.1 billion (0.3%) in Corporate and Other.

Solid core earnings in 2022 as shown through the *DOE* analysis[1]

(C$ millions)	Full year 2022
Risk adjustment release	1,071
CSM recognized for service provided ("CSM amortization")	1,812
Expected earnings on short-term insurance business	706
Expected earnings on insurance contracts	3,589
Impact of new insurance business	(208)
Insurance experience gains (losses)	(572)
Other	51
Core net insurance service result	**2,860**
Expected investment earnings	2,216
Change to expected credit loss	(34)
Expected earnings on surplus	854
Other	96
Core net investment result	**3,132**
Core Global Wealth and Asset Management	**1,521**
Core Manulife Bank	**230**
Other core earnings	**(897)**
Total core earnings (pre-tax)	**6,846**
Core income tax (expense) recovery	(1,045)
Total core earnings (post-tax)	**5,801**
Items excluded from core earnings (see slide 14 for details)	**(2,303)**
Transitional net income (loss) attributed to shareholders	**3,498**
Total reconciling items (see slide 14 for details)	(5,431)
Net income (loss) attributed to shareholders	**(1,933)**

Core net insurance service result of $2.9 billion consists of:

- Risk adjustment release from non-economic risks
- The CSM balance was amortized into core earnings at a rate of approximately 10% in 2022
- Expected earnings on short-term insurance business relate to short-term contracts under the Premium Allocation Approach (PAA)
- Insurance experience losses were driven by current period claims largely on Life and P&C businesses. Experience related to future periods (reserves release) was reflected in the CSM (see slide 19)

Core net investment result of $3.1 billion consists of:

- Expected investment earnings of $2.2 billion represent the expected return on our assets backing our liabilities, net of the insurance finance expenses
- Impact from changes in the ECL was modest amid a challenging macro environment
- Expected earnings on surplus represent the expected return on our surplus assets

Global WAM and Manulife Bank core earnings of $1.5 billion and $0.2 billion, respectively, were subject to the similar drivers as under IFRS 4

Other core earnings were a $0.9 billion charge reflecting debt financing costs and non-attributable expenses

Note: Results shaded in grey exclude IFRS 9 hedge accounting and ECL principles to visually differentiate it from the transitional results.
[1] DOE analysis is used to identify the primary sources of gains or losses in each reporting period. Core DOE line items for core net insurance service result, core net investment result, other core earnings, and core income tax (expense) recovery are non-GAAP financial measures. See "Non-GAAP and Other Financial Measures" below and in our 1Q23 MD&A. For an explanation of the components of core DOE line items other than the change in expected credit loss, see "Non-GAAP and Other Financial Measures" in our 1Q23 MD&A.

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We expect net income to be *closer* to core earnings in 2023 as assets and liabilities are managed to *better align* with IFRS 17/9

(C$ millions)	Full year 2022	2023+ outlook
Core earnings (post-tax)	**5,801**	
Items excluded from core earnings		
Realized gains (losses) on fixed income	(1,161)	Reduced magnitude (i)
Derivatives and hedge ineffectiveness	267	Variable, trending smaller (ii)
Actual less expected long-term returns on public equity	(1,291)	
Actual less expected long-term returns on ALDA	(32)	
Other investment results	(368)	Variable, trending smaller (iii)
Total market experience gains (losses)	**(2,585)**	**Reduced magnitude**
Changes in actuarial methods and assumptions	26	
Restructuring charge	-	
Reinsurance transactions, tax-related items and other	256	
Transitional net income (loss) attributed to shareholders (post-tax)	**3,498**	
Less: Reconciling items (pre-tax)		
Change in expected credit loss	(35)	
Hedge accounting	7,356	
Total reconciling items (pre-tax)	7,321	
Tax	(1,890)	
Less: Total reconciling items (post-tax)	5,431	
Net income (loss) attributed to shareholders (post-tax)	**(1,933)**	

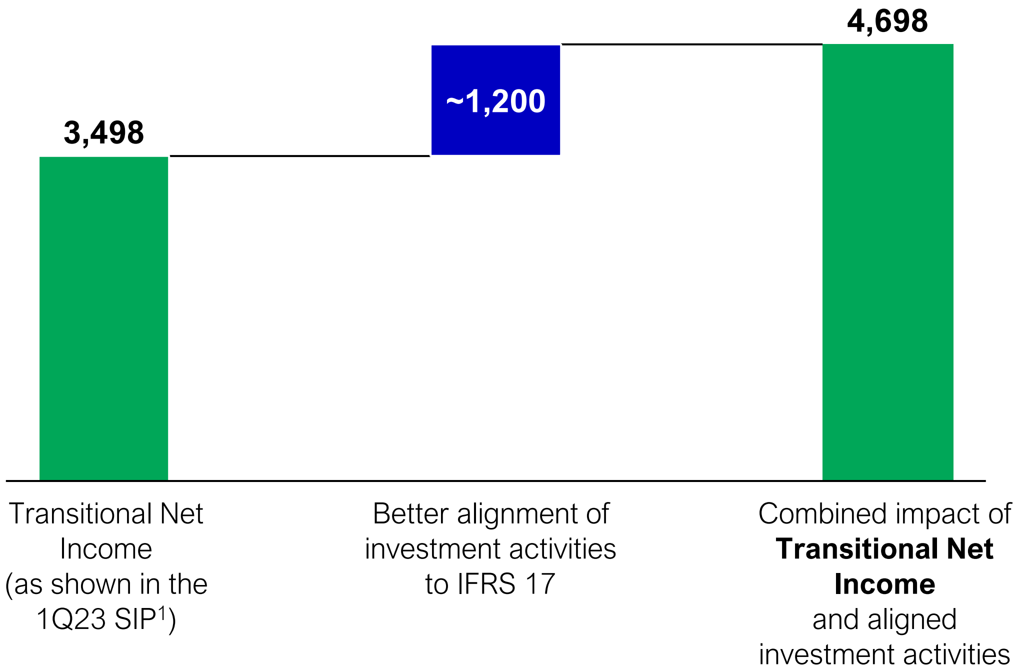
See "Caution regarding forward-looking statements" above. Results shaded in grey exclude IFRS 9 hedge accounting and ECL principles to visually differentiate it from the transitional results.

- **Transitional net income** attributed to shareholders is introduced for 2022 results to include the impact of IFRS 9 hedge accounting and expected credit loss principles, which will improve the comparability to results in 2023 and beyond (see "Note to readers" above)
- Realized gains (losses) on fixed income and hedge ineffectiveness are largely offset by the impacts in OCI (see slide 17)
- The magnitude of **market experience gains (losses)** is expected to be smaller in 2023 and beyond compared with the 2022 experience
  - i. We expect net income impact to reduce as actions were taken to better align with the new accounting standards (see illustration on slide 15)
  - ii. Expected to decrease over time as we continue to refine our hedge accounting programs
  - iii. This largely reflects the mismatches between the currency of assets and liabilities as a result of the transition to IFRS 17/9. We expect a reduction in the accounting mismatch as we recently took actions to reduce this mismatch (see illustration on slide 15)
- Actual less expected long-term returns on public equity was largely driven by the significant equity market declines during 2022
- Changes in actuarial methods and assumptions reflect the same insurance experience study updates as under IFRS 4 (see slide 20)
- Starting in 2023, the fair value movements on our long-term incentive plan (LTIP) revenue and expenses in Global WAM will be reported under reinsurance transactions, tax-related items and other

As our *investment activities further align* to IFRS 17 and *hedge accounting programs mature,* we expect the variance between core earnings and net income to *decrease*

Net income attributed to shareholders

C$ millions, full year 2022



- **As illustrated,** we aligned our investment activities to IFRS 17, largely in early 2023, to **reduce variability in realized gains and losses on fixed income investments** and refined our hedges to **reduce FX exposure**
- In addition to the impact illustrated in the graph, we plan to make some refinements to **better reflect the application of IFRS 17 and IFRS 9 standards**, such as further enhancing our hedge accounting programs to provide better matching within OCI and net income, which will improve net income stability going forward

Note: See "Caution regarding forward-looking statements" above. [1] Statistical Information Package.

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Transitional adjustments *do not impact* total comprehensive income

Full year 2022 (C$ millions, post-tax)	GAAP	Hedge accounting and ECL impacts	Transitional
Net income (loss) attributed to shareholders	**(1,933)**	**5,431**	**3,498**
Other comprehensive income (OCI)			
Net insurance/reinsurance finance income (expense)[1]	*48,780*	*(7,689)*	*41,091*
Fair value through OCI instruments gains (losses)[2]	*(42,407)*	*2,036*	*(40,371)*
Net impact	6,373	(5,653)	720
Remeasurement of pension and other post-employment plans	17		17
Cash flow hedges gains (losses)	164	2	166
Real estate revaluation reserve	(1)		(1)
Unrealized foreign exchange gains (losses) of net foreign operations	1,340	220	1,560
Other[3]	(3)		(3)
Total OCI	**7,890**	**(5,431)**	**2,459**
Total comprehensive income attributed to shareholders	**5,957**	**-**	**5,957**

[1] Includes the changes in actuarial methods and assumptions that adjust the OCI. [2] Includes "Includes fair value through OCI instruments unrealized and realized gains (losses) and provision for credit losses. [3] Share of other comprehensive income (loss) of associates".

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Net impact from interest rates on OCI was small in 2022, and we expect *more stable* impact of interest rates under IFRS 17

(C$ millions, post-tax)		Full year 2022
Transitional net income attributed to shareholders		**3,498**
Transitional other comprehensive income (OCI)		
Net insurance/reinsurance finance income (expense)[1]	41,091	
Fair value through OCI instruments gains (losses)	(40,371)	
		720
Remeasurement of pension and other post-employment plans		17
Cash flow hedges gains (losses)		166
Real estate revaluation reserve		(1)
Unrealized foreign exchange gains (losses) of net foreign operations		1,560
Other[3]		(3)
Total transitional OCI		**2,459**
Total comprehensive income attributed to shareholders		**5,957**

- The movements in other comprehensive income on insurance contract liabilities and invested assets reflect the impacts of interest rates and credit spreads, changes in certain insurance contract liabilities due to public equity performance[4], and offsetting gains/losses realized from asset sales as well as offsetting changes from expected credit loss recognized into net income[5]
- In aggregate, these movements were small in 2022. We expect the impact of movement in risk free rates to be more stable under IFRS 17 as it better reflects the underlying economics of our business

In addition:

- Other items, such as pension and other post-employment plans, cash flow hedges, real estate revaluation reserve and translation of foreign operations are similar in concept to IFRS 4
- For contracts under the variable fee approach (VFA), the interest rate impact is absorbed by the CSM

[1] Includes the changes in actuarial methods and assumptions that adjust the OCI. [2] Includes "Includes fair value through OCI instruments unrealized and realized gains (losses) and provision for credit losses. [3] Includes "Share of other comprehensive income (loss) of associates". [4] This reflects changes in the present value of future fees and costs of financial guarantees on general measurement model insurance products where policyholders invest in certain investment accounts [5] ECL impairment model applies debt instruments recorded at amortized cost or at FVOCI. Changes in ECL related to FVOCI assets have offsetting amounts between OCI and net income

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We generated *resilient* new business CSM and *organic growth* in the CSM balance throughout 2022

(C$ millions, pre-tax)	As reported in the SIP	Excluding U.S. VA business transacted in 1Q22[1]
CSM Balance as at January 1, 2022	**18,589**	**17,792**
Impact of new insurance business ("New business CSM")	1,915	1,915
Expected movements related to finance income or expenses	931	931
CSM recognized for service provided ("CSM amortization")	(1,993)	(1,993)
Insurance experience gains (losses) and other	420	420
Organic CSM movement	**1,273**	**1,273**
Changes in actuarial methods and assumptions	(287)	(287)
Effect of movement in exchange rates	600	600
Impact of markets	(1,327)	(1,327)
Reinsurance transactions, tax-related items and other	(871)	(74)
Inorganic CSM movement	**(1,885)**	**(1,088)**
Total CSM movement	**(612)**	**185**
CSM Balance as at December 31, 2022	**17,977**	**17,977**
CSM attributed to non-controlling interests	(694)	(694)
CSM (net of non-controlling interests)	**17,283**	**17,283**

- We generated organic CSM growth of 7% in 2022
- Excluding the U.S. variable annuity reinsurance transaction, the total CSM decreased by 2% on a constant exchange rate basis[2]. Total CSM growth was below the organic CSM growth largely due to adverse public equity experience on VFA contracts. This will vary from period to period, and organic CSM movements and long-term trends in total CSM movements are most indicative of our medium-term growth potential
- CSM was recognized for services provided at a rate of approximately10% in 2022
- Insurance experience in 2022 was driven by elevated mortality leading to higher reserve releases than expected in U.S. life insurance business, and gains in Long Term Care (see slide 19)
- Updates related to actuarial methods and assumptions are largely the same as under IFRS 4 (see slide 20)

Percentage changes are stated on a constant exchange rate basis. For an explanation of the components of CSM movement other than the new business CSM, see "Non-GAAP and Other Financial Measures" in our 1Q23 MD&A.
[1] The CSM decrease from the 1Q22 U.S. variable annuity reinsurance transaction is removed from the CSM balance as at January 1, 2022 with an offsetting adjustment to the reinsurance transactions, tax-related items and other line. [2] The total CSM grew by 1% on an actual exchange rate basis.

Insurance experience **should consider both the impact to** *core earnings* **and** *CSM* **under IFRS 17**

Full year 2022 Insurance experience gains (losses) [1]
(C$ millions, pre-tax)

	Core earnings impact	CSM impact[2]	Total impact
Asia	13	99	112
Canada	2	3	5
U.S	(327)	257	(70)
Insurance operating segments	**(312)**	**359**	**47**
Corporate and other	(260)	32	(228)
Total	**(572)**	**391**	**(181)**

- Insurance experience is reflected in core earnings and in the CSM. The impacts need to be considered together
  - Claims experience variances, which relate to differences in amounts paid versus expected in the current period, are recognized in core earnings
  - Experience variances that relate to future period impacts such as lapse and changes in reserves caused by current period experience adjust the CSM
- 2022 had offsetting impacts between core earnings and the CSM related to insurance experience gains (losses). This was largely driven by elevated mortality in the U.S. relating to the pandemic on U.S. Insurance business and offset by Long Term Care. The experience loss in Corporate and Other was primarily driven by a P&C reinsurance charge for estimated losses related to Hurricane Ian. 2022 comparative results are not indicative of future insurance experiences or ongoing expectations

[1] Insurance experience includes items such as mortality, morbidity, persistency, and attributable maintenance expense experience [2] Excludes non-controlling interests. Future period impacts absorbed by the CSM for GMM products may differ from the total future period impact due to differences in discount rates used to measure the CSM vs. the liability. If this occurs, then these differences would be in OCI or net investment results.

Annual review of actuarial methods and assumptions **impacts CSM, net income and OCI under IFRS 17**

(C$ millions, pre-tax)	**Full year 2022**
Impact reflected in net income[1]	(3)
Impact reflected in OCI	90
Impact reflected in CSM movement	(287)
Total impact of changes in actuarial methods & assumptions	**(200)**

- The changes in actuarial methods and assumptions were largely the same as under IFRS 4, except where updates did not apply due to the change in accounting standards
- The remaining difference in total impact relative to IFRS 4 was largely driven by the different discount rates used to value the changes
- Under IFRS 17, the impact from the review of actuarial methods and assumptions appears in net income, OCI and CSM
  - Net income – Reflects the impacts not absorbed by the CSM. This includes instances where the product group is onerous
  - OCI – Reflects the impact of valuing the changes under current discount rates rather than the locked-in discount rates
  - CSM – Updates impacting future cashflows at locked-in discount rates impact the CSM, unless the product group is onerous

[1] IFRS 17 pre-tax net income impacts are split between net income attributed to shareholders of $23 million gain and attributed to policyholders of ($26) million loss

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Interest rate related sensitivities for *net income* under IFRS 17 *are similar* to those under IFRS 4 and *sensitivities for OCI are significantly lower*

Potential impact[1] of an immediate parallel change in interest rates: (C$ millions)	**4Q22 IFRS 17** -50bps	**4Q22 IFRS 17** +50bps	**4Q22 IFRS 4** -50bps	**4Q22 IFRS 4** +50bps
Net income attributed to shareholders	100	(100)	(100)	100
Changes in other comprehensive income attributable to shareholders	(300)	200	1,500	(1,400)
Changes in CSM[2]	(100)	nil	n/a	n/a
MLI's LICAT total ratio (change in percentage points)[3]	(1)	1	3	(2)

Potential impact[1] of a parallel change in corporate spreads: (C$ millions)				
Net income attributed to shareholders	nil	nil	(100)	nil
Changes in other comprehensive income attributable to shareholders	nil	nil	n/a[4]	n/a[4]
Changes in CSM[2]	(100)	nil	n/a	n/a
MLI's LICAT total ratio (change in percentage points)[3]	(3)	3	(3)	3

Potential impact[1] of a parallel change in swap spreads: (C$ millions)	**-20bps**	**+20bps**	**-20bps**	**+20bps**
Net income attributed to shareholders	100	(100)	nil	nil
Changes in other comprehensive income attributable to shareholders	(100)	100	n/a[4]	n/a[4]
Changes in CSM[2]	nil	nil	n/a	n/a
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 parallel change. No simple formula can accurately estimate ultimate future impact. Please refer to "Caution Related to Sensitivities" in our 2022 and 1Q23 MD&A. [2]Net of amounts attributable to non-controlling interests [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 2022 and 1Q23 MD&A. Note that the IFRS 17 LICAT sensitivities are as at Jan 1, 2023. [4] The impact was not disclosed under IFRS 4.

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Potential impacts to net income arising from a 10% change in public equity returns[1,2] are *similar* under IFRS 17 compared with IFRS 4

Potential impact[1] resulting from an immediate 10% change in public equity returns: (C$ millions)	4Q22 IFRS 17		4Q22 IFRS 4	
	-10%	**+10%**	**-10%**	**+10%**
Net income attributed to shareholders	(420)	400	(560)	430
Changes in other comprehensive income attributable to shareholders[3]	(210)	210	n/a[4]	n/a[4]
Changes in CSM[5]	(450)	460	n/a	n/a
MLI's LICAT total ratio (change in percentage points)[6]	(1)	1	nil	nil

Potential impact[1] resulting from changes in future annual returns for public equities supporting actuarial liabilities: (C$ millions)	4Q22 IFRS 17		4Q22 IFRS 4	
	-100bps	**+100bps**	**-100bps**	**+100bps**
Net income attributed to shareholders	n/a	n/a	(400)	400
Changes in other comprehensive income attributable to shareholders	n/a	n/a	n/a	n/a
Changes in CSM[5]	n/a	n/a	n/a	n/a
MLI's LICAT total ratio (change in percentage points)	n/a	n/a	n/a	n/a

[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 2022 and 1Q23 MD&A. [2] The table excludes the impacts from asset-based fees earned on assets under management and policyholder account value. [3] This reflects changes in the present value of future fees and costs of financial guarantees on general measurement model insurance products where policyholders invest in certain investment accounts [4] The impact was not disclosed under IFRS 4. [5] Net of amounts attributable to non-controlling interests [6] Note that the IFRS 17 LICAT sensitivities are as at Jan 1, 2023.

Our results will *no longer have* sensitivities to ALDA-related assumption changes

Potential impact[1] resulting from an immediate 10% change in the market value of ALDA: (C$ millions)	**4Q22 IFRS 17**		**4Q22 IFRS 4**	
	-10%	**+10%**	**-10%**	**+10%**
Net income attributed to shareholders	(2,500)	2,500	(2,900)	2,800
Changes in other comprehensive income attributable to shareholders	(100)	100	n/a	n/a
Changes in CSM[2]	(100)	100	n/a	n/a
MLI's LICAT total ratio (change in percentage points)[3]	(3)	3	(3)	2

Potential impact[1] resulting from changes in future annual returns for ALDA supporting actuarial liabilities: (C$ millions)	**4Q22 IFRS 17**		**4Q22 IFRS 4**	
	-100bps	**+100bps**	**-100bps**	**+100bps**
Net income attributed to shareholders	n/a	n/a	(3,300)	3,600
Changes in other comprehensive income attributable to shareholders	n/a	n/a	n/a	n/a
Changes in CSM[2]	n/a	n/a	n/a	n/a
MLI's LICAT total ratio (change in percentage points)	n/a	n/a	n/a	n/a

[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 2022 and 1Q23 MD&A. [2] Net of amounts attributable to non-controlling interests. [3] Note that the IFRS 17 LICAT sensitivities are as at Jan 1, 2023.

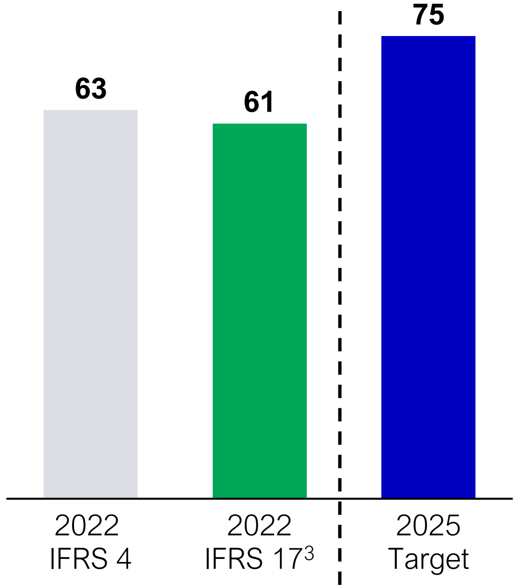
Our *strategic priorities*[1] and *our targets* remain unchanged under IFRS 17

Accelerate Growth

2025

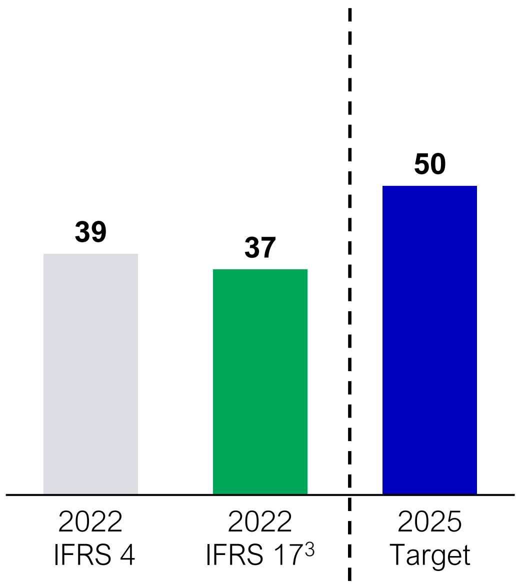
Core earnings contribution from highest potential businesses[2]

(% of total core earnings)



Core earnings contribution from Asia Region (Insurance + WAM)

(% of total core earnings)

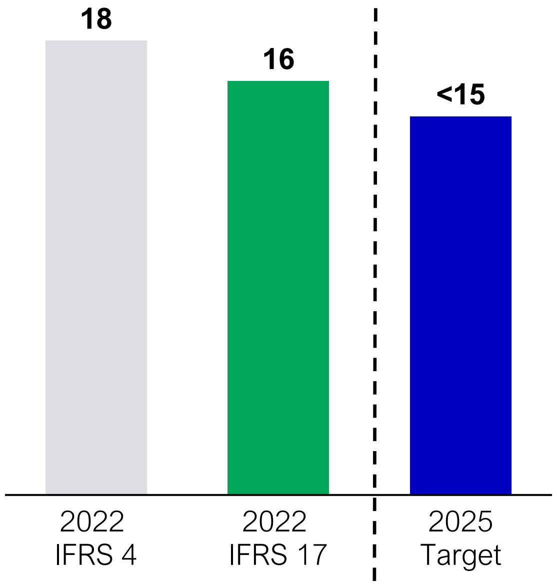


Portfolio Optimization

2025

Core earnings contribution from LTC & VA

(% of total core earnings)



See "Caution regarding forward-looking statements" above. Please refer to the sections "Strategic priorities" and "Core earnings related to strategic priorities" in our 2022 MD&A and "Non-GAAP and Other Financial Measures" below.
[1] The 2022 results under IFRS 17 is unchanged from under IFRS 4 for the following strategic priorities: Digital, Customer Leader and High Performing Team. Please see next slide for the Expense Efficiency strategic priority. [2] Highest potential businesses include Asia, Global WAM, Canada group benefits, and behavioural insurance products. [3] 2022 comparative metrics under IFRS 17 reflect the impact of reporting changes that were not part of the reported IFRS 4 results. Refer to slide 31 in the appendix for more information on these reporting changes.

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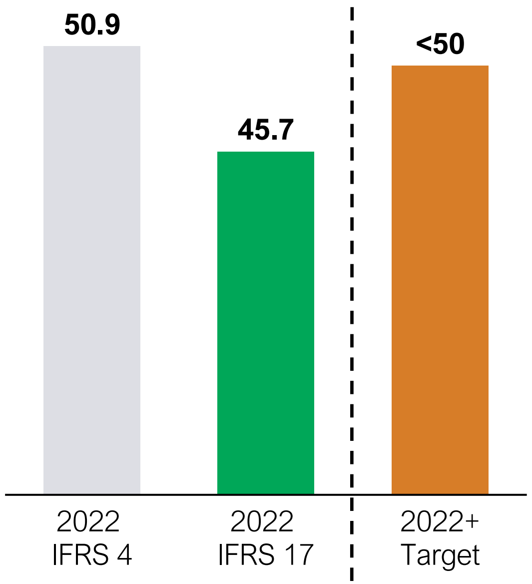
We remain committed to our *expense efficiency target* under IFRS 17

Expense Efficiency

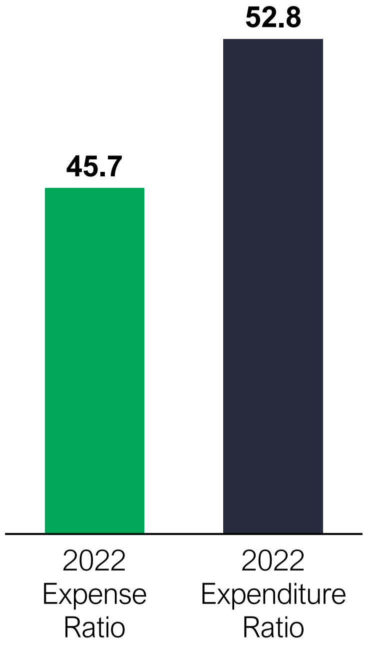
2022+

(%)



Efficiency ratios under IFRS 17

(%)



- Core expenses no longer include acquisition expenses except for those related to Premium Allocation Approach (PAA) and will therefore be lower under IFRS 17
- Under IFRS 17, the acquisition expenses (related to non-PAA and non-onerous contracts) are capitalized through CSM and will be amortized through core earnings over time
- If non-PAA related acquisition expenditures were included in core expenditures, the resulting expenditure efficiency ratio would have been 52.8%

See "Caution regarding forward-looking statements" above. Please refer to the sections "Strategic priorities" and "Core earnings related to strategic priorities" in our 2022 MD&A and "Non-GAAP and Other Financial Measures" below. Core expenses and core expenditures are non-GAAP financial measures. Expense efficiency ratio and expenditure efficiency ratios are non-GAAP ratios.

Other financial *targets* summary

	2022 (IFRS 4)	2022 (IFRS 17)	Medium-Term Targets[1]
Core ROE	11.9%	14.0%	15%+
Financial leverage ratio[2]	27.7%	25.1%	25%
Core dividend payout ratio	43%	46%	35% - 45%
ROE[3]	14.1%	8.2%	
Common share dividend payout ratio/transitional[3]	36%	78.1%	

See "Caution regarding forward-looking statements" above. Core return on equity and common share core dividend payout ratio ("dividend payout ratio") are non-GAAP ratios, For more information see "Non-GAAP and Other Financial Measures" below and that section in our 1Q23 MD&A.
[1] Uunder IFRS 17. For more information on our medium-term financial and operating targets, see the section "Strategic Priorities" in our 2022 MD&A. [2] Financial leverage ratio under IFRS 17 is adjusted for CSM. [3] Transitional ROE and transitional common share dividend payout ratio (2022) are non-GAAP ratios. See " Non-GAAP and Other Financial Measures" below. For more information on 2022 transitional results, see the "Note to readers" above and section A1 "Implementation of IFRS 17" of the 1Q23 MD&A.

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Key messages

- **IFRS 17 does not impact the fundamental economics of our business or our financial strength and dividend capacity. Our strategic priorities have not changed and we remain committed to achieving our targets**
- IFRS 17/9 are **expected to improve the stability of earnings, book value and capital**
- **IFRS 17 transition impacts** on core earnings, book value per common share, total equity and LICAT are **consistent with our guidance**
- Delivered **solid core earnings** in 2022 as shown through the **new drivers of earnings (DOE) analysis**, which adds clarity to the financial results
- **CSM is a driver of future earnings and an important metric for monitoring growth**. We generated **resilient new business CSM** and organic growth in the CSM balance throughout 2022
- **Adjusted book value,** an **important measure of enterprise value,** demonstrated **stable growth** in 2022

Appendix

IFRS 17 changes *where, when and how* core earnings is recognized

(C$ millions)	**Full year 2022**
IFRS 4 core earnings	**6,182**
Impact of new business	(1,202)
Differences in expected earnings including core investment gains	873
Insurance experience gains (losses)	(206)
Other	(36)
Total reconciling items (pre-tax)	**(571)**
Tax	190
Total reconciling items (post-tax)	**(381)**
IFRS 17 core earnings	**5,801**

- IFRS 17 and IFRS 9 **do not impact the fundamental economics of our business**. It does change where, when and how core earnings is recognized
- The transition leads to 6.2% lower core earnings in 2022
  - New business gains under IFRS 4 are deferred to the CSM which is recognized in earnings over time
  - IFRS 17 has higher expected earnings, in part from establishing the contractual service margin. IFRS 17 expected earnings include the CSM recognized for service provided, the risk adjustment release, expected earnings on short term insurance business, and the expected investment earnings
  - Core investment gains under IFRS 4 will now emerge over time under IFRS 17 as higher returns are realized through our expected investment returns
  - Insurance experience is different from IFRS 4, as future periods impacts are deferred to the CSM and recognized over time

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Potential impact arising from a 10% change in public equity returns[1,2] by index under IFRS 17

	4Q22 IFRS 17	
(C$ millions)	**-10%**	**+10%**
S&P	(190)	180
TSX	(100)	90
EAFE (Excluding Japan)	(50)	50
MSCI Asia[3]	(80)	80
Total net income attributed to shareholders	**(420)**	**400**
S&P	(190)	190
TSX	(10)	10
EAFE (Excluding Japan)	(10)	10
MSCI Asia[3]	nil	nil
Other comprehensive income attributable to shareholders	**(210)**	**210**
S&P	(180)	180
TSX	(80)	80
EAFE (Excluding Japan)	(70)	70
MSCI Asia[3]	(120)	130
CSM[4]	**(450)**	**460**

[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 2022 and 1Q23 MD&A.
[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. [4] Net of amounts attributable to non-controlling interests.

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We refined *our go-forward reporting* with *net neutral impact* on net income

Earnings impact by segment

(C$ millions, post-tax)	Core earnings	Items outside of core earnings	**Net income attributed to shareholders**
Asia	27	(127)	**(100)**
Canada	(141)	-	**(141)**
U.S.	(174)	127	**(47)**
Global WAM	61	(253)	**(192)**
Corporate and Other	227	253	**480**
Total	**-**	**-**	**-**

Reporting changes were implemented to further align the results with our strategic focus (net neutral impact to total company earnings), including:

- Seed money investments will now be reported in Global WAM (previously reported in Corporate and Other)
- Refined our methodology to allocate interest on surplus and shared expenses supporting our businesses across all segments
- International high net worth business reclassified from the U.S. segment to Asia segment
- Alignment of revenue and expenses related to General Account assets managed by Manulife Investment Management Private Markets

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KPI definitions[1]

		Definition
Profitability	Core EPS growth	Year-over-year core EPS growth
	Core ROE	$\frac{\text{Core earnings} - \text{Preferred dividends} - \text{Other equity distributions}}{\text{Average common shareholders' equity}}$
	Expense efficiency ratio	$\frac{\text{Core expenses}^{2}}{\text{Core expenses} + \text{Pre-tax core earnings}}$
	Expenditure efficiency ratio	$\frac{\text{Core expenditures}^{3}}{\text{Core expenditures} + \text{Pre-tax core earnings}}$
Financial strength	Adjusted book value per common share	$\frac{\text{Common shareholders' equity} + \text{Post-tax CSM net of NCI}}{\text{End of period common shares outstanding}}$
	Financial leverage ratio	$\frac{\text{LT debt} + \text{Capital instruments} + \text{Preferred shares}}{\text{LT debt} + \text{Capital instruments} + \text{Total equity} + \text{Post-tax CSM}}$
Growth	New business CSM growth	Year-over-year new business CSM net of NCI[4]
	CSM balance growth	Year-over-year CSM balance net of NCI
	Core earnings from highest potential businesses	$\frac{\text{Core earnings from highest potential businesses}}{\text{Total core earnings}}$
	Core earnings from Asia region (Insurance + WAM)	$\frac{\text{Core earnings from Asia region}}{\text{Total core earnings}}$
Other	Core earnings from LTC and VA	$\frac{\text{Core earnings from LTC + VA}}{\text{Total core earnings}}$
	Core dividend payout ratio	$\frac{\text{Dividends per common share}}{\text{Core EPS}}$

All growth rates are stated on a constant exchange rate basis.

[1] As emerging industry practice evolves, KPI and KPI definitions may be updated. [2] Core expenses is equal to total expenses that are included in core earnings and excludes such items as material legal provisions for settlements, restructuring charges and expenses related to integration and acquisitions. See "Non-GAAP and Other Financial Measures" in our 1Q23 MD&A for more information on our expense measures. [3] Core expenditures is the sum of core expenses and directly attributable acquisition expenses that are capitalized into the CSM. [4] New business CSM growth is based on the CSM from contracts initially recognized in the period and includes acquisition expense related gains (losses) which impact the CSM during the period. This KPI also excludes the CSM from entering into new in-force reinsurance contracts.

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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"); transition net income attributed to shareholders; total expenses; core expenses; total expenditures; core expenditures; core DOE line items for core net insurance service result, core net investment result, other core earnings, and core income tax (expense) recovery; and post-tax contractual service margin net of NCI.

Non-GAAP ratios include core ROE; transitional ROE; diluted core earnings per common share ("core EPS"); transitional diluted earnings per common share ("transitional EPS"); core EPS growth; common share core dividend payout ratio; transitional common share dividend payout ratio; expense efficiency ratio; expenditure efficiency ratio; core EBITDA margin; adjusted book value per common share; financial leverage ratio; and CSM balance 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; and average assets under management and administration ("average AUMA").

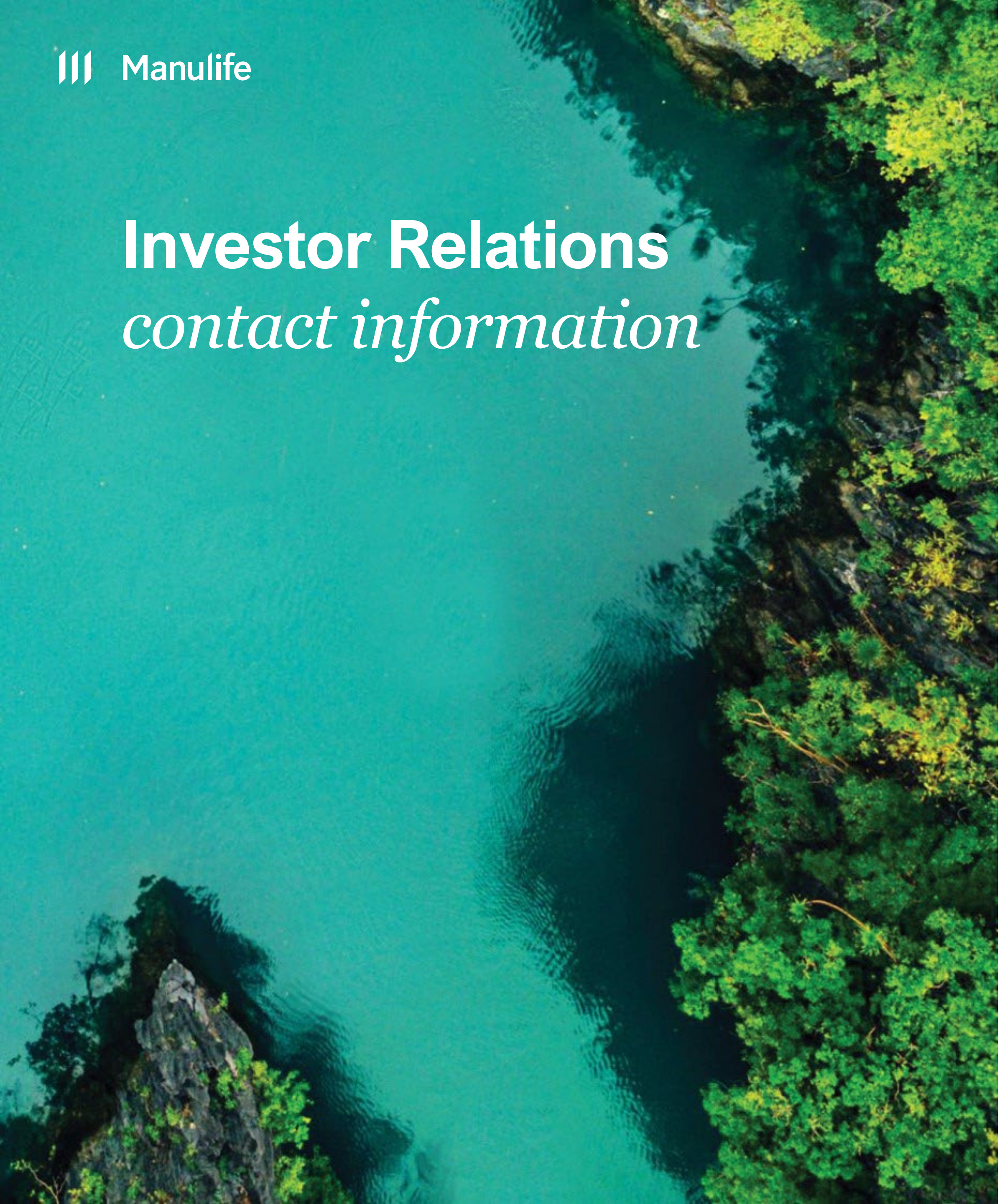
Non-GAAP financial measures and non-GAAP ratios are not standardized financial measures under GAAP and, therefore, might not be comparable to similar financial measures disclosed by other issuers.

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 first quarter of 2023 Management's Discussion and Analysis, which is incorporated by reference and available on SEDAR at www.sedar.com.

Reconciliation: Transitional common share dividend payout ratio

	Full year 2022
Per share dividend	1.32
Transitional EPS	1.69
Transitional common share dividend payout ratio	**78.1%**

Note: For additional reconciliations, please refer to the section "Non-GAAP and Other Financial Measures" in our 1Q23 Management's Discussion, which are incorporated by reference and available on SEDAR at www.sedar.com.



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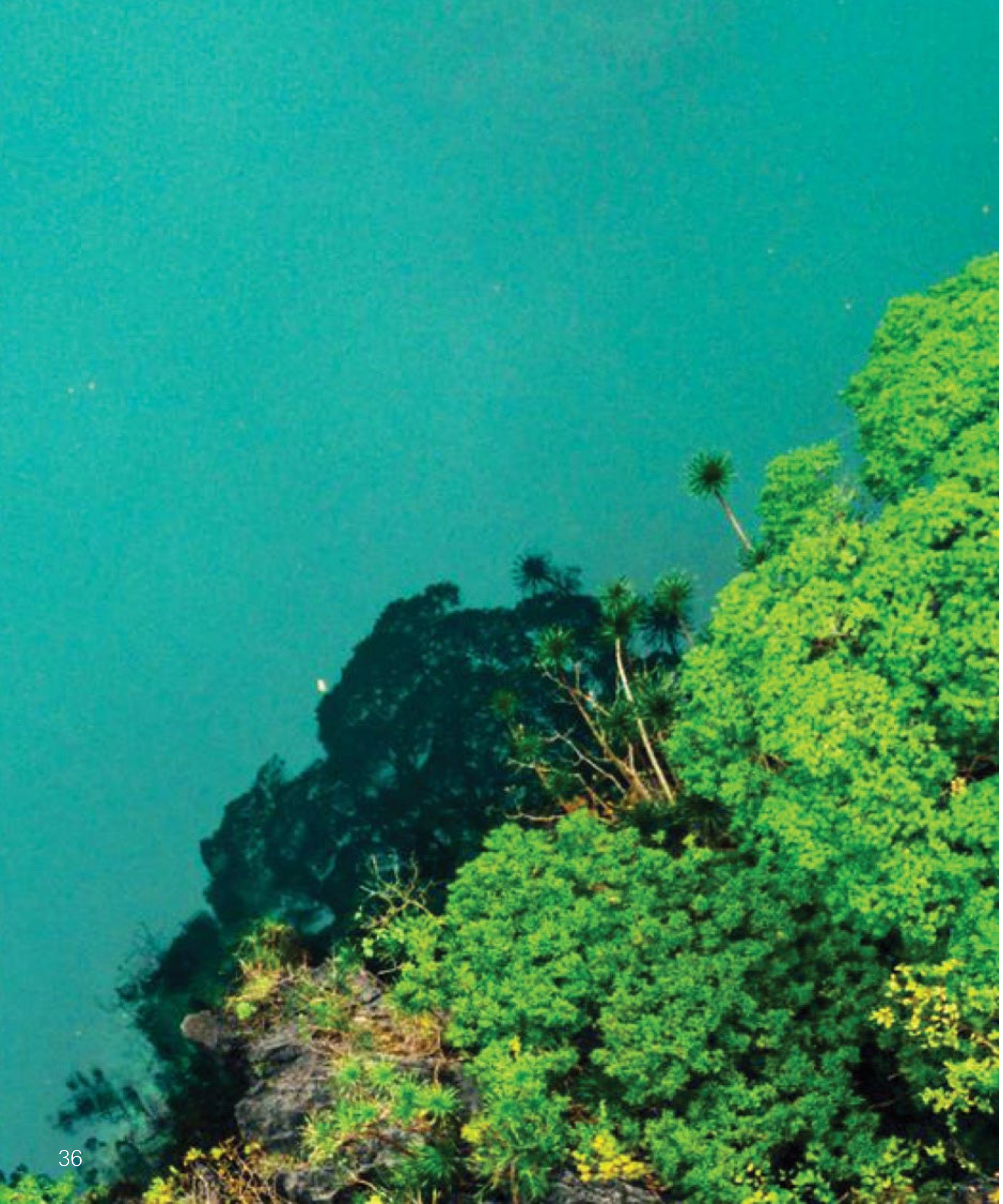

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