Manulife

Manulife Legacy U.S. VA Reinsurance Transaction

Reducing Risk, Releasing Capital, and Unlocking Value

November 15, 2021

Caution regarding *forward-looking* statements

From time to time, Manulife makes written and/or oral forward-looking statements, including in this document. 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 document include, but are not limited to, statements with respect to 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”, “outlook”, “expect”, “intend”, “estimate”, “believe”, “plan”, “objective”, “aim”, “continue”, and “goal” (or the negative thereof) and words and expressions of similar import, and include statements concerning the reinsurance transaction between John Hancock and Corporate Solutions Life Reinsurance Company, including the expected closing date, and impact and capital benefits of such transaction to Manulife, possible or assumed future results, and possible future purchases by Manulife of its common shares. 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 severity, duration and spread of the COVID-19 outbreak, as well as actions that have been or may be taken by governmental authorities to contain COVID-19 or to treat its impact; changes in laws and regulations; changes in accounting standards applicable in any of the territories in which we operate; changes in regulatory capital requirements; 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; the disruption of or changes to key elements of the Company’s or public infrastructure systems; environmental concerns; our ability to protect our intellectual property and exposure to claims of infringement; our inability to withdraw cash from subsidiaries; and the fact that the amount and timing of any future common share repurchases will depend on the earnings, cash requirements and financial condition of Manulife, market conditions, capital requirements (including under LICAT capital standards), common share issuance requirements, applicable law and regulations (including Canadian and U.S. securities laws and Canadian insurance company regulations), and other factors deemed relevant by Manulife, and may be subject to regulatory approval or conditions.

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 Factors and Risk Management” and “Critical Actuarial and Accounting Policies” in the Management’s Discussion and Analysis in our most recent annual report, under “Risk Management and Risk Factors Update” and “Critical Actuarial and Accounting Policies” in the Management’s Discussion and Analysis in our most recent interim report, in the “Risk Management” note to the consolidated financial statements in our most recent annual and interim reports as well as elsewhere in our filings with Canadian and U.S. securities regulators.

The forward-looking statements in this document 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.

Reinsurance transaction *unlocks value for shareholders*, **while** *reducing risk*

Transaction will result in approximately **$2.0 billion** of expected **capital release,** immediately **unlocking value for shareholders** as we intend to increase our proposed share buyback program[1] up to 5%, and deploy a significant portion of the capital to buy back shares to neutralize the impact on diluted EPS and core EPS[2]

Reduces our risk profile, lowering the net amount at risk of our U.S. variable annuity block by more than **75%** and meaningfully reduces our equity sensitivities

Attractive deal multiple of 10.2x[3] core earnings and **positive book value impact**

Strong and **experienced** counterparty with deal structure that provides **significant protection**

We **remain committed** to our medium-term financial targets, including delivering core EPS[2] growth of 10-12% and generating core ROE[2] of 13%+

Note all pro forma data as of September 30, 2021, subject to closing. See slide entitled "Caution regarding forward-looking statements.
Note all figures and estimates based on exchange rate of US$1.00 to C$1.2741. For additional information on the transaction see our announcement dated November 15, 2021.
[1] Normal-Course Issuer Bid. [2] Diluted core earnings per common share ("Core EPS"). Core EPS and core ROE are non-GAAP measures. See slide entitled "Performance and Non-GAAP Measures". [3] Ratio of capital release to annual core earnings impact.

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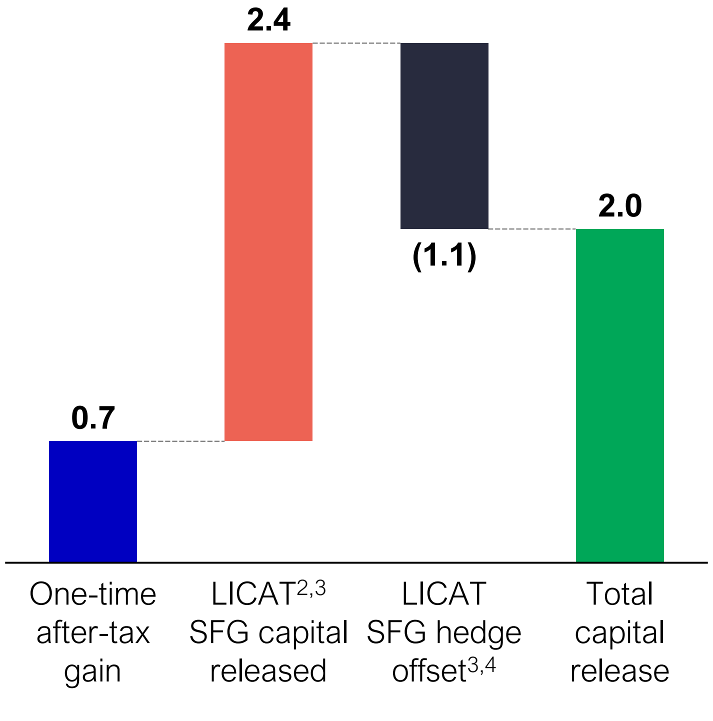
Expect $2.0 billion *capital release* and intend to increase our proposed share buyback[1] up to 5%, to *neutralize* EPS impact

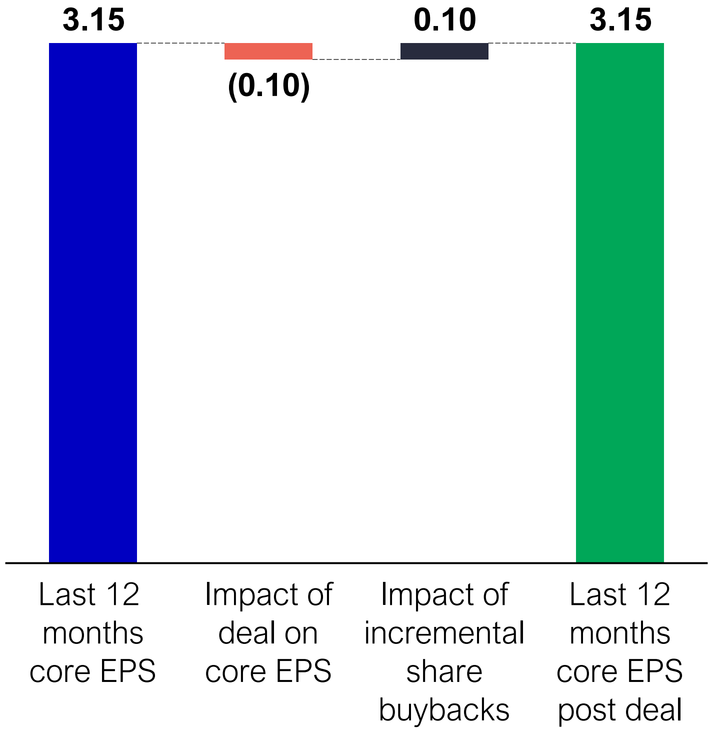
Overview of capital release

(C$ billions)



Core EPS[5] impact

(C$ per share)



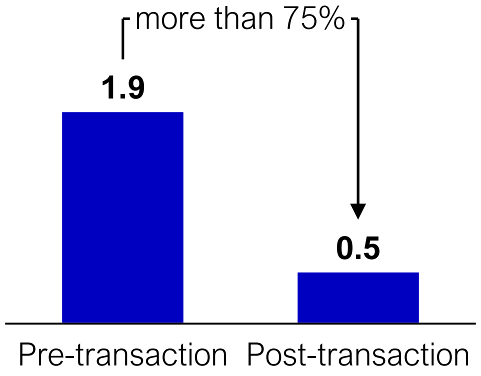
- Book value accretive with one-time after-tax gain of approximately $750 million, validating the conservatism of our reserves
- Capital release reflects the reduction in hedge offset under the LICAT capital regime[4]
- Announced intention to increase proposed NCIB program up to 5% of outstanding shares
  - Intend to neutralize core EPS impact
  - Remain committed to our medium-term financial targets, including core EPS growth of 10-12% and generating core ROE of 13%+

Note all pro forma data as of September 30, 2021, subject to closing. See slide entitled "Caution regarding forward-looking statements. [1] Normal-Course Issuer Bid. [2] Life Insurance Capital Adequacy Test Ratio of The Manufacturers Life Insurance Company (MLI). [3] 100% of the Life Insurance Capital Adequacy Test capital requirement multiplied by the OSFI scalar for the Base Solvency Buffer of 1.05 and grossed up based by an operating range. [4] The LICAT equity risk charge offset is reduced due to the expected termination of equity hedges supporting the block. [5] Diluted core earnings per common share ("Core EPS") is a non-GAAP measure. See slide entitled "Performance and Non-GAAP Measures".

Significantly reduces *risk* and *size* of legacy block

U.S. VA net amount at risk

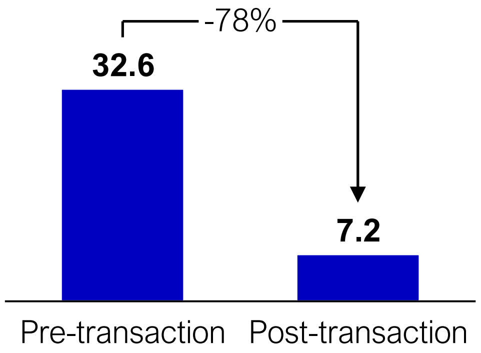
(C$ billion)



- Net amount at risk on U.S. VA block reduced more than 75%
- Net amount of risk on U.S. VA GMWB block reduced by 95%

U.S. VA guarantee value

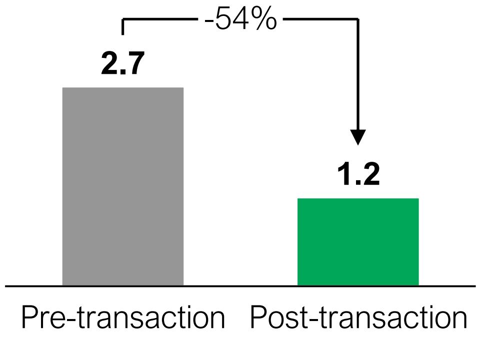
(C$ billions)



- Guarantee value exposure on U.S. VA block reduced by 78%
- Guarantee value exposure on U.S. VA GMWB block reduced by 87%

Overall VA equity sensitivity[1]

(C$ billion)



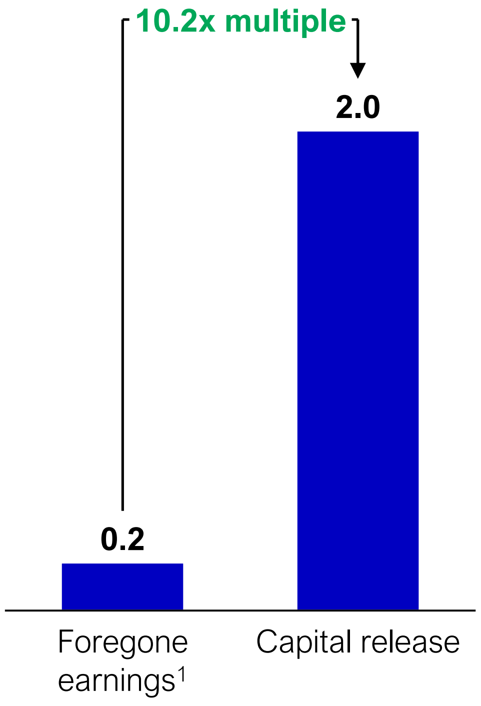
- Underlying sensitivity from variable annuity guarantees for a -30% equity shock before hedging reduced by 54%
- Total company equity sensitivity for a -30% equity shock reduced by 10%

Note all pro forma data as of September 30, 2021, subject to closing. Note: Guarantee Value, Net Amount at Risk and equity sensitivity are non-GAAP measures. See slide entitled “Performance and non-GAAP measures”. See slide entitled “Caution regarding forward-looking statements”. [1] Underlying sensitivity to net income attributed to shareholders from variable annuity guarantees on a 30% decrease in public equity returns before hedging.

Attractive deal multiple of 10.2x core earnings and *positive* book value impact

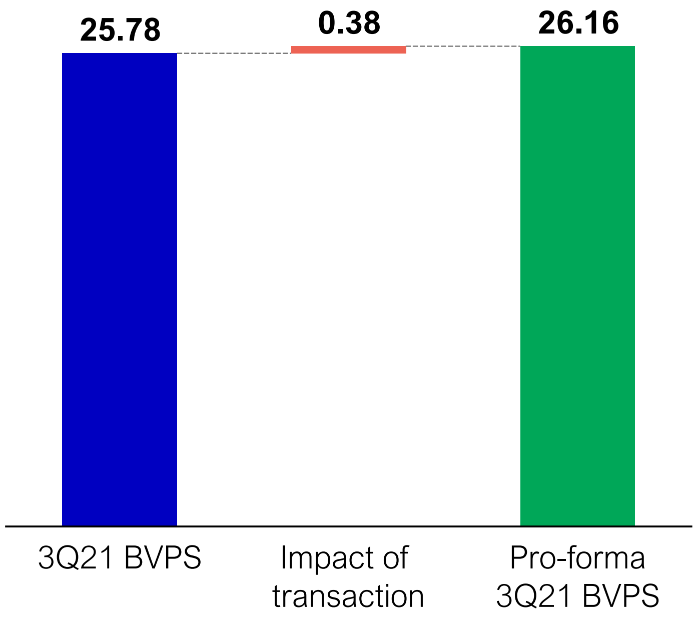
Foregone earnings & capital release

(C$ billions)



Book value per share

(C$)



- Transaction results in approximately $200 million in foregone earnings, which is forecasted to decrease as the block runs-off, and relative to a capital release of $2.0 billion, represents an attractive deal multiple of 10.2x
- Expected one-time after-tax gain of approximately $750 million results in a positive impact on book value per share of $0.38

Note all pro forma data as of September 30, 2021, subject to closing. See slide entitled "Caution regarding forward-looking statements.

[1] Foregone earnings forecasted to decrease as block runs-off.

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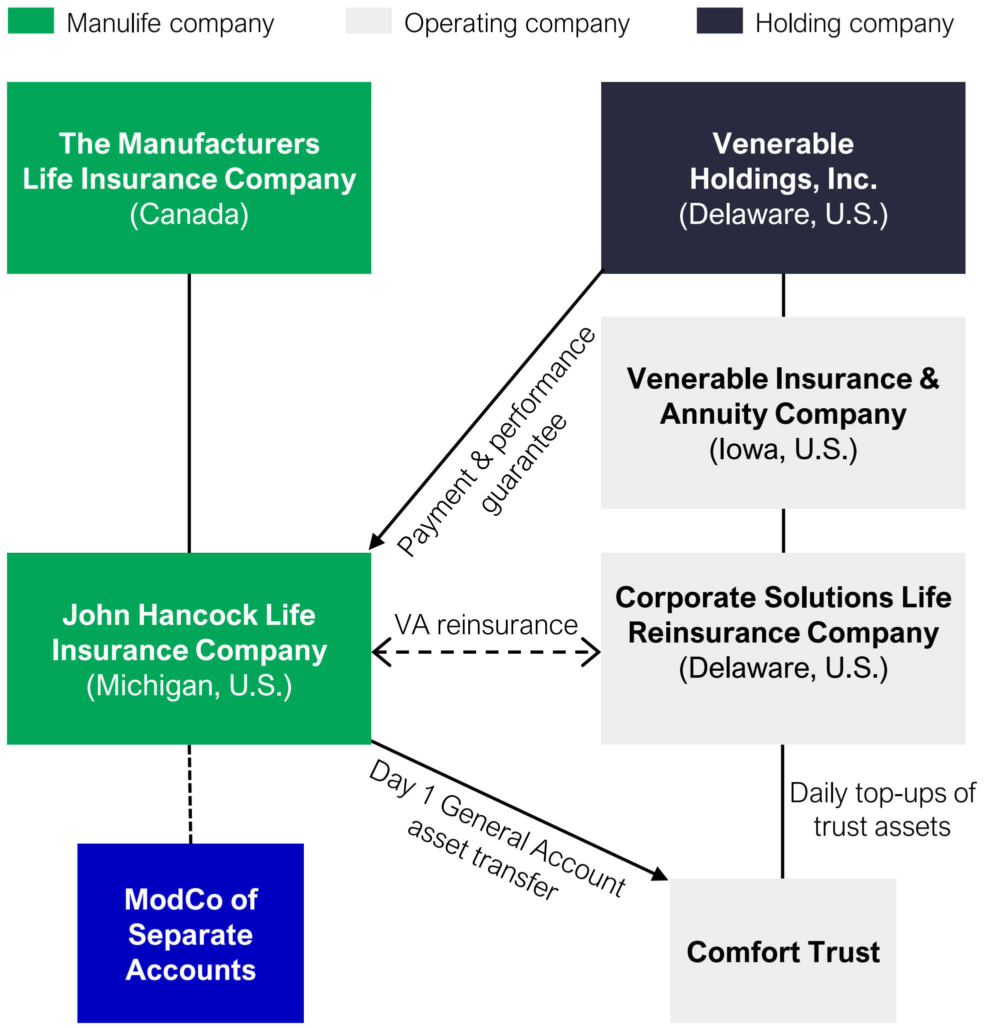
Deal structure provides *full risk transfer* with *significant protection*

Trust overcollateralization with daily top-ups to a required balance and **defined investment guidelines**

Robust reporting for ongoing monitoring

Venerable maintains a robust **risk management framework and dynamic hedging program**

Increasing counterparty protections, including the option to recapture at Manulife's discretion based on various triggers



Note the diagram above outlines the pro forma deal structure.

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Appendix

- Transaction summary

Transaction *summary*

(C$, unless otherwise stated)

Deal structure	• Upon closing, John Hancock Life Insurance Company (U.S.A.) ("John Hancock"), a subsidiary of Manulife will reinsure with Corporate Solutions Life Reinsurance Company, a subsidiary of Venerable, a significant portion of our U.S. VA block, consisting primarily of policies with VA GMWB riders • Venerable's reinsurance obligations will be secured by a comfort trust with assets in excess of statutory reserve requirements • An initial deposit of ~$1.3 billion of assets will be transferred to the trust on closing • John Hancock will continue to administer the policies going forward	
Block characteristics	Block consists of ~143,000 U.S. VA GMWB policies, written between 2003 and 2012, as well as ~20,000 U.S. VA GMDB policies, all of which were written outside of New York state	
	Account Value	$27.3 billion
	Guarantee value	$25.4 billion
	Net amount at risk (NAR)	$1.5 billion
	% of the block in the money	32%
	Total IFRS reserves	$2.3 billion
Financial impact	Capital release[1]	~$2.0 billion
	Foregone annual earnings in 2022, forecasted to decrease as the block runs off	~$200 million
	Transaction immediately accretive to book value and intend to deploy significant portion of capital release through an increase to the proposed NCIB up to 5%, neutralizing impact on core EPS[2]	
Risk reduction	Reduction in overall VA equity sensitivity[3]	-54%
	Reduction in U.S. VA Guarantee Value	-78%
Approval and timing	The deal expected to close in 1Q22 and the transaction does not require regulatory approval	

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Note all figures and estimates based on exchange rate of US$1.00 to C$1.2741. For additional information on the transaction see our announcement dated November 15, 2021.
[1] Capital release of ~$2.0 billion consisting of a ~$750 million one-time after-tax gain and the release of LICAT segregated fund guarantee capital of $2.4 billion, partially offset by a reduction in the LICAT equity risk charge offset of $1.1 billion. [2] Diluted core earnings per common share is a non-GAAP measure. See "Performance and non-GAAP measures below and in our 3Q21 MD&A for additional information. [3] Represents underlying sensitivity to net income attributed to shareholders from variable annuity guarantee before impact of macro and dynamic hedge assets under a -30% market return. The expected reduction to the net potential impact on net income attributed to shareholders after impact of hedging would be approximately 10%.

Performance and *non-GAAP* financial measures

Manulife uses 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 news release include: core earnings; core ROE; diluted core earnings per common share (core EPS); and constant exchange rate basis (measures that are reported on a constant exchange rate basis include percentage growth/decline 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 3Q2021 MD&A and 2020 MD&A.

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