

# Accelerating our growth engines

Powering the next phase of our journey

Roy Gori, President and CEO  
June 29, 2021





# Agenda

- **Strong track record of execution**
- **Megatrends are increasingly attractive**
- **Manulife is uniquely positioned to win**
- **The next phase of our strategy**
- **Attractive investment thesis**

# Key Messages

- We are committed to our customers by making their **decisions easier and lives better**
- **We are executing** on our strategic priorities and have delivered **impressive financial results**
- The megatrends in Asia and Global WAM are **very attractive** and **Manulife is uniquely positioned to win** in these markets
- We have entered a **new phase of our strategy** and have provided **meaningful metrics** to measure our progress through to 2025
- The **investment case for Manulife** has evolved and is compelling

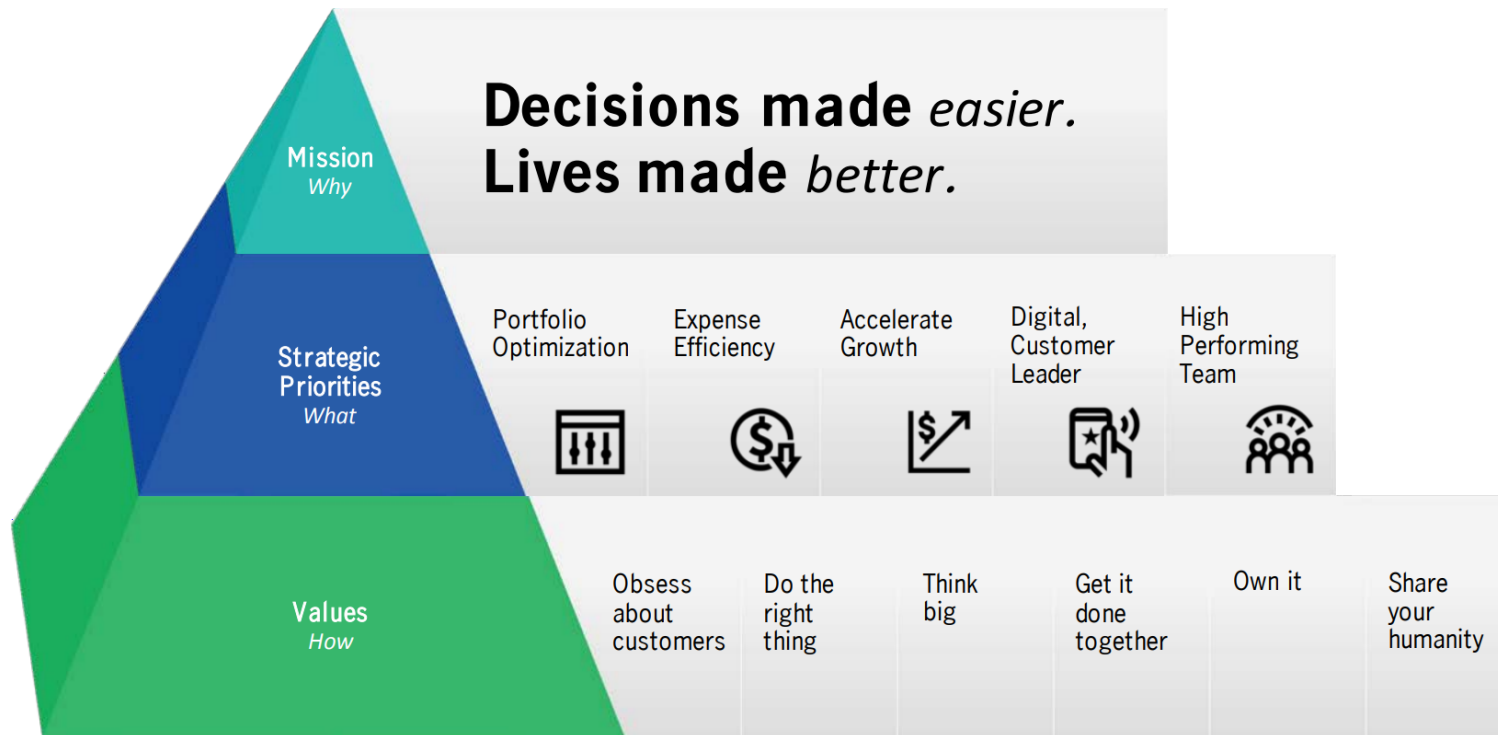
# Our ambition, priorities and values *remain relevant*

“The most digital, customer-centric global company in our industry”

**Customers**  
 Improve NPS by +30 pts<sup>1</sup> and delight customers

**Employees**  
 Engage our employees – achieve top quartile employee engagement<sup>2</sup>

**Shareholders**  
 Deliver top quartile returns<sup>3</sup>



<sup>1</sup> Relationship Net Promotor Score. Improvement is relative to 2017 baseline of +1, by 2022. <sup>2</sup> Top quartile employee engagement compared to global financial services companies and insurance peers by 2022. <sup>3</sup> Top quartile shareholder returns compared to our performance peer group as discussed in our 2021 Management Information Circular.





# Strong track record of *execution*



We are *executing*  
on the strategic  
priorities set out  
in 2018...

### Portfolio Optimization

**\$5.9B**



cumulative capital benefits

### Accelerate Growth

**62%**



contribution to Core Earnings from  
highest potential businesses<sup>1</sup>

### Expense Efficiencies

**\$1B**



cumulative pre-tax  
annual savings

### Digital, Customer Leader

**+12**



Net Promoter Score (NPS)<sup>2</sup>

### Expense Efficiency Ratio<sup>3</sup>

**52.9%**



### High Performing Team

**80<sup>th</sup>**

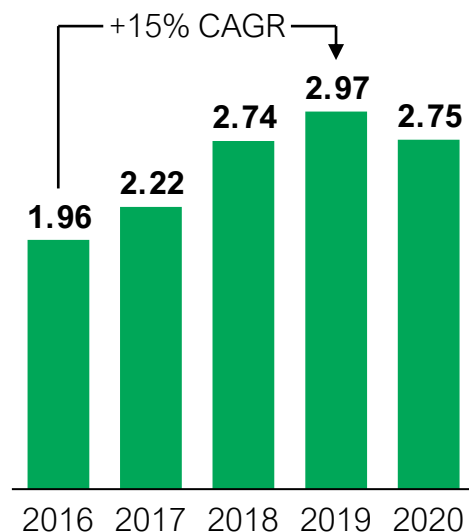


percentile in 2020 employee  
engagement survey amongst  
global financial services and  
insurance peers

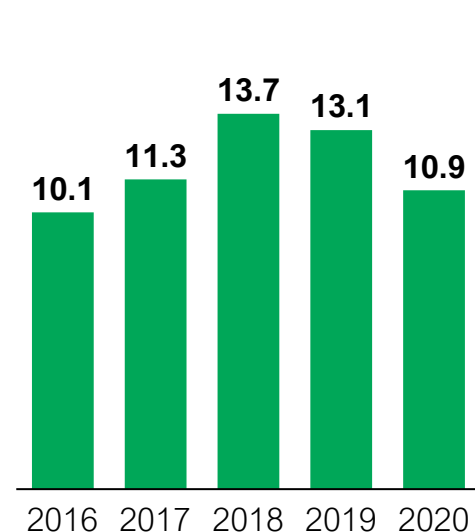
Note: See slide entitled "Caution regarding forward-looking statements" in 2021 Investor Day Legal Slides. Please also refer to "Strategic Priorities" in our 2020 Management's Discussion and Analysis. All figures as of December 31, 2020, unless otherwise stated. <sup>1</sup> Full year 2020 core earnings contribution. Percentage has been normalized to reflect \$400 million of core investment gains (actual figure was 66%). <sup>2</sup> Relationship Net Promoter Score. <sup>3</sup> Full year 2020 ratio.

# ...and have delivered *impressive* financial results...

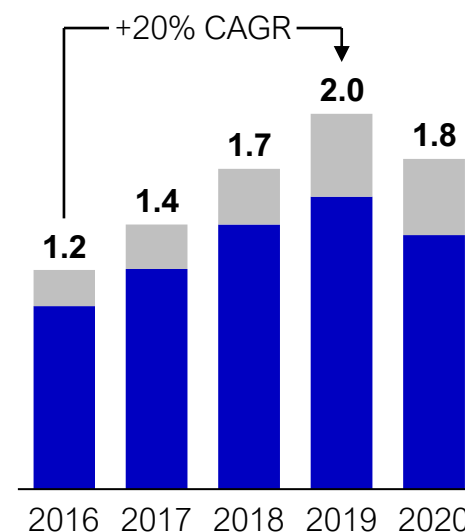
**Core EPS growth (pre-pandemic) exceeded our 10-12% target<sup>1,2,3</sup>**  
(C\$ per share)



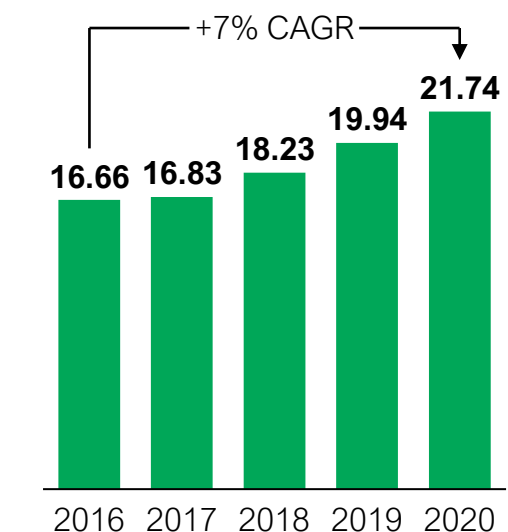
**Strong Core ROE performance<sup>1,3</sup>**  
(%)



**New Business Value has grown significantly, driven by Asia<sup>1,2</sup>**  
(C\$ billions)    ■ Asia    ■ Other



**Book Value per Share excluding AOCI has increased steadily<sup>4</sup>**  
(C\$ per share)

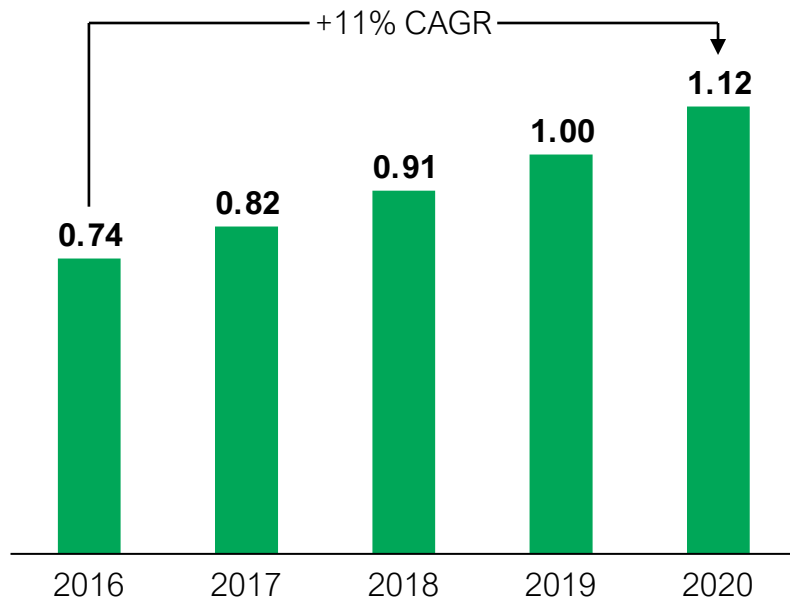


Note: Order of the vertical bars on the chart correspond to the order in the legend. <sup>1</sup> Diluted core earnings per common share (Core EPS), core return on equity (core ROE) and new business value (NBV) are non-GAAP measures. See slide entitled "Performance and Non-GAAP Measures" in 2021 Investor Day Legal slides. <sup>2</sup> Core EPS growth and NBV comparison to 2016 are stated on a constant exchange rate basis, a Non-GAAP measure. <sup>3</sup> See slide entitled "Caution regarding forward-looking statements" in 2021 Investor Day Legal Slides for information on our medium-term targets. <sup>4</sup> Book value per share excluding AOCI comparison to 2016 is stated on an actual exchange rate basis.

# ...which has resulted in *solid* shareholder returns, with *robust and consistent* dividend growth

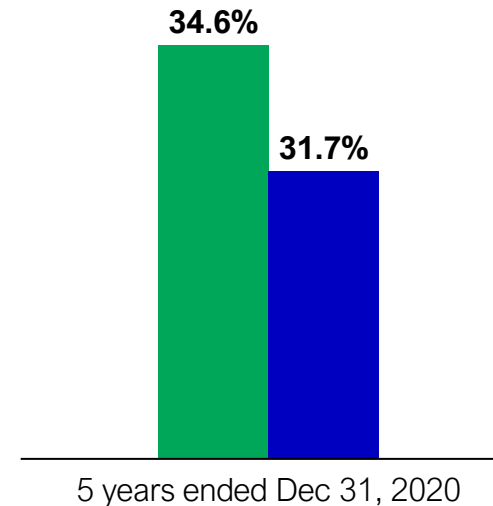
## Delivered steady dividend increases over the last 5 years

(C\$ per share)



## MFC TSR has outperformed peers<sup>1</sup>

■ MFC (72nd percentile) ■ Performance peer group median







*Megatrends* are  
increasingly  
attractive



# Manulife is *well positioned* for a changing competitive environment

## We see a rapidly changing landscape...

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### Large growth opportunity for established insurers in fast-growing markets

- Growth and emergence of **Asia middle class**
- **Aging** global population
- Heightened perception of **importance of insurance**

### Digitization is changing the basis of competition

- Customers are seeking **fast, relevant, and simple experiences**
- Distribution is becoming much more digital
- **Adoption rates accelerated** by the pandemic

### Winning firms will look very different

- **Strong culture** and mission driven
- Wired for speed and flexibility

## ...and Manulife is uniquely positioned for success

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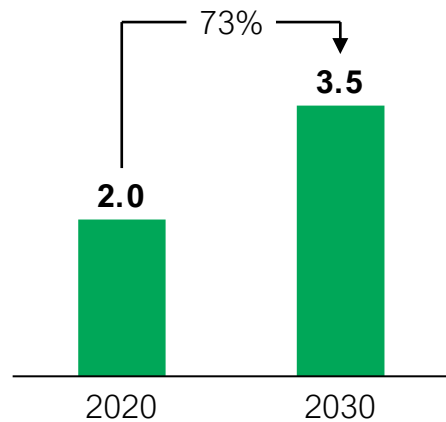
- Operate in **13 markets across fast-growing Asia**<sup>1</sup>
  - **115k agents**<sup>1</sup>, and 10 exclusive bancassurance agreements<sup>2</sup> that give us access to **30 million customers**
  - **Scale** across three global business lines in Global WAM
- 
- **Strong adoption** of our digital offerings
    - Invested \$750M in digital capabilities since 2018<sup>3</sup>
    - Impressive digital adoption (eClaims > 90%)<sup>4</sup>
    - Great progress digitizing operations (STP > 80%, auto-underwriting > 70%)<sup>4</sup>
- 
- **Winning** team and culture
  - **Top quartile** employee engagement
  - **World-class global talent**



# Trends in Asia are fueling a *significant opportunity*

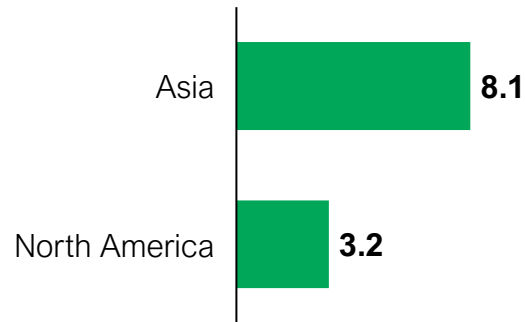
## The Asia middle class is growing rapidly...

(Billions in Asia-Pacific<sup>1</sup> middle class)



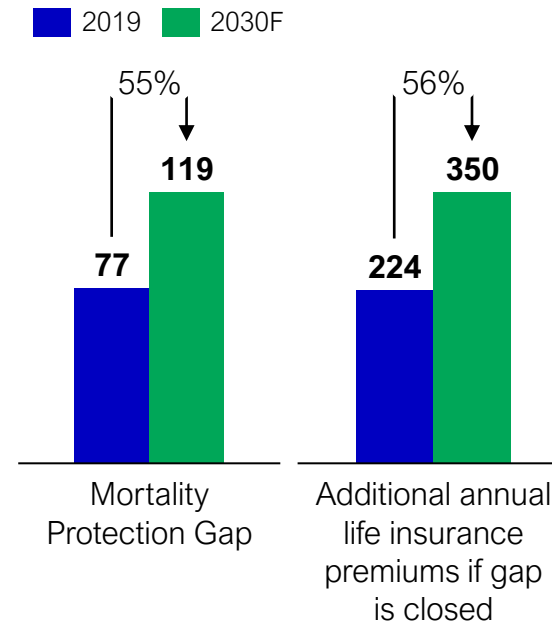
## ...driving high expected growth of gross written premiums

(%, 2020-2030 expected gross written premium CAGR<sup>2</sup>)



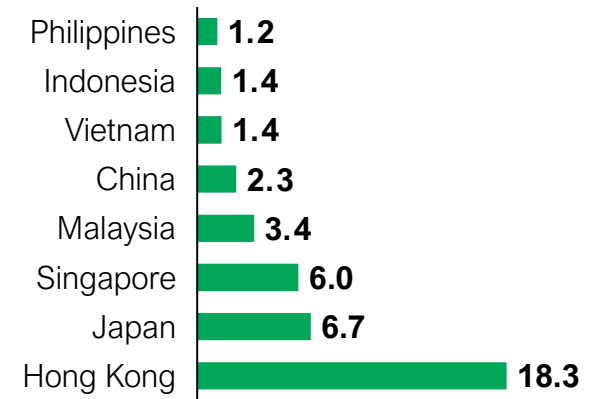
## There is a growing mortality protection gap in Asia-Pacific<sup>3</sup>

(US\$ trillions) (US\$ billions)



## Insurance penetration rates are very low in many of our markets<sup>4</sup>

(Life premiums as % of GDP, 2019)

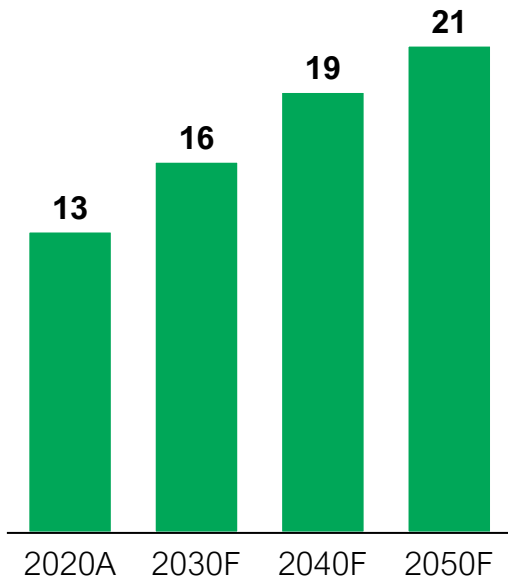


In a scenario where insurance penetration rates increase to 3% in China, Vietnam, Indonesia and the Philippines by 2025, the estimated impact would be an incremental ~US\$1 billion in annual APE sales based on forecasted GDP growth and our current market share<sup>5</sup>

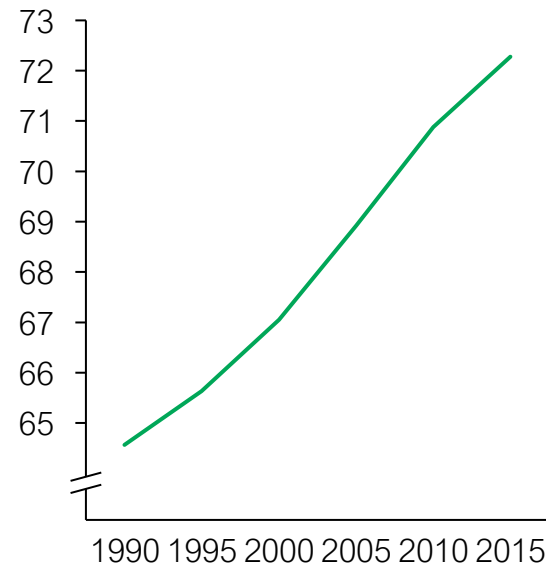
<sup>1</sup> Source: Brookings, the unprecedented expansion of the global middle class (2017). <sup>2</sup> Source: Allianz insurance report 2020. Asia excludes Japan. <sup>3</sup> Source: Swiss Re Institute, Sigma 04/2020: Closing Asia's mortality protection gap (July 2020). <sup>4</sup> Source: Swiss Re Institute, World insurance: riding out the 2020 pandemic storm. <sup>5</sup> Based on 2020 APE sales levels, assuming market growth to 2025 based on GDP forecasts (Source: IMF, World Economic Outlook, April 2021), and penetration rate increasing to 3%.

# Demand for asset management and retirement solutions is being fueled by unique, emerging trends...

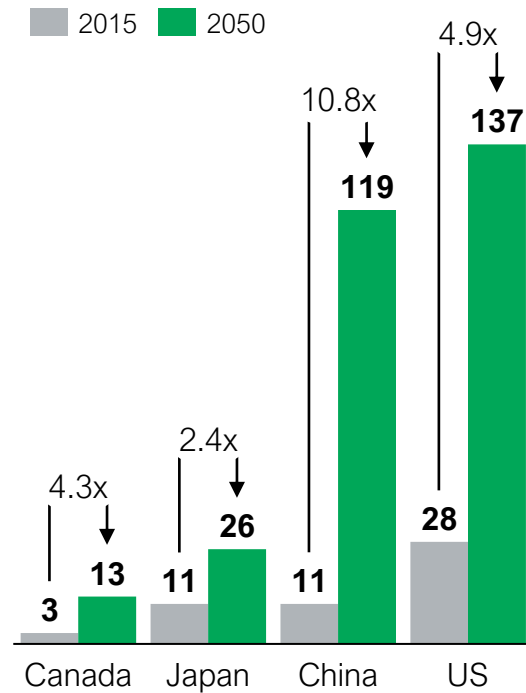
**The 60 and older demographic is the fastest growing market globally**  
 (% of population 60 and over)<sup>1</sup>



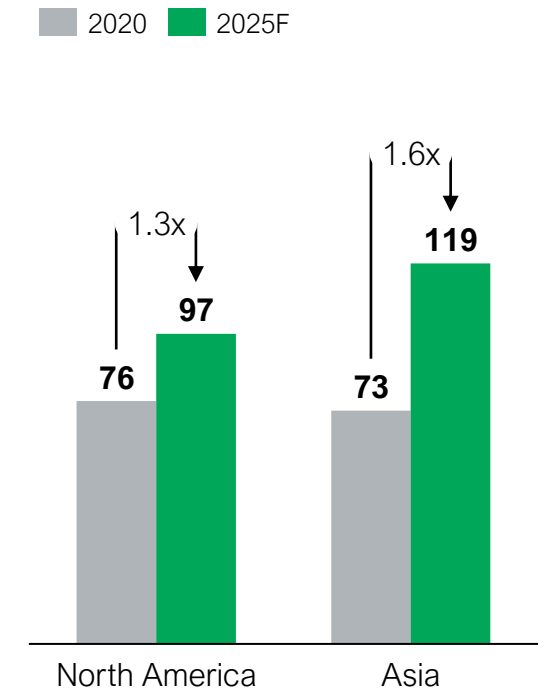
**Global life expectancy continues to grow**  
 (Life expectancy at birth for world population)<sup>2</sup>



**The retirement gap is projected to expand at a rapid pace**  
 (US\$ trillions)<sup>3</sup>



**Net household wealth in Asia is expected to increase rapidly by 2025**  
 (Household wealth, US\$ trillions)<sup>4</sup>





# Global digitization is *accelerating*

## Device proliferation

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**31B** connected devices expected by 2025<sup>1</sup>, with **127** new devices connected *every second*<sup>2</sup>

## Increased internet usage

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**4.7B** active internet users worldwide, with *over half in Asia*<sup>3</sup>

## Global connectivity

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Up to **2.7x more data** is used by 5G users, on average, compared to 4G users<sup>4</sup>

## Conversational commerce

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**~3B** people are using messaging apps<sup>5</sup>, with half considering business messaging the modern way to communicate<sup>6</sup>

## Fast data

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**30%** of global data<sup>7</sup> will be faster by 2025, meaning it can be analyzed in a *millisecond* to deliver instant and personalized experiences

## Blurring digital and physical experiences

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**39%** of outperforming companies have fully integrated digital-physical strategies<sup>8</sup>

<sup>1</sup> Source: Statista, Internet of Things and non-IOT active device connections worldwide from 2015 to 2025 (March 2021). <sup>2</sup> Source: McKinsey & Company, What's new with the internet of things (2017). <sup>3</sup> Source: Statista, Global digital population as of January 2021. <sup>4</sup> Source: Open Signal, 5G users on average consume up to 2.7x more mobile data compared to 4G users (October 2021). <sup>5</sup> Source: Statista, Number of mobile phone messaging app users worldwide from 2018 to 2022 (April 2021).

<sup>6</sup> Source: Facebook, Why messaging businesses is the new normal (June 2018). <sup>7</sup> Source: itransition, The future of big data (January 2020). <sup>8</sup> Source: Forbes, 100 stats on digital transformation and customer experience (December 2019).





**Manulife is *uniquely*  
positioned to *win***

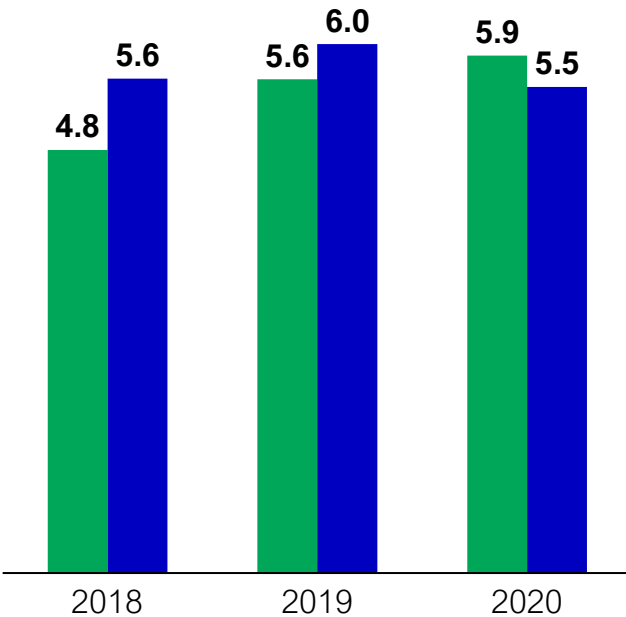


# The *diversity* of Manulife's business sets us up for *success*

## Core earnings and net income attributed to shareholders

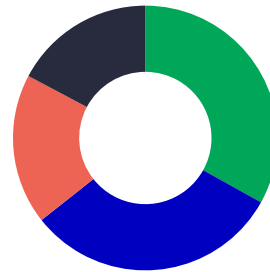
(C\$ billions)

Net Income Core earnings



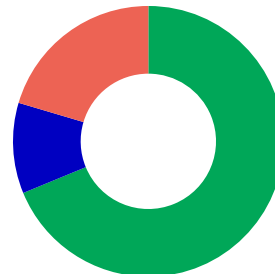
## Core Earnings<sup>1,2</sup>

Asia 33% Canada 19%  
U.S. 31% Global WAM 17%



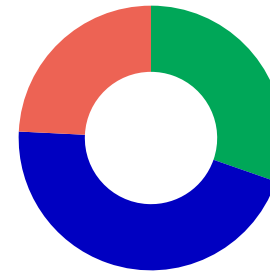
## APE Sales<sup>1</sup>

Asia 69% Canada 20%  
U.S. 11%



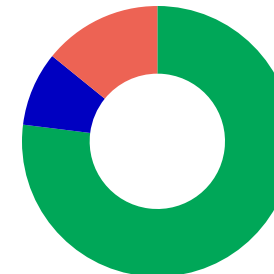
## Expected profit from in-force business<sup>1,2,3</sup>

Asia 30% Canada 25%  
U.S. 45%



## New Business Value<sup>1</sup>

Asia 77% Canada 14%  
U.S. 9%



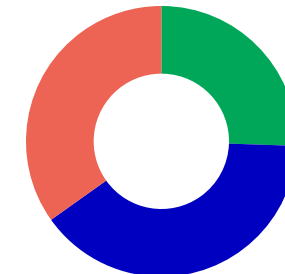
## Global WAM AUMA by business line<sup>1</sup>

Retirement 53% Institutional 14%  
Retail 33%



## Global WAM Core EBITDA by region<sup>1</sup>

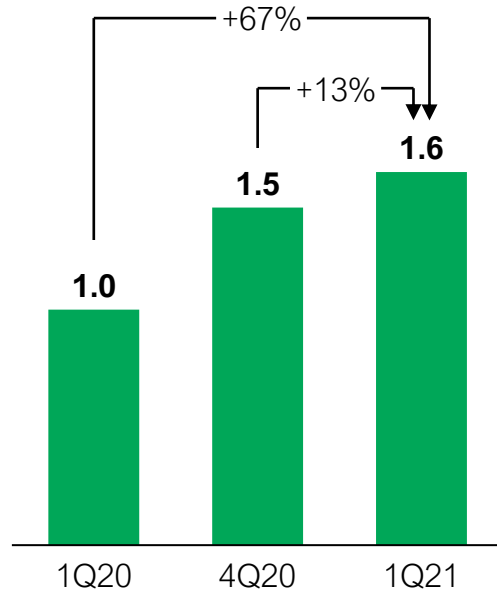
Asia 25% Canada 35%  
U.S. 40%



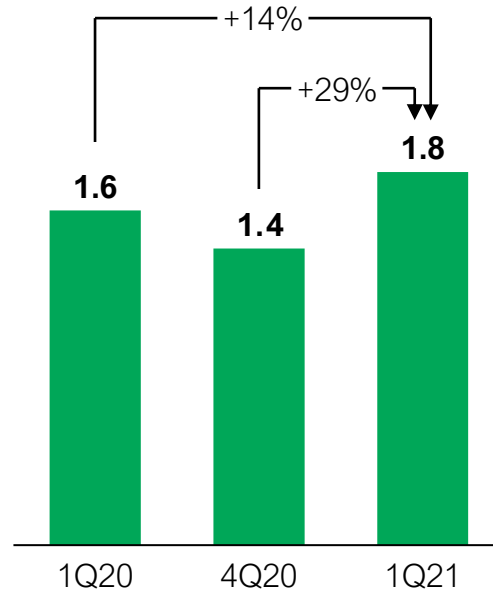
Note: Core Earnings, APE Sales, New Business value, AUMA and Core EBITDA are non-GAAP measures. See slide entitled "Performance and Non-GAAP Measures" in 2021 Investor Day Legal Slides. See 2020 MD&A for reconciliation of core earnings to net income (loss) attributed to shareholders. <sup>1</sup> Based on full year 2020 results. <sup>2</sup> Excludes Corporate & Other. <sup>3</sup> Based on pre-tax. Expected profit from in-force is part of the Source of Earnings analysis, which 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.

# Our momentum is visible in our strong 1Q21 results

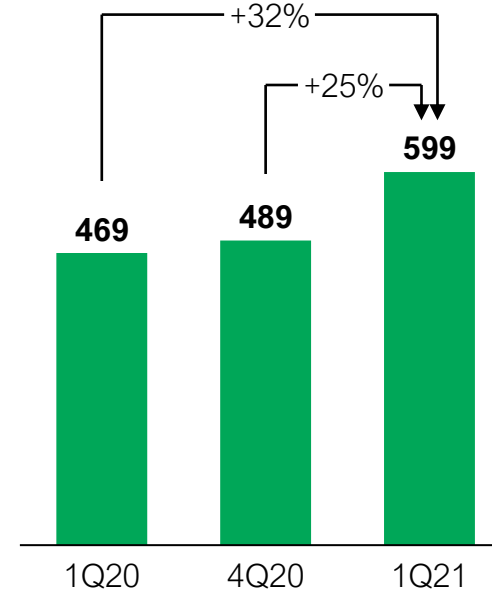
**Record 1Q21 Core Earnings**  
(C\$ billions)



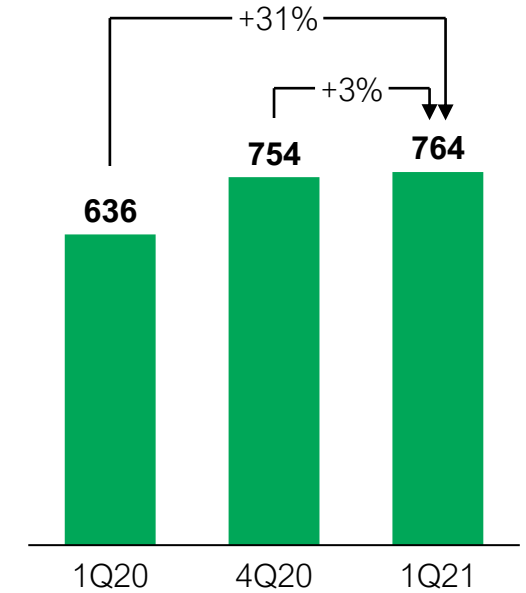
**Strong rebound in APE Sales**  
(C\$ billions)



**Robust New Business Value**  
(C\$ millions)



**Growing Global WAM AUMA**  
(C\$ billions)

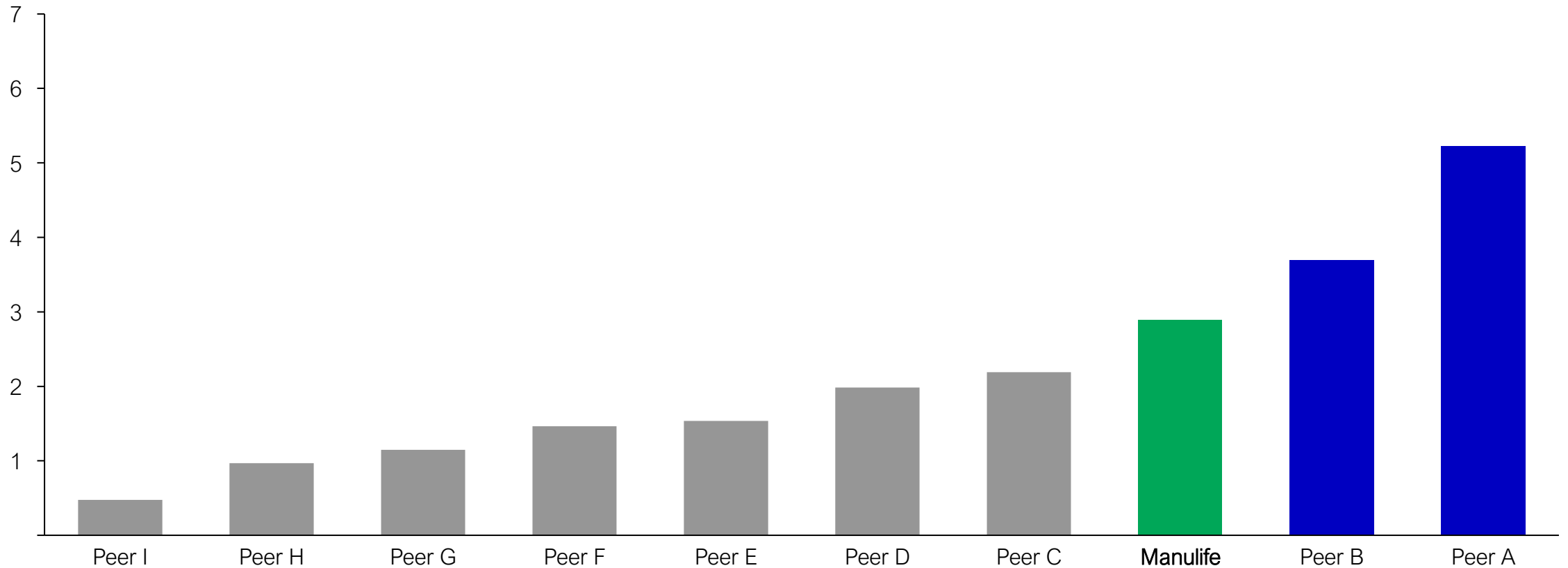


Note: Core Earnings, APE Sales, New Business Value and AUMA are non-GAAP measures. Percentage changes are stated on a constant exchange rate basis, a non-GAAP measure. See slide entitled "Performance and Non-GAAP Measures" in 2021 Investor Day Legal Slides.













# Manulife is a *leading* pan-Asian life insurer

**Pan-Asian Life Insurers, 2020 New Business Sales**  
(US\$ billions)



# Manulife Asia emerged from 2020 in a *stronger* position, with *increased market share* in 6 markets

| Total New Business Sales   | Rank | YoY Market Share |
|--|------|------------------|
|  Hong Kong                  | #6   | ▲                |
|  Hong Kong MPF <sup>1</sup> | #1   | ▲                |
|  China <sup>2</sup>         | #2   | ▲                |
|  Singapore                  | #3   | ▼                |
|  Vietnam                   | #1   | ▲                |
|  Cambodia                 | #1   | ▲                |

| Total New Business Sales  | Rank | YoY Market Share |
|---|------|------------------|
|  Japan       | #11  | ▲                |
|  Indonesia   | #7   | ▲                |
|  Philippines | #5   | ▼                |
|  Malaysia   | #8   | ▼                |

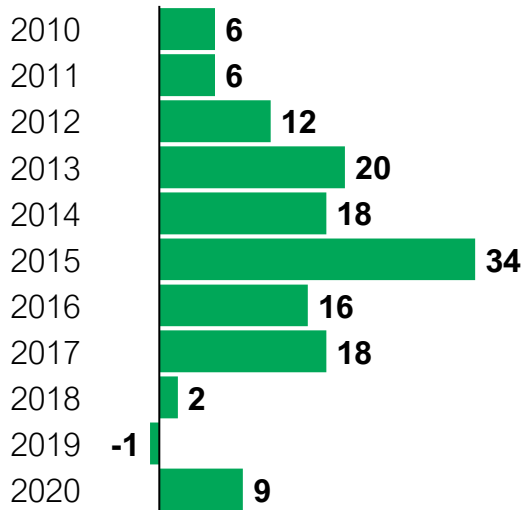
Note: Data for full year 2020. For Manulife, New Business Sales is the same as APE Sales. Source: Local regulators, competitors' website, insurance association and informal (industry exchange) market share. <sup>1</sup> Mandatory Provident Fund. MPF market share is measured by share of assets under management and estimated net cash flows by scheme sponsor. <sup>2</sup> China pertains to agency business (foreign insurers only).



# Our Global WAM franchise has delivered *strong results*, including consistent *net inflows* and steady *margin expansion*

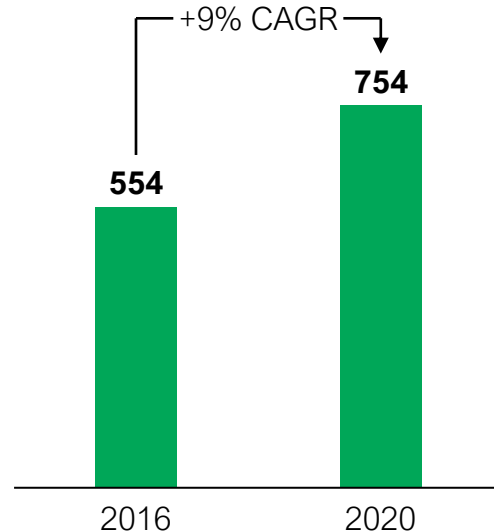
## Delivered positive net flows in 10 out of the past 11 years...

(C\$ billions)



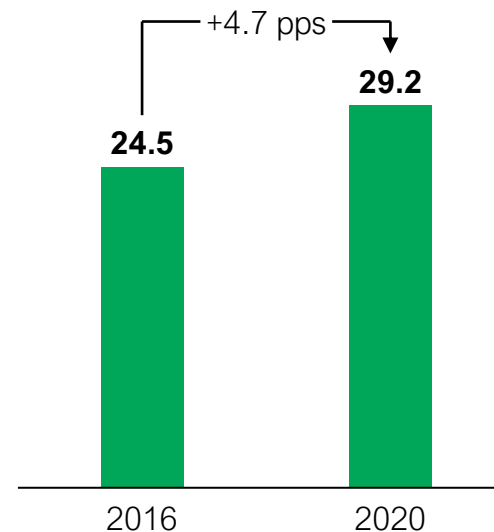
## ...contributing to AUMA growth...

(C\$ billions)



## ...and scale benefits, which are reflected in our Core EBITDA margin

(%)



## Strong market rankings

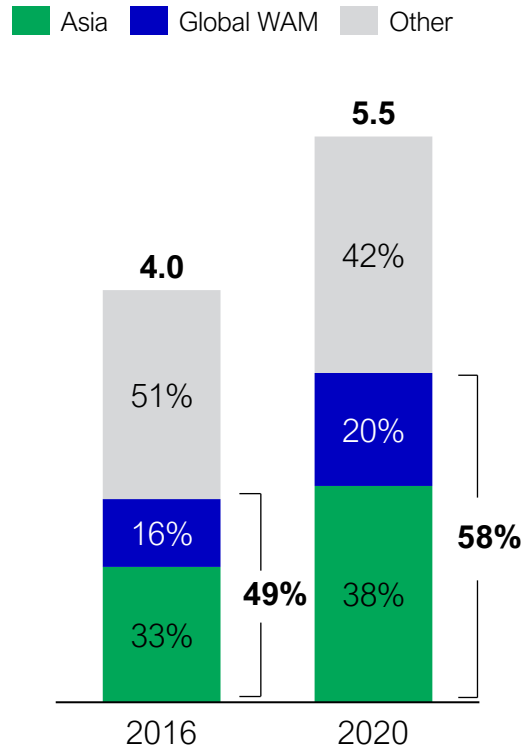
- #1** Hong Kong MPF ranked scheme sponsor<sup>1</sup>
- #2** Canada Retirement<sup>2</sup>
- #2** U.S. Retirement Small Case Market<sup>2,3</sup>
- #1** World's largest manager of timberland investments for private equity investors<sup>4</sup>

Note: percentage change for AUMA is stated on a constant exchange rate basis, a Non-GAAP measure. Past performance cannot guarantee future performance. Net Flows, AUMA and Core EBITDA margin are non-GAAP measures. See slide entitled "Performance and Non-GAAP Measures" in 2021 Investor Day Legal Slides. <sup>1</sup> Based on Mandatory Provident Fund scheme sponsor net new cash flows and Asset Under Management. Based on the 4Q20 rankings as per the Mercer MPF Market Share Report. <sup>2</sup> Based on rolling 12 months as of 4Q20. <sup>3</sup> U.S. Retirement small case pertains to <\$10 million. <sup>4</sup> Assets managed by Hancock Natural Resource Group.

# Asia and Global WAM rapidly comprising a *larger share* of total core earnings, and growth in Asia Other has been *remarkable*

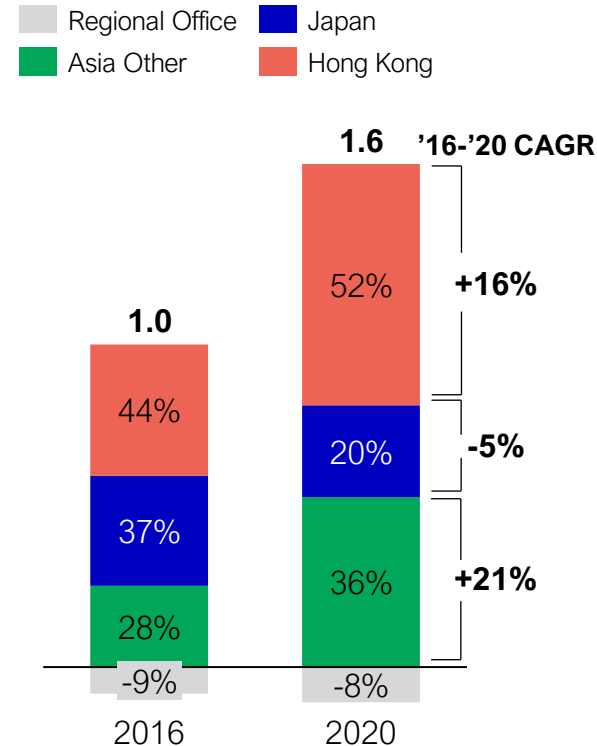
**Core Earnings contributions from Asia and Global WAM have increased**

(C\$ billions)



**Asia Other has been an important driver of Asia's Core Earnings growth**

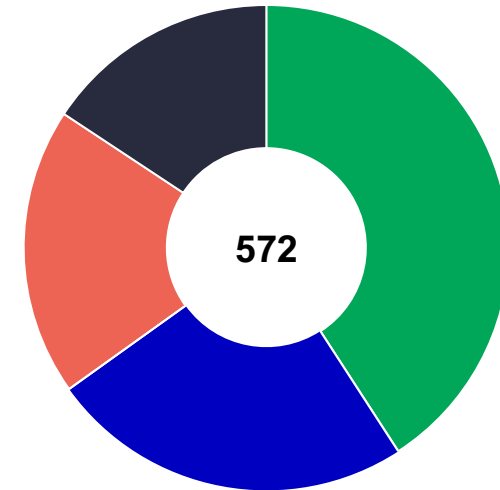
(US\$ billions)



**Expanding our disclosures to report China, Singapore and Vietnam separately as they are meaningful contributors to Asia's Core Earnings**

(US\$ millions, Asia Other 2020 Core Earnings)

- Vietnam 41%
- Singapore 19%
- China 24%
- Other Emerging Markets 16%



Note: Core Earnings is a non-GAAP measure. See slide entitled "Performance and Non-GAAP Measures" in 2021 Investor Day Legal Slides. See 2020 MD&A for reconciliation of core earnings to net income (loss) attributed to shareholders. Order of the vertical bars on the chart correspond to the order in the legend.





# The next phase of our *strategy*



# We have entered a *new phase* of our strategy

2018–2020

## Strengthened our foundation...

- Greater **financial flexibility** – strengthened capital position *and* reduced leverage, while concurrently deploying capital
- **Right-sized the expense** base – eliminated \$1 billion of costs and established a culture of expense discipline
- Laid the foundation for Manulife’s **digital transformation**
- Invested in **building our talent bench** and driving top-quartile employee engagement
- **Built scale in Asia** and narrowed the gap between Manulife and the #2 pan-Asian player
- Delivered **asset and margin expansion** in **Global WAM**

2021–2025

## ...to accelerate growth

- The **customer** remains at the core of everything we do
- Heavy focus on **digital and technology**
- **Invest** in our highest potential businesses to deliver organic growth with superior returns and selective use of M&A
  - Asia: accelerate growth in our **agency** force and **exclusive bancassurance**, and accelerate **China** and **South-East Asia**
  - Global WAM: accelerate growth by capturing the **opportunity in Retail and Retirement**
- Continue to focus on **optimizing legacy businesses** through the pursuit of organic and inorganic opportunities
- Culture will be a long-term, sustainable competitive advantage

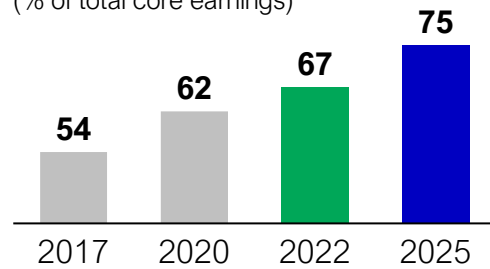


# Delivering on this *new phase of our strategy* requires *clear and defined* strategic priorities...

## Accelerate Growth

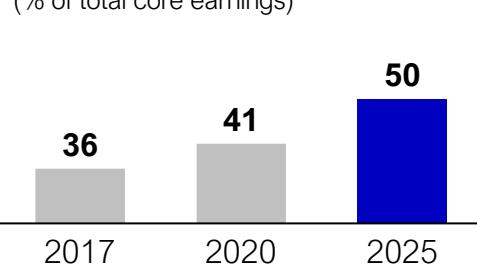
**Core Earnings from highest potential businesses<sup>1</sup>**

(% of total core earnings)



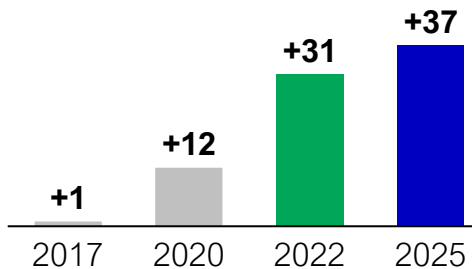
**Core Earnings from Asia (Insurance + WAM)<sup>1</sup>**

(% of total core earnings)



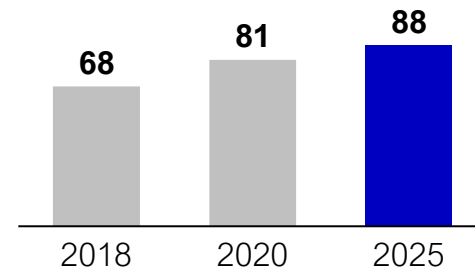
## Digital, Customer Leader

**NPS<sup>2</sup>**



**STP<sup>3</sup>**

(%)



2022 Target

2025 Supplemental Goal

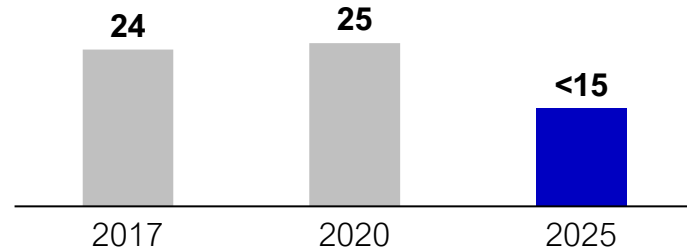
See slide entitled "Caution regarding forward-looking statements" in 2021 Investor Day Legal Slides. Note: Core Earnings is a non-GAAP measure. See slide entitled "Performance and Non-GAAP Measures" in 2021 Investor Day Legal Slides.

<sup>1</sup> 2020 normalized for \$400 million of core investment gains. <sup>2</sup> Relationship Net Promotor Score. <sup>3</sup> Straight-through-processing includes money movement.

# ...including continued execution of our *foundational* priorities

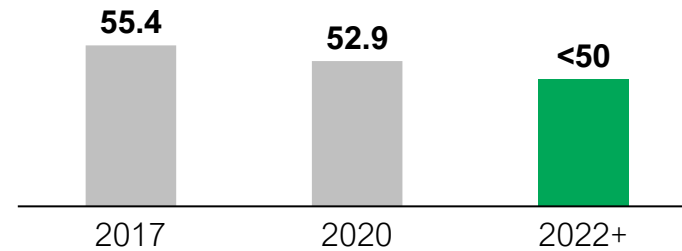
## Portfolio Optimization

**Core Earnings contribution from LTC & VA<sup>1</sup>**  
(% of total core earnings)



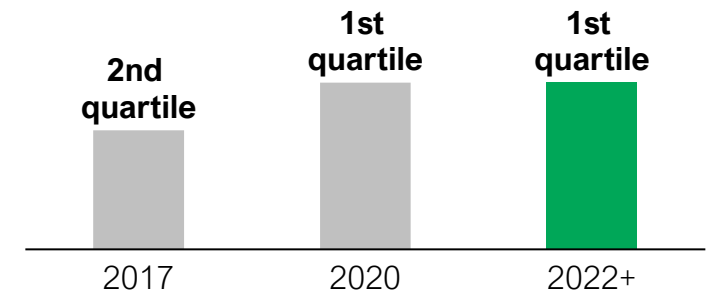
## Expense Efficiency

**Expense Efficiency Ratio**  
(%)



## High Performing Team

**Employee Engagement<sup>2</sup>**



- 2022 Target
- 2025 Supplemental Goal

Note: Core Earnings is a non-GAAP measure. See slide entitled "Caution regarding forward-looking statements" and "Performance and Non-GAAP Measures" in 2021 Investor Day Legal Slides.  
<sup>1</sup> 2020 impact normalized for COVID-19-related LTC gains and \$400 million of core investment gains. <sup>2</sup> Employee engagement survey amongst global financial services and insurance peers.





*Attractive*  
**investment thesis**



# Manulife is a compelling investment case

## Solid foundation

### Financial Flexibility

Conservatively managed capital position above our operating range

Committed to our medium-term leverage target of 25%

### Released \$5.9 billion of capital since 2018

Reduced risk and unlocked value

### Culture of Expense Efficiency

Provides for superior returns as we scale

On track to sustain <50% expense efficiency ratio by 2022

## Record of financial delivery

### Robust Core EPS Growth

Medium-term target of 10-12%

15% CAGR from 2016-2019

### Strong Core ROE

Medium-term target of 13%+ is sustainable as we scale

Exceeded target in 2018, 2019, and 1Q21

### Attractive Dividend

Yield of ~4.4%<sup>1</sup>

Medium-term target payout ratio of 30-40%

11% dividend increase CAGR from 2016-2020

## Prized growth opportunities

### Top 3 Pan-Asian insurer

With ambition to be clear top tier

### Asia region on track to contribute 50% of core earnings by 2025

Earnings profile is changing rapidly

### Scalable Global WAM platform

Integrated operating model and strong distribution capabilities support margin expansion

### Behavioural insurance is a key differentiator

Strong demand for our innovative solutions

## ESG commitments

### Climate positive, and committed to steering our investment portfolio to be net zero by 2050

Contributing towards the urgent, global fight against climate change

### Committed to Diversity, Equity, and Inclusion

We view DEI as a key differentiator and driver for our future success

### Strong ESG ratings

73<sup>rd</sup> percentile – Dow Jones Sustainability Indices<sup>2</sup>

AA – MSCI ESG ratings<sup>3</sup>

B- – CDP Climate Change Score<sup>4</sup>

Low – Sustainalytics ESG risk level<sup>5</sup>

Note: See slide entitled “Caution regarding forward-looking statements” in 2021 Investor Day Legal Slides. Refer to the 2020 Sustainability report for more information on Manulife’s ESG ratings.

<sup>1</sup> As of May 31, 2021. <sup>2</sup> As of September 2020. <sup>3</sup> As of March 2021. <sup>4</sup> As of January 2021. <sup>5</sup> Visit their website for a full discussion of the rating/scoring methodology.



# Key Messages

- We are committed to our customers by making their **decisions easier and lives better**
- **We are executing** on our strategic priorities and have delivered **impressive financial results**
- The **megatrends in Asia and Global WAM are very attractive** and Manulife is **uniquely positioned to win** in these markets
- We've entered a **new phase of our strategy** and have provided **meaningful metrics** to measure our progress through to 2025
- The **investment case for Manulife** has evolved and is compelling



**Manulife**