

# Raising the Bar

Investor Day 2024: CEO Presentation

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President and CEO  
June 25, 2024

# Agenda

- 1 | **Looking back**  
*Our transformation journey*
- 2 | **Looking ahead**  
*Raising the bar*

## Executive summary

- Transformed into a low-risk and high return company
- Demonstrated execution with strong track record
- Uniquely positioned to capture mega trends and grow our business
- Raising the bar on our financial targets
- Creating compelling investment opportunities

# *Our transformation* **journey**

## Looking back: *Top takeaways*

- Clear and consistent strategy
- Delivered superior financial results
- Improved returns and outperformed peers
- Strategically transformed Manulife
- De-risked the firm and reduced volatility
- Generated substantial cash

# Clear and consistent *strategy*

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



**Customers**

Improve NPS by 36 points and delight customers



**Team**

Engage our team – achieve top quartile engagement



**Shareholders**

Deliver top quartile returns



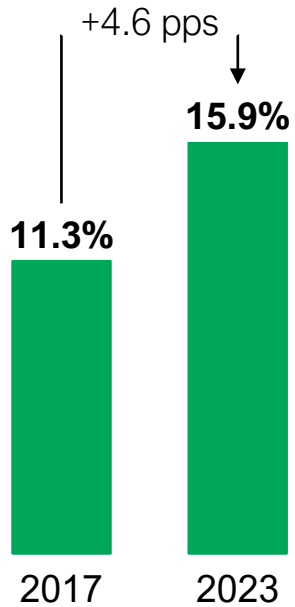
**Community**

Deliver on our Impact Agenda

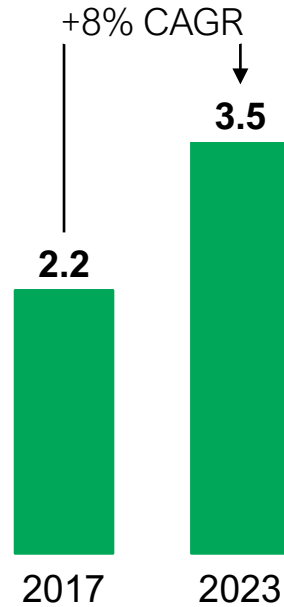


# Delivered *superior* financial results

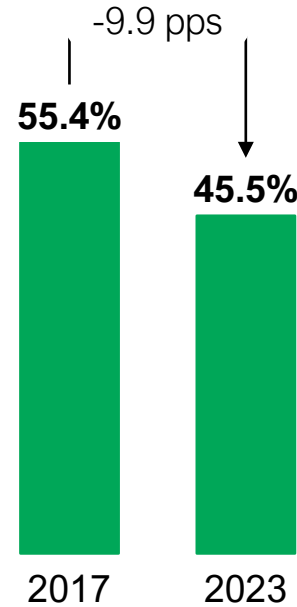
**Core ROE<sup>1</sup>**



**Core EPS<sup>1</sup>**  
(C\$)

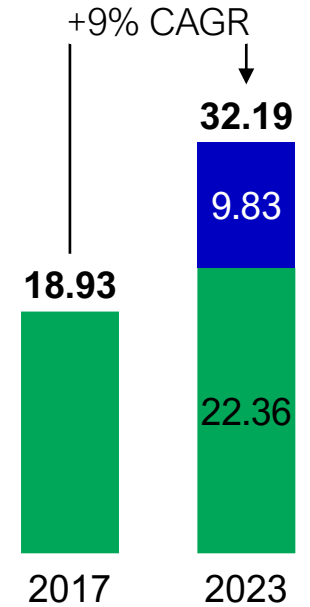


**Expense efficiency ratio<sup>1</sup>**



**Adjusted book value<sup>1</sup>**  
(C\$ per common share)

■ CSM balance per common share  
■ Book value per common share



## Performance versus peers

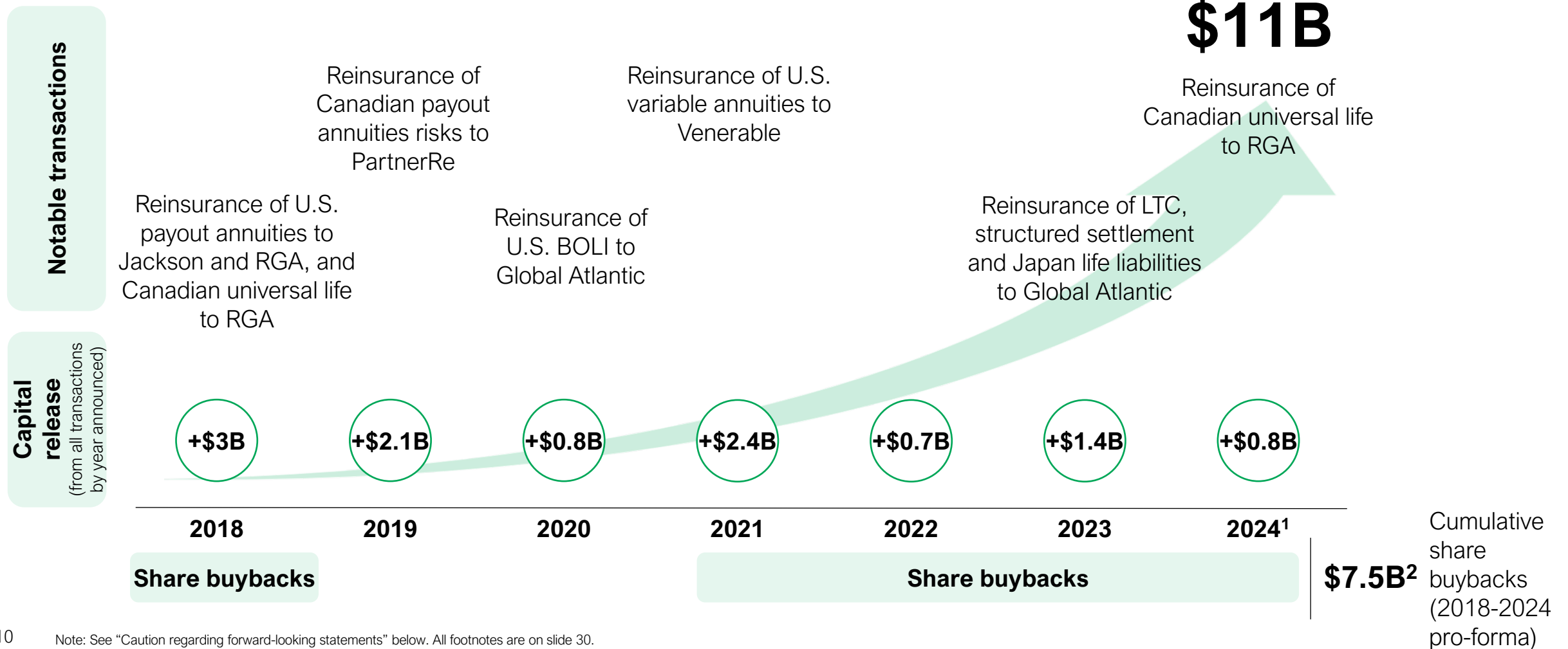
2017-2023	Manulife	Peer Average <sup>6</sup>	Asia Peer Average <sup>7</sup>
<b>Core ROE<sup>1</sup></b>	<b>+4.6 pps</b>	<b>+1.0 pps</b>	<b>-3.9 pps</b>
<b>Core EPS<sup>2</sup></b>	<b>7.8%</b>	<b>3.9%</b>	<b>-0.4%</b>
<b>Dividend growth<sup>3</sup></b>	<b>10.1%</b>	<b>5.9%</b>	<b>1.9%</b>
<b>Current cash flow yield (Dividends + buybacks)<sup>4,5</sup></b>	<b>8.1%</b>	<b>6.8%</b>	<b>4.4%</b>



## Strong track record of *execution*

		2017	2023	1Q24	Current target
<b>Portfolio optimization</b>	Core earnings contribution from LTC & VA	24%	12%	12%	<b>&lt;15% by 2025</b>
<b>Expense efficiency</b>	Expense efficiency ratio <sup>1</sup>	55.4%	45.5%	45.1%	<b>&lt;50% in 2022+</b>
<b>Accelerate growth</b>	Core earnings from highest potential businesses <sup>2</sup>	54%	60%	67%	<b>75% by 2025</b>
	Core earnings from Asia (Insurance + WAM)	36%	37%	44%	<b>50% by 2027</b>
<b>Digital, customer leader</b>	NPS <sup>3</sup>	1	23	23	<b>37 by 2027</b>
	STP <sup>4</sup>	68%	85%	85%	<b>88% by 2025</b>
<b>High performing team</b>	Employee engagement	2 <sup>nd</sup> quartile	1 <sup>st</sup> quartile	n/a	<b>1<sup>st</sup> quartile in 2022+</b>

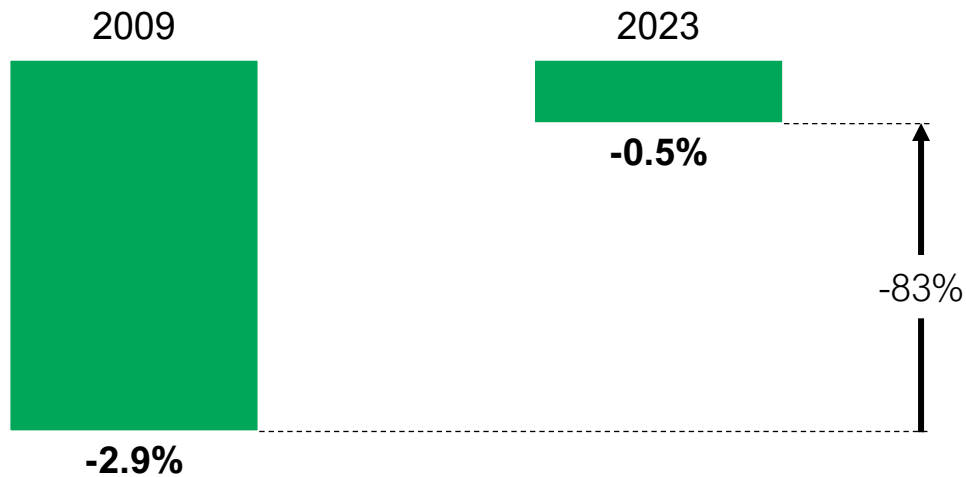
## Released capital and *reduced risk*



## Significantly *de-risked* the firm

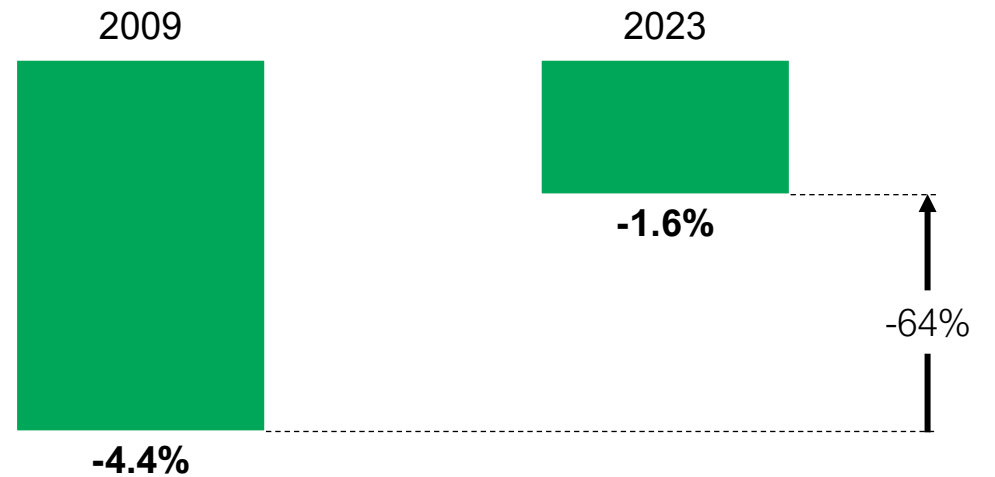
### Interest rates

Potential impact on total comprehensive income from an immediate parallel 50 bps decline in interest rates, as a percentage of book value from the respective year  
(% of book value)



### Equity markets

Potential impact on total comprehensive income from a 10% decline in public equity returns, as a percentage of book value from the respective year  
(% of book value)



# A proven compounding *cash generation engine*

## Organic investments drive compound book value growth

- Over 25% new business profitability on organic investments
- Over \$1 billion of cumulative technology and digital investments since 2018
- 12% new business CSM growth YoY<sup>1</sup>
- Positive net flows for 13 out of past 14 years in Global WAM

## Freeing up capital through milestone transactions

- \$11 billion freed up capital from legacy / low ROE businesses
- Largest LTC reinsurance transaction
- U.S. variable annuity reinsurance deal
- Largest Canadian universal life deal

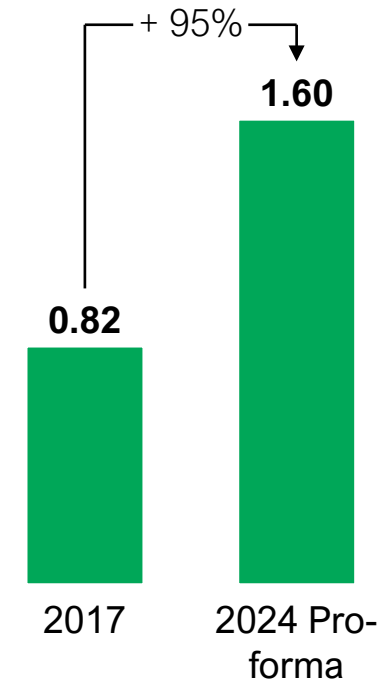
## Generated \$27 billion of remittances

Remittances from operations (C\$ billions)



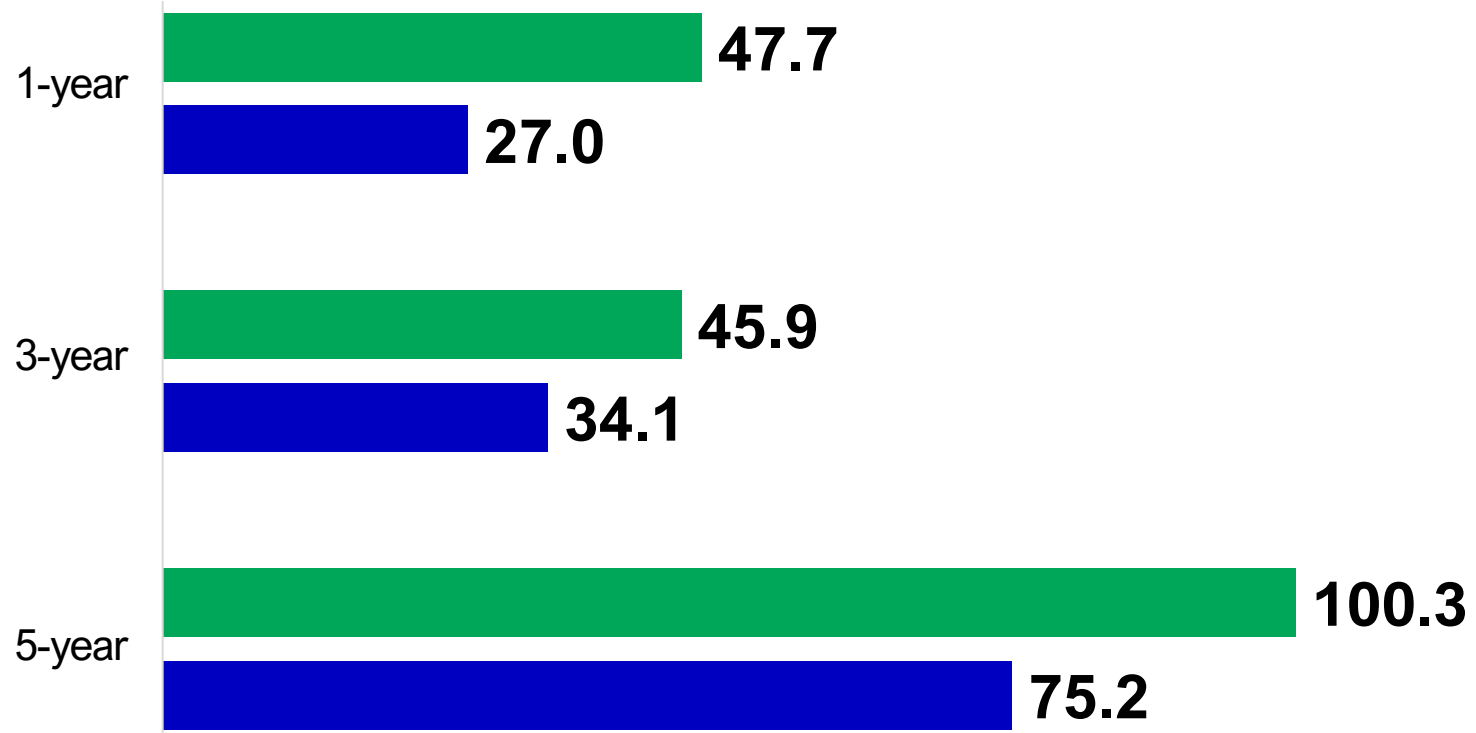
## Returned \$21 billion<sup>2</sup> of capital to shareholders

Dividend per share (C\$ per common share)



## Outpaced peers

### Total shareholder return (“TSR”) (%, as of May 31, 2024)



■ MFC-TSX  
■ Proxy peers average<sup>1</sup>

Period	Quartile
1-Year	1 <sup>st</sup>
3-Year	2 <sup>nd</sup>
5-Year	1 <sup>st</sup>

**Looking back:**  
*Summary*

- Clear strategy
- Superior execution
- Outpaced peers
- A cash and growth engine

# *Raising the bar*



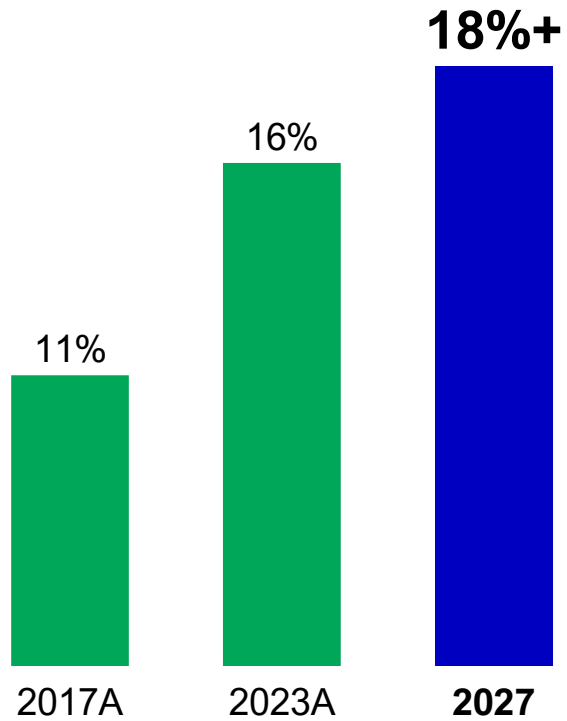
**Looking ahead:**  
*Top takeaways*

- **Raising the bar on financial targets**
- **Uniquely positioned to continue delivering strong results and outperforming peers**
  - A global player at scale that is poised to capture key megatrends
  - Enviable markets and business exposure enable organic investment
  - Complementary business lines with an attractive business mix
  - Digital, talent, and community focused

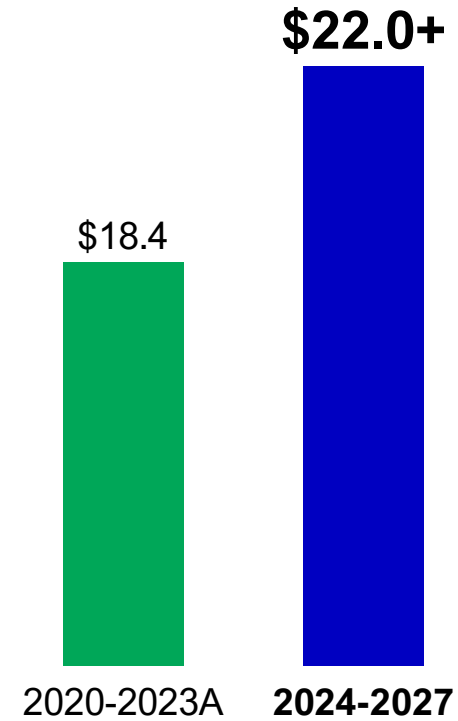


## *Raising the bar* on our 2027 targets

**Core ROE<sup>1</sup>**



**Cumulative remittances**  
(C\$ billions)



## A unique profile of high return, cash generation, and growth

Core ROE

18%+

By 2027

~14%

Peer average<sup>1</sup>, 2023

Remittances

\$22B+

2024 - 2027

-

Core EPS growth

10-12%

~4%

Peer average<sup>1</sup>, CAGR 2017-2023

## Continued focus on delivering against our *medium-term financial targets*

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**New business CSM growth**

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**CSM balance growth**

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**Core EPS growth**

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**Expense efficiency ratio**

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**Leverage ratio**

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**Core dividend payout ratio**

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**Medium-term target**

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**15%**

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**8-10%**

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**10-12%**

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**<45% (▼5 pps)**

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**25%**

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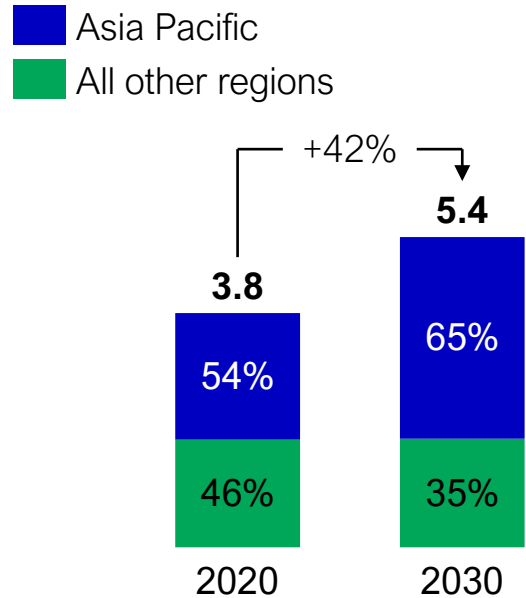
**35-45%**

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# Compelling global *megatrends*

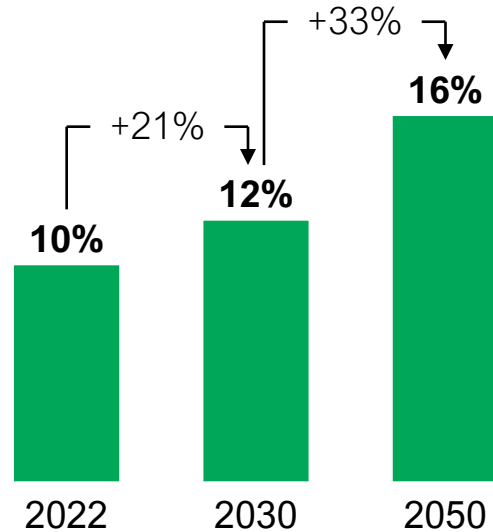
## Rapid and sustained economic expansion in Asia

Asia's share of global middle class (Population in billions)<sup>1</sup>



## Proportion of elderly population is growing

Global percentage of population 65 years or over<sup>2</sup>



## Evolving digital consumer preferences

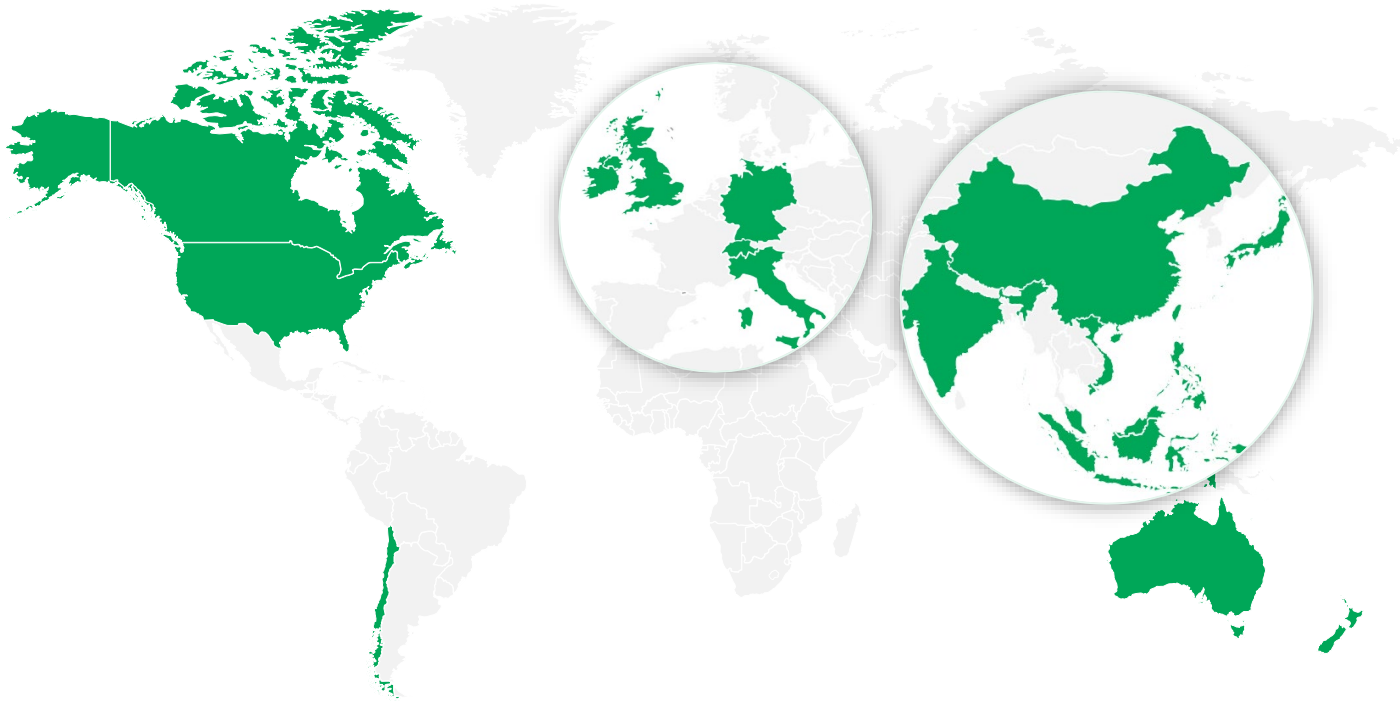
80%

of consumers use mobile apps for their financial services<sup>3</sup>

71%

of consumers expect companies to deliver personalized experiences<sup>4</sup>

## Well-positioned *international footprint*



Pan-Asia life insurer

**TOP 3**

Exclusive bancassurance partnerships

**10**

Customers

**35M**

AUMA<sup>1</sup>

**1.4T**

Employees

**38k**

Behavioural insurance customers<sup>2</sup>

**2M+**

## Clear pathway to deliver against our *strategic priorities*

### Portfolio optimization

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- Pursue additional LTC transactions
- Low ROE divestitures to expand market multiples
- Organic inforce actions to reduce risk and improve ROE

### Expense efficiency

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- Digitalize and automate workflows and enhance STP
- World class partnerships to access emerging technologies and accelerate digital transformation
- GenAI and advanced analytics for the next wave of cost synergies

### Accelerate growth

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- Increase penetration and scale in high quality, sustainable growth markets in Asia
- Win in direct and affiliated Global WAM distribution channels and alternative product offerings
- Invest in high ROE and growth segments in North America
- Strategically relevant M&A opportunities that satisfy our gating criteria

### Digital, customer leader

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- Drive market leading NPS
- Personalize and digitally enable products
- Leverage advanced analytics and AI capabilities, globally at scale

### High performing team

- Leaders as “force multipliers” driving growth and culture
- DEI and development initiatives, and support colleague well-being

## *Accelerating growth* through our businesses

### Asia

**Significant protection gaps, rising middle class and HNW population growth**

- Grow agency and bancassurance channels
- Improve health and protection product mix
- Scale HNW business

### Global WAM

**Expanding global wealth and AUM with increasing demand for alternative investments**

- Leverage direct and affiliated channels to scale business
- Scale alternative capabilities
- Focus on sustainable growth and operational excellence

### Canada

**Rising population with increasing number of uninsured Canadians and a growing private healthcare expense**

- Deliver best-in-class core products and services
- Expand distribution reach across channels and market segments
- Differentiate through health solutions and partnerships

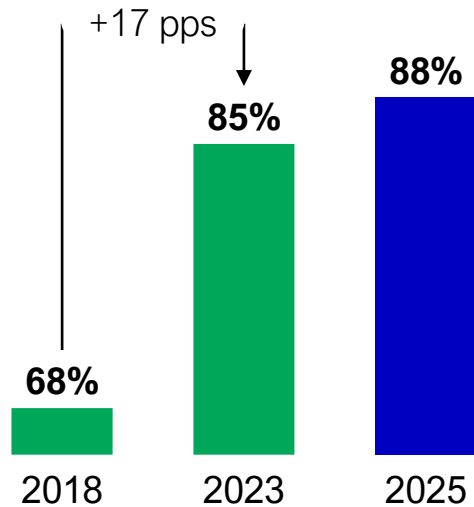
### U.S.

**Heightened focus on longevity and substantial unmet life insurance needs for protection and wealth transfer**

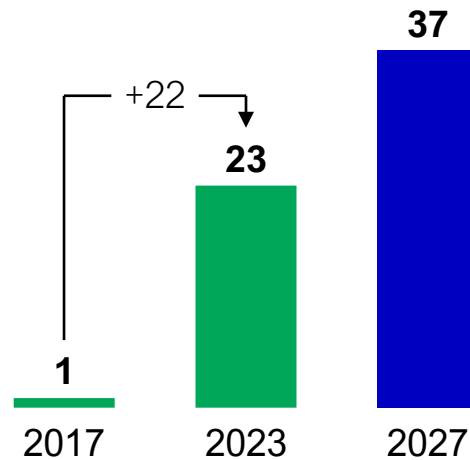
- Operate in high-growth segments
- Leverage Vitality as a differentiator
- Expand innovative product suite into adjacent markets

*Digital, customer leadership is central to our mission*

**Driving automation and straight-through processing (STP)**



**Improving the customer experience (NPS)**



**Investing in technology to further our transformation**

**\$1B**

Committed technology and digital investments, 2023-2025

**3x**

Expected return on digital investments

*Customer experience leader across the majority of our business lines*



*Talent and culture is our true differentiator*

**Value based culture**

**Top Quartile**

Top quartile in employee engagement amongst global F&I companies for four consecutive years

**Get it done together**

**World's Best Employers**

Fourth consecutive year recognized as one of the World's Best Employers by Forbes

**Diversity and inclusion**

**Gender Equality Index**

Fifth consecutive year named to Bloomberg's Gender Equality Index

## Executing on our *Impact Agenda*

Building a *better*  
business to  
*better* the world.

### Driving inclusive economic opportunity

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**30%**

Increase in racially and ethnically diverse representation at the Director+ level in North America by 2025

### Empowering health and well-being

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**82%**

Of Vitality members maintained or improved overall health<sup>1</sup>

### Accelerating a sustainable future

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**Net  
zero**

On Scope 1 and 2 greenhouse gas emissions target

## Looking ahead: *Summary*

- Raising the bar on performance
- Uniquely poised to capture megatrends
- Strong capital allocation and expense discipline
- A cash and growth engine
- Confidence in the opportunity ahead



**Manulife**

*Raising the Bar*

## Appendix

- Footnotes
- Caution regarding forward-looking statements
- Non-GAAP and other financial measures

## Footnotes

Slide	Footnote
7	<sup>1</sup> Core return on common shareholders' equity ("core ROE") (2017 and 2023 ROE are 5.0% and 11.9%, respectively), diluted core earnings per common share ("core EPS") (2017 and 2023 EPS are C\$0.98/sh and C\$2.61/sh, respectively), expense efficiency ratio and adjusted book value per share value are non-GAAP ratios. The compound annual growth rate ("CAGR") for core EPS stated on a constant exchange rate basis is a non-GAAP ratio.
8	<sup>1</sup> Percentage point change is between 2017 vs. 2023. <sup>2</sup> The CAGR is between 2017 and 2023. The CAGR for Manulife's core EPS stated on a constant exchange rate basis is a non-GAAP ratio. <sup>3</sup> The CAGR of dividend per common share between 2017 and 2023. <sup>4</sup> Current cash flow yield is capital attributed to common share dividends and buybacks in fiscal year 2023 as a percentage of market capitalization as of December 31, 2023. Dai-ichi's market capitalization is as of March 31, 2024, consistent with their 2023 fiscal year end. <sup>5</sup> Current cash flow yield is an other specified financial measure. <sup>6</sup> Consists of 15 peers which comprise Manulife's global performance proxy peer group as disclosed in our 2024 Management Information Circular. <sup>7</sup> Consists of AIA, Prudential PLC and Dai-ichi Life Holdings, Inc.
9	<sup>1</sup> Expense efficiency ratio is a non-GAAP ratio. <sup>2</sup> Highest potential businesses include Asia, Global WAM, Canada group benefits and behavioural insurance products. <sup>3</sup> Net promoter score ("NPS"). <sup>4</sup> Straight-through processing ("STP") includes money movement. Baseline is based on 2018 results.
10	<sup>1</sup> As of 1Q24, including Canadian universal life reinsurance transaction. <sup>2</sup> Not all share buybacks are directly linked to these notable transactions.
12	<sup>1</sup> New business CSM growth stated on a constant exchange rate basis is a non-GAAP ratio. Value reflects CSM growth between 2022 and 2023. <sup>2</sup> Between 2017 and 2023, from common share dividends and share buybacks.
13	<sup>1</sup> Consists of 15 peers which comprise Manulife's global performance proxy peer group as disclosed in our 2024 Management Information Circular.
17	<sup>1</sup> Core ROE is a non-GAAP ratio (2017 and 2023 ROE are 5.0% and 11.9%, respectively).
18	<sup>1</sup> Consists of 15 peers which comprise Manulife's global performance proxy peer group as disclosed in our 2024 Management Information Circular.

## Footnotes

Slide	Footnote
20	<p><sup>1</sup> Brookings, The Unprecedented Expansion of the global middle class. (February 2017).</p> <p><sup>2</sup> World Population Prospects 2022, UN DESA.</p> <p><sup>3</sup> Zipdo, Essential Financial Services Digital Marketing Statistics (June 2023).</p> <p><sup>4</sup> McKinsey, The Value of Getting Personalization Right (2021).</p>
21	<p><sup>1</sup> As at December 31, 2023. AUMA is a non-GAAP financial measure (total invested assets and segregated funds net assets are C\$417 billion and C\$378 billion, respectively). For more information, see “Non-GAAP and Other Financial Measures” below.</p> <p><sup>2</sup> Behavioural insurance participants includes <i>Vitality</i> customers in North American and <i>MOVE</i> customers in Asia.</p>
26	<p><sup>1</sup> Percent of John Hancock Vitality members reported similar or improved health year-over-year.</p>

## Caution regarding forward-looking statements

From time to time, Manulife makes written and/or oral forward-looking statements, including in this presentation. In addition, our representatives may make forward-looking statements orally to analysts, investors, the media and others. All such statements are made pursuant to the “safe harbour” provisions of Canadian provincial securities laws and the U.S. Private Securities Litigation Reform Act of 1995.

The forward-looking statements in this presentation include, but are not limited to, statements with respect to the Company’s strategic priorities and 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 “will”, “expect”, “estimate”, “believe”, “plan”, “objective”, “continue”, and “goal”, (or the negative thereof) and words and expressions of similar import, and include statements concerning possible or assumed future results. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements and they should not be interpreted as confirming market or analysts’ expectations in any way.

Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from expectations include but are not limited to: 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 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 applicable in any of the territories in which we operate; our ability to execute strategic plans and changes to strategic plans; downgrades in our financial strength or credit ratings; our ability to maintain our reputation; impairments of goodwill or intangible assets or the establishment of provisions against future tax assets; the accuracy of estimates relating to morbidity, mortality and policyholder behaviour; the accuracy of other estimates used in applying accounting policies, actuarial methods and embedded value methods; our ability to implement effective hedging strategies and unforeseen consequences arising from such strategies; our ability to source appropriate assets to back our long-dated liabilities; level of competition and consolidation; our ability to market and distribute products through current and future distribution channels; unforeseen liabilities or asset impairments arising from acquisitions and dispositions of businesses; the realization of losses arising from the sale of investments classified as available-for-sale; our liquidity, including the availability of financing to satisfy existing financial liabilities on expected maturity dates when required; obligations to pledge additional collateral; the availability of letters of credit to provide capital management flexibility; accuracy of information received from counterparties and the ability of

counterparties to meet their obligations; the availability, affordability and adequacy of reinsurance; legal and regulatory proceedings, including tax audits, tax litigation or similar proceedings; our ability to adapt products and services to the changing market; our ability to attract and retain key executives, employees and agents; the appropriate use and interpretation of complex models or deficiencies in models used; political, legal, operational and other risks associated with our non-North American operations; acquisitions or divestitures, and our ability to complete transactions; environmental concerns; our ability to protect our intellectual property and exposure to claims of infringement; and our inability to withdraw cash from subsidiaries.

Additional information about material risk factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in our 2023 Management’s Discussion and Analysis under “Risk Factors and Risk Management” and “Critical Actuarial and Accounting Policies” and in the “Risk Management” note to the Consolidated Financial Statements for the year ended December 31, 2023 as well as 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.



## Non-GAAP and other financial measures

From time to time 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); assets under management and administration (“AUMA”); and adjusted book value.

**Non-GAAP ratios** include core return on common shareholders’ equity (“core ROE”); diluted core earnings per common share (“core EPS”); financial leverage ratio; adjusted book value per common share; contractual service margin (“CSM”) per common share; and expense efficiency ratio. In addition, non-GAAP ratios include the percentage growth/decline on a constant exchange rate (“CER”) basis in any of the above non-GAAP financial measures, and new business CSM.

**Other specified financial measures** include current cash flow yield.

For more information on the non-GAAP and other financial measures in this document, please see “Implementation of IFRS 17 and IFRS 9” and “Non-GAAP and other financial measures” of the 2023 MD&A which are incorporated by reference and available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

# Reconciliation: *Core earnings*, CER basis

	2017					
(\$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Core earnings (post-tax)</b>	<b>1,453</b>	<b>1,209</b>	<b>1,609</b>	<b>816</b>	<b>(522)</b>	<b>4,565</b>
CER adjustment <sup>1</sup>	(101)	-	80	25	(15)	(11)
<b>Core earnings, CER basis (post-tax)</b>	<b>1,352</b>	<b>1,209</b>	<b>1,689</b>	<b>841</b>	<b>(537)</b>	<b>4,554</b>
Income tax on core earnings, CER basis <sup>1</sup>	(335)	(249)	(644)	(169)	244	(1,153)
<b>Core earnings, CER basis (pre-tax)</b>	<b>1,017</b>	<b>960</b>	<b>1,045</b>	<b>672</b>	<b>(293)</b>	<b>3,401</b>

# Reconciliation: *Core ROE*

(\$ millions, unless otherwise stated)	2017
Core earnings	4,565
Less: Preferred share dividends	159
<b>Core earnings available to common shareholders</b>	<b>4,406</b>
<b>Average common shareholders' equity (see below)</b>	<b>38,919</b>
<b>Core ROE (%)</b>	<b>11.3%</b>
<b>Average common shareholders' equity</b>	
Total shareholders' and other equity	41,013
Less: Preferred shares and other equity	3,577
<b>Common shareholders' equity</b>	<b>37,436</b>
<b>Average common shareholders' equity</b>	<b>38,919</b>

# Reconciliation: *Core EPS*

(\$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	2017
Core earnings	4,565
Less: Preferred share dividends	159
<b>Core earnings available to common shareholders</b>	<b>4,406</b>
CER adjustment <sup>1</sup>	(11)
<b>Core earnings available to common shareholders, CER basis</b>	<b>4,395</b>
<b>Diluted weighted average common shares outstanding (millions)</b>	<b>1,986</b>
<b>Diluted core EPS</b>	<b>2.22</b>
<b>Diluted core EPS - CER</b>	<b>2.21</b>

# Reconciliation: Core earnings from *Asia*

(\$ millions and post-tax, unless otherwise stated)	1Q24
Core earnings of Asia region <sup>1</sup>	764
Core earnings - all other businesses	990
<b>Core earnings</b>	<b>1,754</b>
Items excluded from core earnings	(888)
<b>Net income (loss) attributed to shareholders</b>	<b>866</b>
<b>Asia region core earnings contribution</b>	<b>44%</b>