

# Reshaping Customer Experience to Accelerate Performance

Investor Day 2024: Digital, Customer Leadership in the Era of Generative AI

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**Looking back:**  
*Top takeaways*

- Digital, customer leader (“DCL”) accelerated execution program has delivered significant value and transformed our cost base
- Customer experience NPS leader across the majority of our markets
- Driving faster and more innovative outcomes through our material investments in cloud, data and AI
- Scaling market-leading digital capabilities
- Driving sustained customer engagement with expanded end-to-end digital experiences



## **DCL has *transformed our business***

### **Position in 2018**

### **Position today**

Lagging our peers in customer experience

NPS leader in 11 of 16 business lines, up from 4<sup>1</sup>

Low straight-through-processing (“STP”)

85% global STP, up from 68%

Limited digital adoption

69% servicing volume fully digital

Limited cloud, data platform and data governance

Robust global data and analytics platform  
on Azure

Nascent analytics and AI capabilities

Globally integrating AI solutions at scale

Lagging in digital lead generation capabilities

In-housed media buying and deployed globally  
scaled digital lead generation program

**We are *generating value* at an accelerated pace**

**Global DCL programmatic approach embedded in each business with 2023-2025 roadmaps<sup>1</sup>**

**\$185M** benefits delivered in 2023

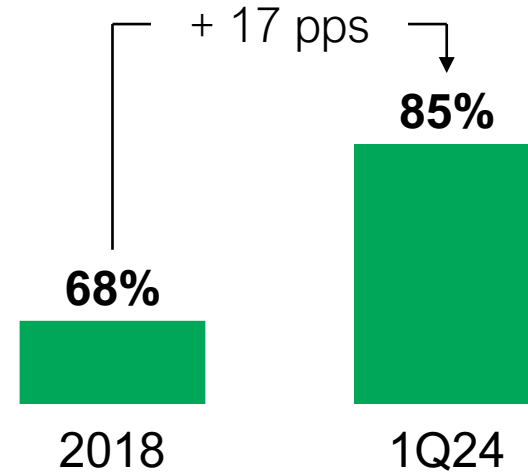
**\$500M** forecasted benefits in 2024

## Transformed cost base through *digitization and automation*

- Eliminated manual work by digitizing and automating highest volume interactions
- Now focusing on automating high-cost, less frequent interactions

### Reduced operating expenses

Total Company STP



**Canada<sup>1</sup>**

86% STP

**Asia<sup>1</sup>**

86% STP

**Global WAM<sup>1</sup>**

89% STP

**U.S.<sup>1</sup>**

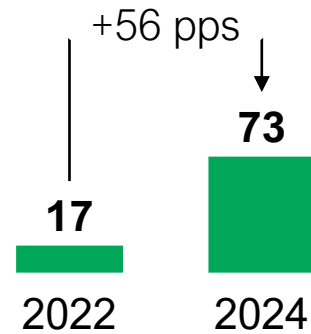
69% STP

## Majority of high-volume customer interactions *fully digitally enabled*

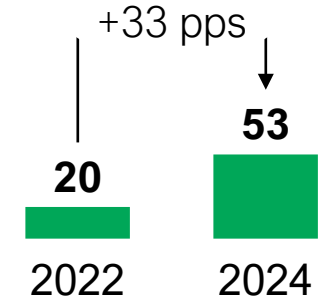
- 69% of global servicing volume fully digital
- Enables revenue and cost reduction opportunities through personalized customer engagement with targeted, data-driven offers and nudges

### Digital servicing interactions (% , April 30, 2024 vs. 2022<sup>1</sup>)

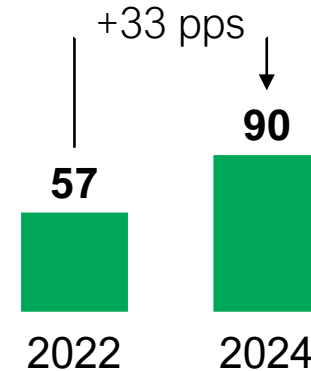
#### Global WAM



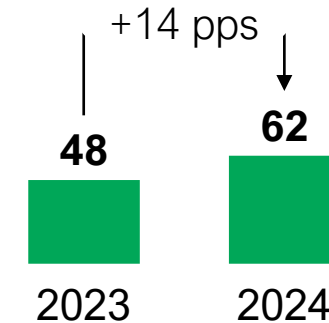
#### Asia



#### Canada



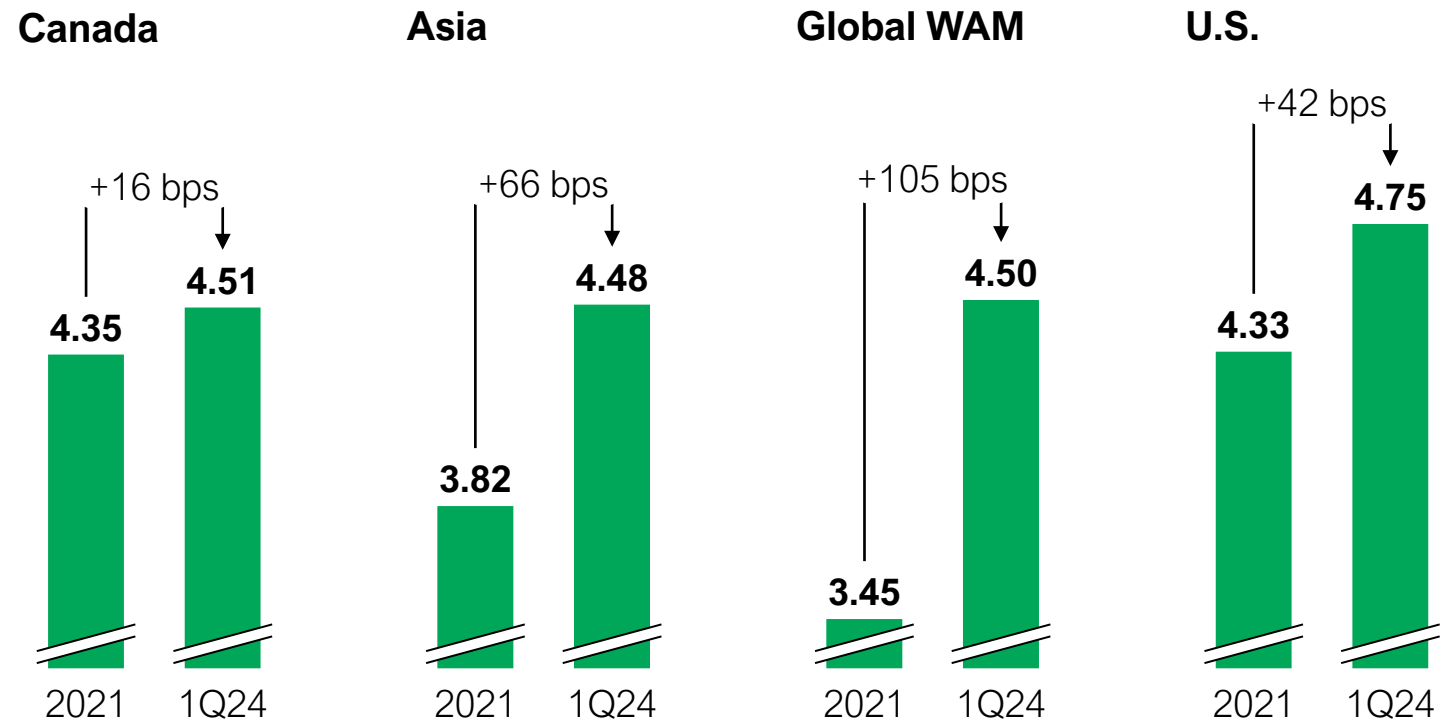
#### U.S.



## Leading *mobile app* experiences

- Laser focus on mobile experience to reach best-in-class app ratings
- Leading peer average in every segment
- Accelerating deployment of new app features as mobile becomes the primary interaction channel

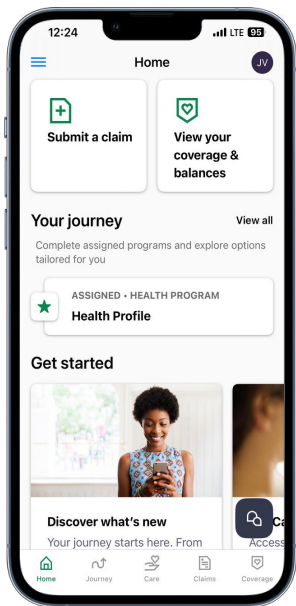
### Average mobile app rating (stars out of 5)<sup>1</sup>



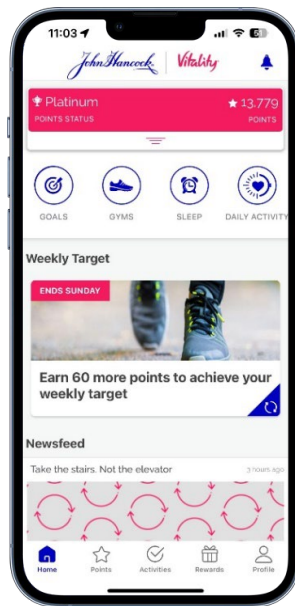
# Innovative experiences driving customer engagement and satisfaction

## Digital health leader

- Improves customer engagement from ~1x per year to 24x per month
- Intercept and make compelling offers and tailored nudges



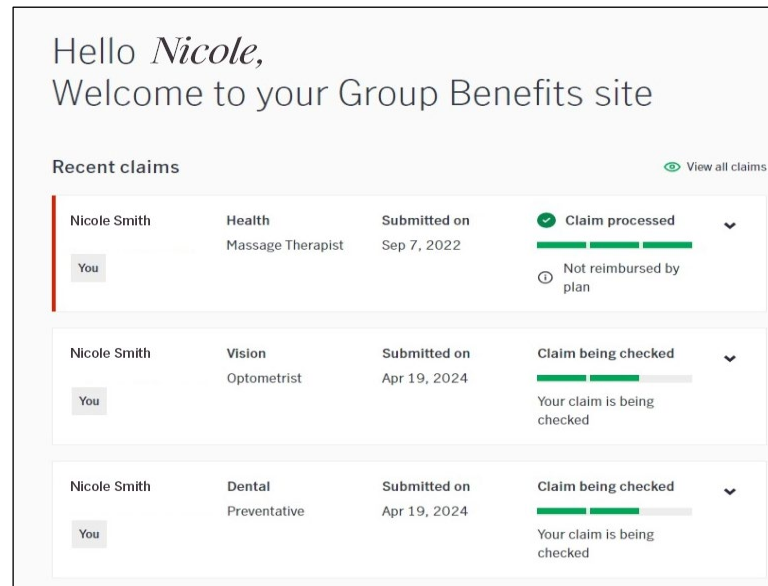
Canada GB



U.S.

## Group benefits claims transformation

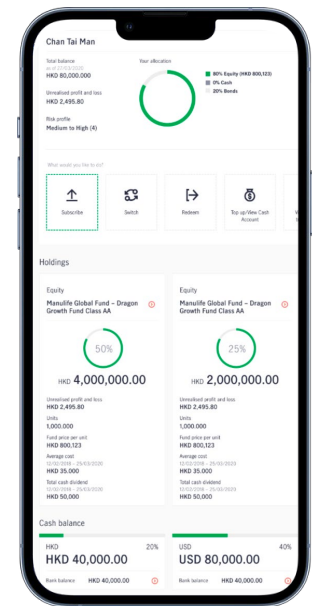
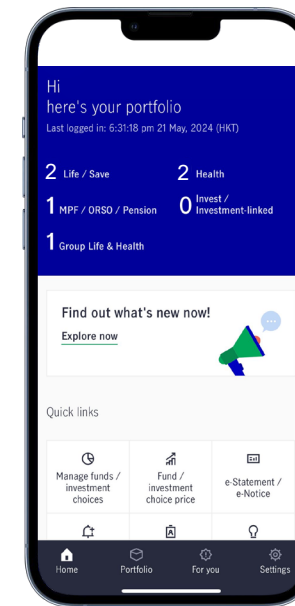
- Fully transparent claims status
- 92-95% of digital claims instantly adjudicated



Canada GB

## Wealth + Insurance experience

- Fully integrated wealth management and insurance in a single app experience
- Deepens customer relationship across businesses



Hong Kong WAM & Insurance



## **Cloud investments driving *speed, agility, efficiency and innovation***

- Material investments in our global data and analytics platform have created a 'Jetstream,' accelerating AI and GenAI deployments
- Access to compute on demand allows teams to scale activities at pace
- Reduced infrastructure and maintenance costs can be reinvested in value-generating initiatives

### **Scalable infrastructure<sup>1</sup>**

**100%** (0% in 2018)

Data lakes and AI models on Azure

**71%** (13% in 2018)

Applications in the cloud

## Accelerating *AI deployments* to outpace peers

- Intelligent customer data platform and VOICE – foundational data assets for NPS and personalization, globally scaling
- Comprehensive view of all customer interactions and transactions, architected for analytics and insights
- Fostering innovation and improving productivity by democratizing AI to all our colleagues
- Accelerating value delivered through AI and analytics

### Leading edge AI use cases<sup>1</sup>

103

Deployed AI models

### Democratized AI tools<sup>1</sup>

100%

Manulife colleagues with GenAI tools

### Accelerating value

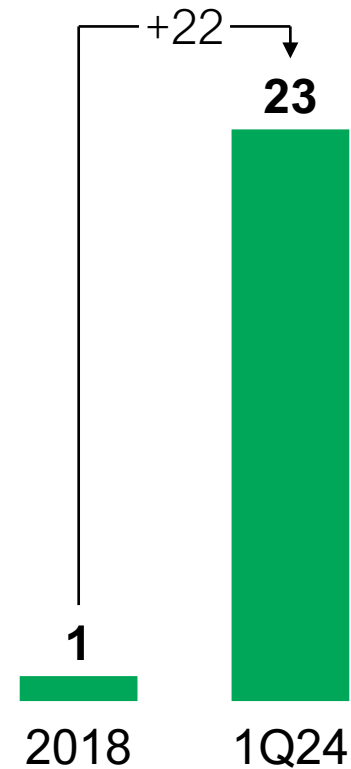
Doubled

Value enabled by analytics  
(2020 vs. 2023)

## Delivering a *leading customer experience* in the majority of our business lines

- Integrated NPS ownership across Manulife, with real time analytics to surface customer needs and action pain points
- Driving business value through reduced cost to serve, increased persistency and cross-sell

### Leading customer experience Relationship NPS (“rNPS”)



**11 of 16**  
**business lines**  
leading peers in rNPS<sup>1</sup>

+2 business lines 2<sup>nd</sup> highest rNPS

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**39 tNPS**  
Record high transactional NPS  
May 2024



**Looking back:**  
*Summary*

- Delivered significant value to date
- Leading in customer experience
- Investments in cloud, data and AI accelerating more innovative outcomes
- Market-leading digital capabilities driving stronger customer engagement
- High confidence in future acceleration and performance



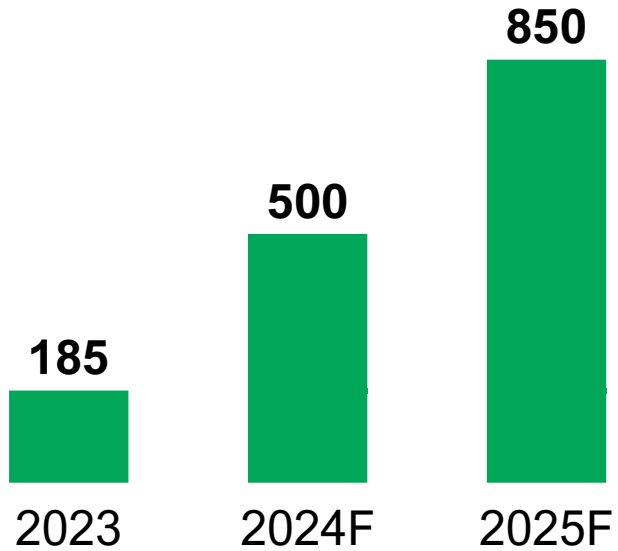
**DCL will continue to  
drive *business value***



## Raising the bar in *value delivered, customer experience and operational excellence*

### DCL benefits<sup>1</sup> (C\$ millions)

———— \$1.5B over 3 years ————



### Reducing operating expenses

**88%** STP  
2025 target

### Leading customer experience

**37** rNPS  
2027 target

## 2025 financial benefit drivers span a diversity of *leading-edge capabilities*

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### **AI and data**

Leading in GenAI to deliver expense and revenue benefits, doubling deployments

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### **Digital adoption**

Digital as dominant channel for sales and service interactions

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### **Automation and digitization**

Automation of end-to-end processes to achieve 88% STP

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### **Personalization**

Maximizing acceptance rate of personalized experiences

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### **Digital leads**

Revenue uplift from more efficient digital lead generation

# *Generative AI Lab*



*Generative AI*  
**drives  
productivity  
improvements  
and unlocks  
growth**

- Deep AI talent pool
- Doubled value enabled by analytics over 3 years
- Over 240 GenAI use cases identified; 7 deployed into production
- Embedding GenAI as an organizational capability
- Structured program to capture GenAI benefits
- Combining GenAI with traditional AI in integrated solutions

## Delivering value from *AI solutions* at scale

### Growing our AI footprint<sup>1</sup>

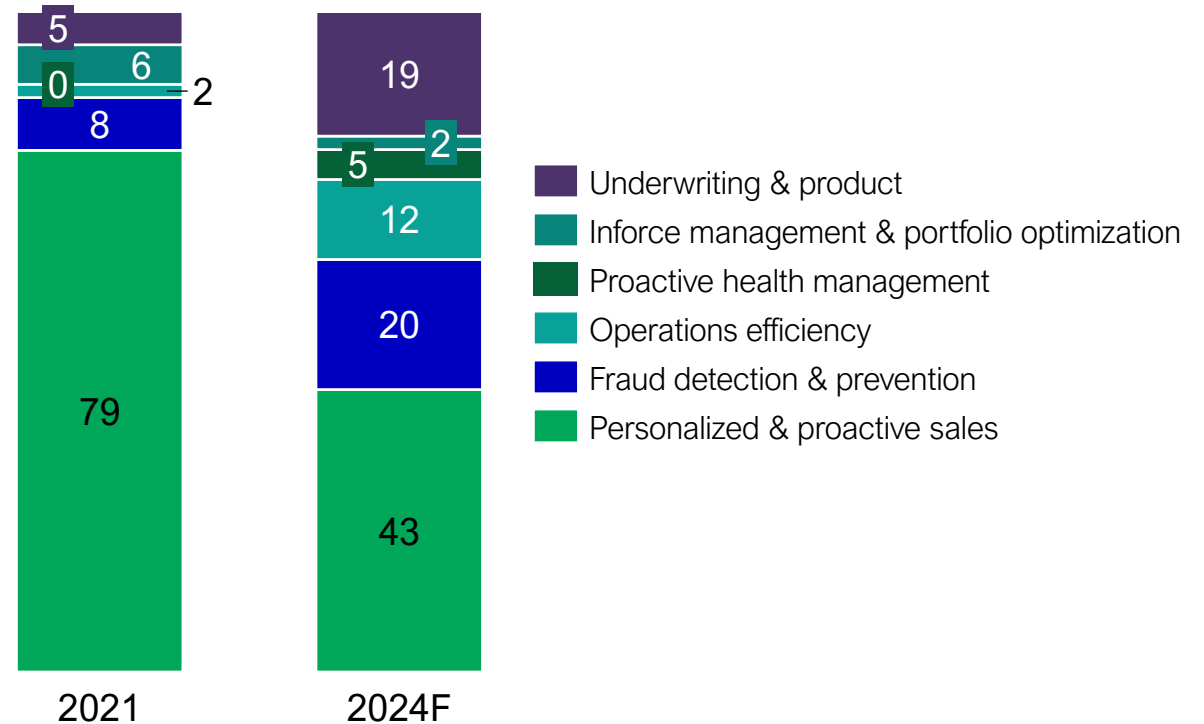
Models in production

From 69 in 2021

to 103 in 2024

### Expanding use case breadth

(% solution type)





## **We have the *ingredients for success* to build and sustain leadership in GenAI**

- Leadership from the top – to set the priority
- Clear principles about our use of AI – to align with our values
- Data and AI infrastructure – to create scale and value
- Culture change mindset – to maximize adoption
- Cross functional approach – to reflect business ownership at every level
- Transparency by design – to be clear about where we use AI and how we use data

## Deployed 7 GenAI use cases *into production*

- 16+ additional use cases planned for remainder of 2024
- Inventory of 240+ use cases identified

### Business use cases

- Sales agent enablement with personalized scripts
- Complex contract lookup for agents
- Marketing content generation
- Multi-language translation
- Analysis of securities circulars
- Automated call and action item summarization
- Daily call trends and alerts

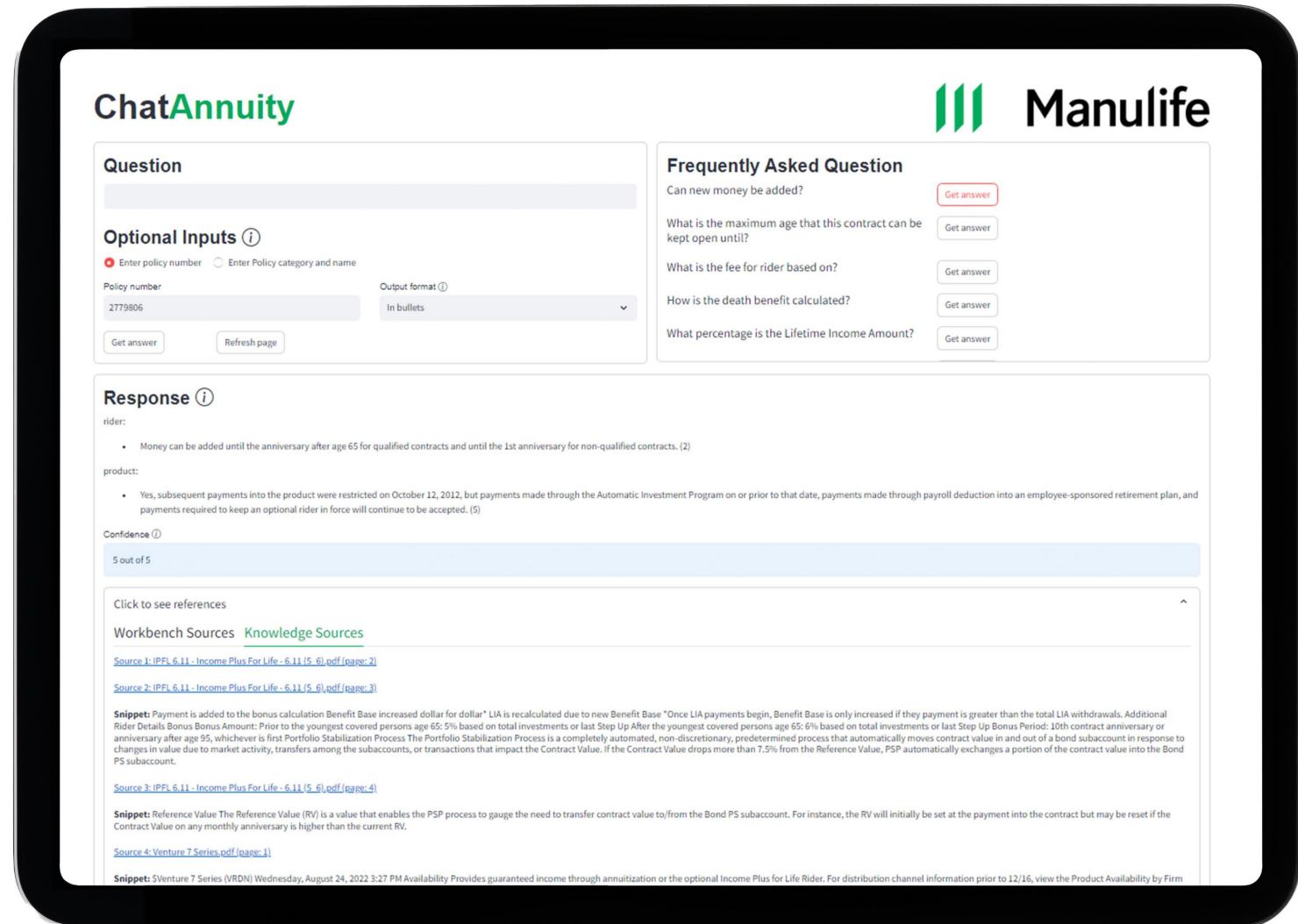
### Employee productivity

- ChatMFC
- Microsoft 365 CoPilot
- Software code generation and testing


# GenAI solutions delivering *better customer experience and greater efficiency*

Example:

- U.S. Annuities receives ~360,000 calls per year
- Customer service agents had to synthesize information from multiple systems and documents
- With GenAI, agents can now answer questions faster
- Increases speed of onboarding new agents



The screenshot displays the ChatAnnuity interface, which is part of the Manulife system. It features a 'Question' input field, 'Optional Inputs' for policy number and output format, and a 'Response' section with a confidence score of 5 out of 5. The response includes information about riders and products, along with references to knowledge sources. A 'Frequently Asked Question' section is also visible on the right side of the interface.

**ChatAnnuity** 

**Question**

Optional Inputs ⓘ

Enter policy number  Enter Policy category and name

Policy number: 2779806

Output format ⓘ: In bullets

Get answer Refresh page

**Frequently Asked Question**

Can new money be added? [Get answer](#)

What is the maximum age that this contract can be kept open until? [Get answer](#)

What is the fee for rider based on? [Get answer](#)

How is the death benefit calculated? [Get answer](#)

What percentage is the Lifetime Income Amount? [Get answer](#)

**Response** ⓘ

rider:

- Money can be added until the anniversary after age 65 for qualified contracts and until the 1st anniversary for non-qualified contracts. (2)

product:

- Yes, subsequent payments into the product were restricted on October 12, 2012, but payments made through the Automatic Investment Program on or prior to that date, payments made through payroll deduction into an employee-sponsored retirement plan, and payments required to keep an optional rider in force will continue to be accepted. (5)

Confidence ⓘ

5 out of 5

Click to see references

Workbench Sources [Knowledge Sources](#)

Source 1: [IPFL 6.11 - Income Plus For Life - 6.11 \(5\\_6\).pdf \(page: 2\)](#)

Source 2: [IPFL 6.11 - Income Plus For Life - 6.11 \(5\\_6\).pdf \(page: 3\)](#)

**Snippet:** Payment is added to the bonus calculation Benefit Base increased dollar for dollar\* LIA is recalculated due to new Benefit Base \*Once LIA payments begin, Benefit Base is only increased if they payment is greater than the total LIA withdrawals. Additional Rider Details Bonus Bonus Amount: Prior to the youngest covered persons age 65: 5% based on total investments or last Step Up After the youngest covered persons age 65: 6% based on total investments or last Step Up Bonus Period: 10th contract anniversary or anniversary after age 95, whichever is first Portfolio Stabilization Process The Portfolio Stabilization Process is a completely automated, non-discretionary, predetermined process that automatically moves contract value in and out of a bond subaccount in response to changes in value due to market activity, transfers among the subaccounts, or transactions that impact the Contract Value. If the Contract Value drops more than 7.5% from the Reference Value, PSP automatically exchanges a portion of the contract value into the Bond PS subaccount.

Source 3: [IPFL 6.11 - Income Plus For Life - 6.11 \(5\\_6\).pdf \(page: 4\)](#)

**Snippet:** Reference Value The Reference Value (RV) is a value that enables the PSP process to gauge the need to transfer contract value to/from the Bond PS subaccount. For instance, the RV will initially be set at the payment into the contract but may be reset if the Contract Value on any monthly anniversary is higher than the current RV.

Source 4: [Venture 7 Series.pdf \(page: 1\)](#)

**Snippet:** S/Venture 7 Series (VRDN) Wednesday, August 24, 2022 3:27 PM Availability Provides guaranteed income through annuitization or the optional Income Plus for Life Rider. For distribution channel information prior to 12/16, view the Product Availability by Firm

# Embedding GenAI as an *organizational capability* and democratizing use

## Targeted learning paths for all employees

- Self-service learning opportunities at every level
- Communities of practice

## Innovation and creativity

- Feedback loops, prompt-athons
- Crowd-sourced idea generation

## Program of adoption tactics

- Business change champions
- Senior executive accountability
- Tailored hands-on usage workshops relevant to each team



The screenshot shows a web page with a dark sidebar on the left containing navigation icons and text: 'Công ty của chúng ta', 'Tài liệu cho Nhân viên', 'Danh bạ công ty', 'Đa dạng, Bình đẳng...', and 'Đường dây nóng về...'. The main content area has a header 'Thế hệ AI @ Manulife' and a banner with the Manulife logo and 'Gen AI @Manulife'. Below the banner, the text reads: 'Bạn muốn tìm hiểu thêm về AI và GenAI? Hãy tham khảo các tài nguyên có sẵn 24/7 dưới đây.' followed by 'Truy cập Pursuit và kiếm Huy hiệu AI Explorer (Nhà khám phá AI) của bạn'. A paragraph describes the 'New Ways of Working Explorer (NWoW)' initiative. At the bottom, there are four links: 'Giới thiệu về Huy hiệu AI Explorer (Nhà khám phá AI)', 'AI có trách nhiệm và đáng tin cậy', 'Trí tuệ nhân tạo và chiến lược kinh doanh: Nghiên cứu điển hình', and 'Một ngày thường lệ trong cuộc sống của nhà khoa học dữ liệu'. A blue button on the right says 'Bạn có ý tưởng về AI hoặc Gen AI?' with a sub-link 'Hoặc, gửi email cho người phụ trách chương trình Gen AI'.

Singapore Advisor testimonial for Sales Agent GenAI use case:

“Forward thinking and *immediately*  
applicable to our work”

Gregory Charles Lawrence  
Financial Services Consultant, Summit Planners Xchange  
Manulife Financial Advisors (Singapore) Pte. Ltd



# *Generative AI Lab*



## Looking ahead: *Summary*

- Well-positioned to lead in GenAI
- Forecasting a 3x return from 2023-2025 DCL investments realized over a 5-year period
- Raising the bar for leadership in customer experience and operational excellence
- Continuing programmatic approach with 2026-2028 DCL roadmaps
- Relentlessly executing to scale leading-edge capabilities that accelerate our future performance



**Manulife**

*Raising the Bar*

## Appendix

- Footnotes
- Caution regarding forward-looking statements

## Footnotes

Slide	Footnote
<b>3</b>	<sup>1</sup> Based on studies conducted quarterly by Ipsos, a global market research company. As of 4Q23.
<b>4</b>	<sup>1</sup> Includes expense saves, growth absorption, revenue benefits (margin businesses) and new business contractual service margin (“CSM”) growth (insurance).
<b>5</b>	<sup>1</sup> All segment STP scores are as of March 31, 2024.
<b>6</b>	<sup>1</sup> U.S. reflects 2024 YTD vs. 2023 due to data availability.
<b>7</b>	<sup>1</sup> Based on App Store ratings (average of iOS and Android ratings), for all apps in the segment; 2024 rating as of March 31, 2024.
<b>9</b>	<sup>1</sup> As of April 2024.
<b>10</b>	<sup>1</sup> As of May 2024.
<b>11</b>	<sup>1</sup> Based on studies conducted quarterly by Ipsos, a global market research company. As of 4Q23.
<b>14</b>	<sup>1</sup> Includes cumulative expense saves, growth absorption, revenue benefits (margin businesses) and new business CSM growth (insurance), that in aggregate totals \$1.5B in benefits delivered over a 3-year period.
<b>18</b>	<sup>1</sup> 2024 models as of May 2024.



## 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.