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CORPORATE PARTICIPANTS

Phil Witherington *Manulife Financial Corp - President & Chief Executive Officer, Manulife Asia*

Roy Gori *Manulife Financial Corp - President & Chief Executive Officer*

Hung Ko *Manulife Financial Corp - Global Head, Investor Relations*

Karen Leggett *Manulife Financial Corp - Chief Marketing Officer*

Jodie Wallis *Manulife Financial Corp - Chief Analytics Officer*

Naveed Irshad *Manulife Financial Corp - President & Chief Executive officer, Manulife Canada*

Brooks Tingle *Manulife Financial Corp - President & Chief Executive Officer, John Hancock*

CONFERENCE CALL PARTICIPANTS

Piyush Gupta *DBS Bank Ltd - Chief Executive Officer, DBS Group*

Meny Grauman *Scotiabank Global Banking and Markets - Research Division - MD of Financial Services Equity Research & Analyst*

Tom MacKinnon *BMO Capital Markets Equity Research - MD & Analyst*

Doug Young *Desjardins Securities Inc. - Research Division - Diversified Financials and Insurance Analyst*

Gabriel Dechaine *National Bank Financial, Inc. - Research Division - Analyst*

Mario Mendonca *TD Securities Equity Research - MD & Research Analyst*

Brendon Sattich *RBC Global Asset Management - Portfolio Manager*

PRESENTATION

Phil Witherington - *Manulife Financial Corp - President & Chief Executive Officer, Manulife Asia*

I trust you enjoyed the Manulife prestige customer center visit and it really showed you the value that we create for our customers here in Hong Kong, and the tremendous talents actually that we have in our business.

So Patrick, Calvin, Carrie, Ivan, I think you all did a fantastic job and as well as the teams that supported you in doing that. I think for me, it really demonstrated the uniqueness of our propositions in Hong Kong that we can create holistic solutions well for retirement and insurance as well as health all combined together.

Now yesterday, you may recall that during my presentation I referenced DBS. at least three times. I lost count. And you can probably tell that it's a partnership that I'm very passionate about. Roy is very passionate about, and I speak for all my colleagues at Manulife, when I say we're passionate about this partnership.

It's a partnership that started in 2016 and has been truly transformational. And I did give you a teaser yesterday that there would be a fireside chat between Roy and Piyush. That time has now come. So please join me in welcoming Roy and Piyush to the stage.

Roy Gori - *Manulife Financial Corp - President & Chief Executive Officer*

Good morning, everyone. I am delighted to be joined on stage with Piyush Gupta, the CEO of DBS Bank. We did talk about this fireside chat yesterday, and I know that a lot of you have been anticipating this for some time. Now Piyush doesn't really need an introduction, but it would be remiss of me not to highlight some of the incredible achievements that is achieved at DBS and his own personal accomplishments.

He joined DBS as the CEO in 2009, where he's shown exceptional leadership. He transformed DBS from a banking leader to a technology leader and DBS on his leadership was named the World's Best Bank as well as the World's Most Digital Bank by several leading publications. In 2019, the Harvard Business Review named DBS, one of the most transformative organizations of the decade.

At the same time, Piyush has also been personally recognized for his successes in 2020. He was awarded the Public Service Star by the President of Singapore '21, Global Indian of the Year by the Economic Times, and in '23 was named the Pravasi Bharatiya Samman Award, the Indian government's highest honor for the countries diaspora. And I'm also proud to say that Piyush is a very dear and close friend of mine.

Welcome, Piyush. Thank you for joining us.

Piyush Gupta - DBS Bank Ltd - Chief Executive Officer, DBS Group

Thank you, Roy. Very happy to be here. I heard Phil talk about this passionate relationship. I got to tell you the passionate relationships starts here that we worked together many years and so we've been old friends.

QUESTIONS AND ANSWERS

Roy Gori - Manulife Financial Corp - President & Chief Executive Officer

Now, Piyush, what I'm going to do is, I'm going to maybe start with the macro perspective on Asia, then dive into some of the countries before talking about our partnership and then opening the floor for Q&A. But maybe we can just start with your perspective on Asia, the macroeconomic environment, and how you see things unfolding for the next three to five years?

Piyush Gupta - DBS Bank Ltd - Chief Executive Officer, DBS Group

Let me start with some fundamentals. I think a lot of people in the room might know that, but I'll say them, nevertheless. Obviously, I'm here, so I've got to speak my book. I'm very constructive in Asia because the fundamental mega trends that are driving Asia, those are pretty much intact. And while like all emerging markets will go through ups and downs, those underlying drivers are very strong.

The first of those is in Asia used to be only the factory of the world, you think about the 1980s, '90s and so on. In the last couple of decades, the shifted from being just a factory of the world to also being a massive market, it's a consuming Asia. So there's the first mega trend is a massively consuming Asia. The total middle class in Asia is expected to go from about 2 billion to 3.5 billion over a decade. Don't ask me how they count middle class because that number keeps changing.

But McKinsey sort of, call it a \$10 trillion consumption economy and that you can see. You go to any shopping mall, street, street markets anywhere in Asia is buzzing in life. So people are out there, and people are spending, you will be in Jakarta some of you, who can see any of the malls and shopping business. You can see that activity there, but it's not just the mass consumer market, mass affluent.

This I can tell you with more confidence. The wealth creation in Asia is just been unbelievable in five years 2020 to '25 or something like that. Mass affluent wealth has gone from our \$2.5 trillion to \$4.5 trillion or will by next year. This unbelievable that kind of wealth growth. The upper high, the ultra-high net worth about 1,000 billionaires in Asia, all newly minted right in the last 15, 20 years.

But that whole dynamic of a consuming Asia marketplace and bubbling this thing, that's a very significant and I don't think that trend is changing anytime soon. You know there is, look at the per capita into most of the country's 3,000, 4,000, 6,000, 8,000. There is the level when all the economics tells you they're hitting their stride in terms of being consuming economies.

It has also become a consumer economy. It also continues to be a factory. And just look at the PMI data. You look at the production industrial data for all of these countries. They have done a great job of the migration from the shoe, slipper, the parallel clothing to tech to precision engineering, et cetera. And you know the interesting thing is geopolitics notwithstanding.

And all of these questions about China plus one and everybody moving out. A large part of that manufacturing thing continues to stay in the region. In our own analysis, data showed that to take the TMT supply chain out of China is 10 to 15 years of work; can't be done easily.

On top of that, what happens if in your market is here for many of the companies, you need to have your production facilities where your market is. Where would you move it to Mexico and Canada? You do it to service the U.S. market, but a lot of chunk of the market is right here. So you keep your facilities here.

We are seeing that even in the last few years that people are moving and diversifying out of China and doing stuff is going to Vietnam, is going to Thailand for automotives, is going to Malaysia and Penang Electronics, is going into Indonesia, is going to China. So the manufacturing powers of the region is pretty substantive and intact.

And the third is itself integrating Asia. And something people don't realize in EU, everybody realizes that 27 or 28 countries and Brussels runs things. But in Asia, the underlying systems of trade and capital have been integrating massively in the last two, three decades. Today, 58% or 59% of Asian trade happens in Asia, and partly because of the things I'm talking about. So people are sort of manufacturing in one place, exporting from another place, shipping from another place and so on, but also FDI, look at total FDI about 55% or 60% of Asian FDI is in Asia.

So capital flows are circulating in the past, Asian money is to go to the west and circle back. Today, a lot of the money, trade flows, capital flows are in the region. So it's an integrating Asia. And the last mega trend to me is, you know the demographics. Well, some countries are aging by and average age in Asia is 27, 28. You know the U.S. is 38, Europe is 42. What that means is digitally native and that means that the capacity to use digital tools, technologies, infrastructure, and leapfrog.

What you're seeing in other parts of the world, that's very real. More than 50%, 60% of the world's global electronic payments on a mobile phone happen in one country. That's India 50% happens in India. 5, 10 years ago, India didn't have any, mostly Alipay and WeChat was in China. But if you look at digital infrastructure, digital tool, the willingness to embrace the things digitally. Asia that are completely different place from other parts of the world, right. So the mega trends are still there.

I think that slow Asia grows at 4.5%, 5%. And you know on a 35%, 40% of global GDP is in this region. You know 4.5%, 5% growth is not shabby compared to any other part of the world. So China grows at 4%, 5% on an \$18 trillion economy. That's a trillion dollars of growth. And you know what's wrong with the trillion dollars of growth?

So fundamentally I think the long term this thing is there, now like I said within that there are cycles in the early part of the decade four, five years ago for us. China was a big driver of the growth. China outbound, the renminbi trade, the Chinese companies going internationally. The last three, four years we've been trading water in China. But India, Indonesia, the other big markets, they picked up the momentum.

So there enough economies with enough diversification to be able to actually build a very balanced book of businesses if you have the balancer in your business and we're seeing that. So while there is some slowdown, but it's predict. Singapore will grow 2% this year, but that's up from 1%. Hong Kong will grow about 2% this year and that's down from 3%.

Taiwan will grow 4% this year. China will grow 4%, 5% this year. Indonesia will grow 5% this year. India will grow 7%, 8% this year. So you know the underlying economies are not bad and in fact, they've also shown a lot more resilience. In the past, Asian financial crisis, the GFC, the Asian economies tended to be more fragile, particularly to strong dollar and rising rates, and so it's fine. You know, the Asian financial crisis, the bar sold off, the rupee are sold off, the Korean won sold off.

In the 20 years since then, I think every Asian economy doubled down and created a far more resilient system. So reserves are much higher, every country has reasonable 8 to 12 months of import cover, debt is much lower. Both public debt the fiscal situations are much stronger, leverage in the system is lower. Consumer leverage is lower than a couple of countries.

So on the whole, the financial architecture stability in the system gives them a lot more resiliency than they used to have. So in this cycle with rates going where they are and the strong dollar, none of the Asian countries have really felt the impact of that materially. So a long answer.

Roy Gori - *Manulife Financial Corp - President & Chief Executive Officer*

But it's a good answer, and I think you've provided a real double-click into the drivers that are going to fuel that 4% to 7% growth in GDP. And the compelling trend there is the growth of the middle class, which I think you articulated very well and we think is a huge driver of opportunity for us. You touched on geopolitics, and that has been a headwind for Asia in the last three years, and we haven't seen that for decades before.

Do you think that the current situation that we currently have specifically as it relates to the U.S.-China, but more broader than that, is this the new norm that we're going to live with for the next decade, Is it going to get better? Is it going to get worse?

Piyush Gupta - *DBS Bank Ltd - Chief Executive Officer, DBS Group*

I'm not Kishore Mahbubani. I'm not a political scientist. So I can tell you first on my read on it and take it for what it's worth. My own take is we're not going into a bipolar world situation. I think the chances are we're going into a multi-polar world and this is not unusual. If you think about Europe in the 19th century it and if any of you remember studying European history. I used to be constantly confused about who was siding with whom and against whom.

And every 20 years in the war, France would be with Russia, with Germany, and then they tie up with Britain. And so it was all issues-based. I think it into a world where you'll have a couple of this in part the people be issues-based. And you're finding that there are people who had already been demonstrated, Saudi Arabia, India, ASEAN, as a bloc.

They're quite happy to try and play both sides. You take India so interesting, you know, I come from there, but they're part of the quad where they signed up with the U.S. They also part of BRICS and they signed up with China. The largest trading partners, China, even though the army is facing each other at the border. So you know, and when somebody asks Indian Foreign Minister, you know, if you're pushed to it, which side will you choose? And he said, well, it was very smart. They said we have 1.4 billion people. We make our own side.

So I think this multi-polar thing, which is issues-based, and what that means is there will always be possibilities of friction on issues. Now it's challenging because countries will have to navigate better. Asia has been blessed for 40, 50 years with a very peaceful and calm geopolitical environment. The U.S. presence was very helpful. Growth was nice. So I think there'll be more frictions. So let's start with that. But will these be at a level that they displace the capacity of these countries to operate?

I don't think. I know somebody once told me, I like, Asia grows at night when the governments are asleep, right? And so it's exactly what happened. Thailand has had more changes of government since the Second World War than any country except Italy. Its average growth rate, 5%, right? So then Malaysia, politics is a mess, growth rate 5%.

So I think the capacity of the region to continue to prepare will be driven by the mega trends. And so geopolitics matters. But I don't think it will displace things. Now, the other thing, China in particular. A lot of people sort of look at the parallel with the Cold War. So will there be an Iron Curtain? You know, do you get two competing systems? You're going to reflect that the entire Soviet Bloc at that time had single digit portion of global GDP. It was 5%, 7% of global GDP. You can create a block when it's a small portion of global GDP.

China is the largest trading partner to 120 countries in the world. How do you extricate 120 countries largest trading partner and say, okay we're going to isolate the bloc. It's much harder to do. And if you look at most of Asia, you know we're the largest, the largest trading partner to aid ASEAN

country, but also to countries like India and Australia where you could say that there's geopolitical tensions but business continues. It doesn't sort of stop.

So I think, it's going to be hard to create a complete bloc. There will be areas the semiconductor complex, the high tech where people will put friction. There will be noise. But I don't see this as a showstopper fundamentally.

I think that China has issues and maybe we can talk about that later. People say what happens if Trump wins. It looks like he will. But if you exclude the rhetoric and Trump's rhetoric is obnoxious, but if we exclude the rhetoric and you look under that to the policies and you look at the policy framework that the democrats have run for the last two, three years relative to the, it's not that much to choose from - Trump, Trump to the deal maker, he'll raise tariffs upfront, then he'll try and cut a deal to get in the papers and cut tariffs on selective things.

Business goes on. Well, my last sentence, an anecdote. So tell you how right here we have one of our clients here in Hong Kong is the manufacturer of Christmas trees. You know, he claims he's got 70% of global market share in Christmas trees. Every Walmart you go to the Christmas tree you buy is like from him. And so for some reason in the Trump administration, they put Christmas trees on the tariff list or the banned list - thought maybe this not the cones of the tree could be made into missile for God knows what.

Anyway, they put it on the tariff list. So I asked him, So what do you do? I know he has another plant in Mexico, so I assumed that he dialed up the production in the Mexico plant. And he said no, no, I tried that. It doesn't work because it was 30% more expensive to do stuff in Mexico and 30% is not sufficient. I lost productivity and increased cost.

So I said, then what do you do? He said, I just acquired some land at the Jakarta Airport and it's a large acreage and I pretty much make the tree over here. I ship it to Jakarta. I rebrand it and we ship it from Indonesia all over the world. And everybody knows. So it's transparent and not hiding anything. But it's Indonesian court, so you can see this in the underlying data.

Chinese exports into Southeast Asia have gone up. Southeast Asian exports to the U.S. and the West have gone up. But Chinese direct exposed to U.S. have gone down. So might there are theories that geopolitics matters don't get me wrong. But I think by and large the underlying momentum of business, the region, etc. I think there's got adequate momentum.

Roy Gori - *Manulife Financial Corp - President & Chief Executive Officer*

So it's more challenging environment, one that needs to be navigated delicately, but not one that will derail the opportunity for Asia. So you talk, you touched on China and China has been in a more challenging environment. It's used to growing between 7% and 9% more recently, 4% to 5% if you believe the numbers that are being quoted.

And it's a market where it has been feeling and certainly receiving a lot of pain, the real estate markets been one that's challenged. It's clearly, you know, being impacted by the tariffs that are being imposed on it and so on. Have we seen China bottom in terms of its economic pain? Or is there more pain to come?

Piyush Gupta - *DBS Bank Ltd - Chief Executive Officer, DBS Group*

So in the short term, China's big problems are well known. The real estate is a real problem. They've got massive leverage and significant overcapacity in large parts of the system and complex. The question is, how do you try to work out of it. In similar oversupplied situations in the U.S. or the Spanish real estate prices. The market clearing price that was needed to get rid of that excess was a really sharp problem. You needed prices to be off by 50%, 60% to clear the market.

The Chinese don't want to do that, because they're trying to balance the social consequences of huge erosion in wealth. But at the same time, they are conscious of what Japan did, which has kicked the can down the road and then it takes 30 years. So they don't want to do that either.

So they're trying to do this sort of in between thing and I was really interested with the policies they came out with two, three months ago, with really trying to take some of this whole capacity onto the government books effectively. So they said we'll pull out this thing and we will essentially buy some of the stock and keep it.

And because the government like Japan, if you're issuing taking local currency debt, the debt capacity is infinite, this is not foreign currency debt. So you can just spend. So it's an interesting way to deal with it. But the numbers that they put behind it were not staggering. So I think if they really want to go down that path, they're going to have to commit a lot more fiscal resource to being able to do that.

So they might wind up there. I thought my own view is that the property cycle will take at least another three to five years to clear and if they get it right, it takes three, four years to do. And because the real estate is still 30%, 35% of Chinese GDP an overhang on the property side will continue to spill over into everything else in China, so that's one. I'm not sort of, but the view that you see a quick bounce back in the property space.

Having said that, I do think that they put the floor under the market now, so all of the policies that put in the last 12 months are actually make sure that you're not continue to see a prospective decline, right. And so I think there is a little bit of floor. There is some upsides. Some of the industries that they doubled down on, they're really doing extremely well.

So obviously the entire renewable complex and last year, they report 80 gigawatts of renewable energy that's more than the whole world. So it's a massive growing industry. The EV complex, they're just, they're reconsolidation. But underlying look at the cars they're creating, they're just mind boggling. You know the NIOs and the BYDs and so on, fabulous cars.

You look at what they're doing in the high tech space, they don't. So, some of the industries they're really creating cutting edge stuff. So I think there are pockets of opportunity around that. So, the big question to me, personally, is what they need to fix, and they have not been able to fix, is a confidence problem, right?

And confidence is more about sentiment than it is about they've got good policies which are putting a flow over. I think they know and they've got debt capacity, they've got fiscal resolve. What they don't have is confidence and it's on both sides. They are lacking confidence obviously in the international community. So most of the companies represented in the room have reduced allocation to China, right?

People have by the way in the last couple of months, people have been nibbling back because valuations are just so attractive. It is very cheap. So people are nibbling back. But generally speaking the big scheme of things, they've lost international confidence. To me, the more worrying thing is they've also not been able to revive domestic confidence.

So the domestic consumer, domestic investor, et cetera is also not very confident about putting money to work. So there needs something to fire up this domestic confidence issue, which typically means either got to prop up the stock market to create a wealth effect. They move on to prop up the property. You need something to catalyze that and they've not done that yet.

Now, to me, therefore, the bigger way, the bigger question than China, right, honestly are really the five-year questions and the five-year view you can be in one of two hands. You can be in the camp which essentially says that President sees a status. He's from the Lenin Stalin School, the party matters most and as a consequence, they just not comfortable with the market economy. And so it's a real shift from Deng Xiaoping.

Whose thing was, the market will determine it and you know, it doesn't matter to me whether the cat is black or white, as long as it catches mice. That is the Deng Xiaoping philosophy. So there is a school which says that he's trying to effectively go back to a more planned economy construct. If that is actually the case, then I think the challenges for China, because we know that by and large planned allocation of capital is always sooner or later becomes sub optimal.

The alternative camp, which by the way I meant as well, is actually some of the things they're trying to do, are very constructive for China. If you have a 10, 15, 20 year view on a country. China had fantastic growth for 25 years, but what China did not put in place is the soft infrastructure that requires you to support growth of this all.

Every developed country in the world and you look at the U.S. as an example. It took them 100 years to build some of the soft infrastructure. 1920s, they had oligopolies and monopolies. They had to get rid of the robber barons. They had to do the AT&T restructuring.

They had to change the view on corruption. They have to put in a whole bunch of control. So you look at what he's trying to do, I think he's taken a lesson from the Singapore book. Lee Kuan Yew cleaned up corruption in Singapore in the 1960s and '70s. And there's been the singular difference between Singapore and every other Southeast Asian country. There is no corruption.

I think that people took a lesson from that. They've got to try and make sure that we drive corruption out of the system. He took a view on oligopolistic and monopolistic practices, and he tried to say, okay, how do I take this and not give or oligopoly power and so on. So they're trying to do some of this stuff.

So if you believe in the camp that what they're doing is constructive, then you've got to figure in five, seven years you'll get to a better China. It's not a straight journey. It will not be linear journey because of what I said. If you lose confidence in the people, without a short term, you don't have a long term. So if they screw up the short term they might not get to the long term.

But I think they're trying to do it for the right reasons, they have capacity to be able to navigate from here to there.

Roy Gori - Manulife Financial Corp - President & Chief Executive Officer

And your point around confidence, I think is about on the savings rates in mainland China are at historic highs. But you know, we're starting to see a little bit of that confidence start to come back and consumers are getting more active with investing their money and talking about options to diversify their portfolio and look at how they can actually build and create wealth. So hopefully that is a pivot point.

Piyush Gupta - DBS Bank Ltd - Chief Executive Officer, DBS Group

Our first quarter in China was very strong. And including in the consumer world space. So I can see some of what you're saying. The Chinese are able to travel again, you're seeing them around the region. They're not spending the kind of money they were spending earlier, so they're the wallet size, slightly lower, but you bring me to see the green shoots come back.

Roy Gori - Manulife Financial Corp - President & Chief Executive Officer

I agree with that. We go from here to many of us are going to be moving to Jakarta for a day there with our business and the team there. DBS has a great business in Indonesia. Indonesia has always represented a tremendous opportunity. One of the most populated countries in the world, 250-odd million people. Jokowi and the government there has done a tremendous job building an infrastructure, but also taking the significant percentage of the population out of poverty. How optimistic are you about the Indonesian economy? They've just had new elections. Does that encourage you, or does it discourage you?

Piyush Gupta - DBS Bank Ltd - Chief Executive Officer, DBS Group

I want to start with history. When we were together in the Citibank days in the mid '90s, I was asked to run the strategy group for the emerging markets to figure, you know, where we should allocate capital. And we sort of sat in Oxford and we worked with some dons and we did all the usual macroeconomic data and so on.

And at the end of the exercise, the number one country in the world invested ahead of Brazil, Russia, India, China was Indonesia, number one for all the reasons you cited. Fantastic demographics, great resource base, fantastic population, et cetera. Despite that, if you look at history, Indonesia has always underperformed. It grows at 5%. Indonesia should go at 7%.

They give up a couple of percentage points of growth and you know you can argue. I think they do it for two or three reasons. One, the education system in Indonesia has been inadequate, so they have good primary education, but the tertiary education is not that great. And therefore talent is always been challenging in Indonesia. The second big issue is that their rule of law, the judicial system, has been opaque and therefore I think you give up something on account of that as well? So it underperformed.

Now, what the plus is? I think one of the least appreciated stories in Asia over the last two or three decades has been Indonesia's transition to democracy. It is not easy for a country of that size with the demographics they have, a large Muslim population, a young population, many of them study in the madrassas in the schools. There is a degree of militancy out in the extreme right and despite all that, they've made a fantastic and successful transition to a democratic system where every five years they have elections. They were a peaceful change of government and there's continuity in that system.

And now this is about 25 years plus they've been doing that. I think that's a great story. And in the second underlying part of the story, they also created economic policy continuity. So whether it was now with Jokowi or you know earlier with SBY or with presidents in the past. You haven't seen huge vacillating from one point, you tweak up some, et cetera. But there have been consistency in policy. I'm encouraged that at the end of the day, Jokowi and his son, et cetera. All part of this new administration. So there is this people coming together.

So I do expect large parts of continuity in what they're trying to do. I think what you said is correct and Jokowi has been very good about driving investment and infrastructure. So 18, 20 ports, airports, toll roads, the railway links, et cetera. I don't see that changing and I think they will continue to do that.

They've been fortunate in some ways the timing has been good. The switch to EVs and the renewable complex means the nickel has gone from \$6 billion to \$30 billion of exports. They've got the third biggest nickel resource in the country in the world. They are number three for cobalt. So they've got great resources. But they've done well in not just mining the stuff and shipping it out, but building the downstream, the processing facility, the smelting facilities and so on. So that's creating a whole range of economic activity in the system.

And so some of that is spilling out. Like you said, you know, they've now got 120 million middle class people, and it was half of that decade ago. So a lot of people are beginning to hit this tide into that middle class in admission. And so for us there, we're focused on four markets in Asia, India, China, Indonesia, and Taiwan, they're the biggest markets in Asia and S. Korea.

And for us we are beginning, we continue to see great growth. You know Indonesia businesses growing double digit, grew 20% I think last year. We make mid teen returns in that country and again because of the nature of the youth, the digital distribution in that country is a real winner.

Roy Gori - Manulife Financial Corp - President & Chief Executive Officer

We would share that perspective and we're quite excited to share with the people that are going to be joining us too on our trip to Jakarta. Why we're excited not just about the business that we've built, but also where we see the future of that marketplace. So I want to pivot to our partnership and from Manulife's perspective, we couldn't be happier. We started our partnership in 2016, covers a variety of markets and it's been incredibly successful for us.

We've written \$4.3 billion worth of premium since we started our partnership. It's transformed our business in Singapore, we had 5% market share before we joined with DBS and today we have more than 20%, on a given quarter. And then from an Asia perspective, our banker contribution went from about 16% to 38% as at '23.

So it's been a transformative partnership for us and one that we're really very proud of. I'm going to start with a question which is centered on your selection process. You looked at many other Pan-Asian players when you selected Manulife. So apart from a very charismatic Manulife CEO of Asia. What were --

Piyush Gupta - DBS Bank Ltd - Chief Executive Officer, DBS Group

You weren't CEO at that time, Roy. CEO of Asia.

Roy Gori - Manulife Financial Corp - President & Chief Executive Officer

CEO of Asia. What were the reasons why you selected Manulife?

Piyush Gupta - DBS Bank Ltd - Chief Executive Officer, DBS Group

It's like going back in time. So for me the same way I look at every M&A, for me it's almost like M&A, right? It's a match. I remember the three things that guided us. So first obviously the economics guide us, you know you had to be competitive. But honestly if I remember right Manulife was not the biggest payer of bidder in this thing, you weren't very far off, but it wasn't because of the economics.

So for me, the second and third piece are actually a lot more important. The second piece is culture. I'm a big believer in marrying like cultures or cultures that you can work with. We've given up on a couple of M&As in the last few years because I figured this culture is not going to work with us. And you'll wind up giving up so much in the tensions that you create and creating the wrong incentive structures for people is not worth it. I liked what I saw first of all in the Canadian culture, but then it wasn't just Canadian because also talk to your competitors at that time. But I like what I saw in the Manulife culture, which I think is a win-win culture. And frankly, as I look back at our partnership, that's the one thing which stands out for me.

That has not been a one way, right? You know, we have always have tensions between volume and profitability. We're not tracking to what we said we would do. COVID came in. So you've got to have a partner that you can have a pragmatic discussion with and look at things and say, okay, what works, what does not work? What do we win? What do we lose? And make trade-offs.

And our call at that time was that Manulife would be a great partner because they were willing to have those discussions openly upfront. And to me that culture thing of having authenticity, honesty, trade-offs is very important. One of the things and I'll come back to say, one of the things in our partnership, for example, I think we both look at, I certainly do.

In my first question to my team is, how's Manulife? What's in it for them? Are they making money? There's no point in my doing well, if my partner not making money is not going to work. But I think that works both ways, right? So that's a very big element of our decision-making process.

The other element of our decision-making process is, we had doubled down on digitalization. 2013, as a company, we took a view that we just need to go all in on the digital future and we went all in. So we started investing a lot in our back end systems. We moved from legacy to cloud systems, our middleware, our front end.

So by 2016, we were already named the world's best digital bank because we've got three years of a lot of digital work behind us. I'm still of the view and I said it in my opening comments. But particularly Asia, given the demographics and the kind of people you're reaching out to also given the expanse of the geographies, digital is the way to go. And so my other big rubric was I wanted a partner who was willing to invest with me in thinking customer journeys and actually thinking end to end digital.

That's going to be candid, I was actually quite surprised at the time that even though I thought the banks were so far behind, the insurance as an industry was 10 years behind the banks. And every insurance company I talked would struck with how backward and how inefficient the process was, nothing had been digitized.

So are they looking for within that people who had the commitment to make the investment? Had the green shoots of having done some stuff and we're willing to partner with the course? Frankly the single biggest thing we decided to go with Manulife, we figured we could do digital together. And again, as I look back at our partnership last eight years, that's really worked.

Roy, give you some data, I'll tell you. Singapore, OCBC are competitor bank. They own their own insurance company and at the start of this journey they had 35% of the bancassurance market. And we were like low teens.

And they were using apart from the branch system, relationship managers, agents and so on. And we figured we're going to have to try and do this differently and really take and build digital journeys to do different things. So together with Manulife, we've created some really extraordinary digital journeys, both from needs analysis, financial profile all the way through to underwriting, creating product delivery back in the hands of the customer, all in four, five days. Today we are running 35% market share bancassurance and they're down to the twenties. In fact, last quarter, quarter before we are 38% to 39%. This became, I think, a large part of this was the digital capabilities that we built together.

Roy Gori - *Manulife Financial Corp - President & Chief Executive Officer*

I would echo everything you said. I would say first, it starts with the cultural alignment. You can't have a partnership that's going to last 15-plus years unless you have a strong alignment of cultures in terms of how people want to operate. And actually it works better if people like each other.

The second was the focus on digital and as you said when we launched our partnership, we actually put significant dollars aside so that we ensure that we are investing on both sides into the digital capabilities and also making it seamless.

Most bancassurance partnerships across Asia work in a very manual way so the relationship manager at the bank basically pulls out the drawer when they have to talk about insurance and it's a 35 page application form and they painfully go through and fill it out. And then it goes to the insurance company and it takes like four weeks to finally execute the sale.

But for us we connected our pipes into the DBS system and it's basically the same application that's being used to sell a credit card is being used to sell an insurance product. And that was quite revolutionary and it's only getting better with every year of advancements.

Piyush Gupta - *DBS Bank Ltd - Chief Executive Officer, DBS Group*

So one of the big improvements that we've seen. Apart from convenience is the first thing it's got to be, if you're digital, you got to make it convenient and you got to make it contextual. So it's got to be there when somebody wants it, et cetera. But the other big thing which is really making a big difference now in the last four years is the data and AI. So we've been able to leverage collectively this idea of figuring out how do you use artificial intelligence to do the nudge of the conversation at the right time.

Today we're sending out 30 million nudges directly to customers every month. And the nudges, effectively, some of them are service nudges and will tell you your electricity bill looks too high compared to everybody else around you. So you just feel good about it. But a lot of the nudges are really contextual opportunities to do business. And so the nudge will look at, you know, what you've been reading, whether you're interested in this thing, what protection you have. And based on that, you said you're not saying, you might want to look at XYZ, you know, either investment or insurance or retirement product and so on. And then for the affluent segment, we don't send it directly to the consumer, we send it to the RM, relationship manager. So that's called next best conversation so NBN and NBC.

The next best conversation goes to the RM. But the same thing saying, hey, this is what we think your customers interested in. This is what we think the system does all that. And yeah, this is the conversation that you should have and this is how you might want to lead the conversation through this channel. So we're working extremely well and we're being able to plug in a lot of our insurance book protection product and retirement product savings product nudges through the process. It has been actually, the response rate, you can visibly measure this. There's lift. We do a simple way of measuring. We have a control group where we don't use any nudges and then we measure everything as compared to that. And you know last year we effectively figured we had about \$350 million of economic value creation, of which more than half was in wealth planning advisory of which a substantial portion is insurance protection.

Roy Gori - *Manulife Financial Corp - President & Chief Executive Officer*

The digital connection between the organizations is a standout leadership position that we have. And I would argue the third ingredient beyond culture and digital is that the commercial terms that we have create an alignment. You know again the challenging part of a banca agreement is that the banks typically want to sell low margin products and the insurance company wants high margin and that is always the source of friction.

But we came up with a construct where the compensation was very much linked to the value for the insurance company. And again, that was something that you agreed early Piyush, which I think has been also driving force. I think we agreed that when we're at the leadership team meeting on a monthly basis reviewing results, we never want to be in a situation where one party is happy and the other one is unhappy. It's either we're both happy or we're both unhappy because that's the only way that you're going to solve the problems.

I'm going to pivot just one last question before I open to the floor. Insurance is clearly still a very low penetrated products in Asia and that's true globally, but more so in Asia. I know you've been very focused on really providing a comprehensive solution for your customers across all their different needs and insurance is a part of that.

Do you think that it's just because the products are so complex? Is that because maybe they're not digitally easy to execute? What's going to drive the next level of penetration improvement in relation to how we are able to offer insurance as a partnership?

Piyush Gupta - *DBS Bank Ltd - Chief Executive Officer, DBS Group*

So, Roy, I thought about this. I think, one there's a cultural dimension. People are a lot more fatalistic in Asia, frankly. So, you know, everybody in India is karmic, you know, so karma will do what karma will do. But even elsewhere, the extended family support system, people count on that a lot. Indonesia, and they probably go back to the kampong and you know -- so you don't worry about stuff because culturally the downside of having a strong extended family support system is less self-reliant. So there's a cultural dimension to it.

The consequence, the way insurance has been sold by largely has been pushed. By the agency forces, you look at your competitors here. They've got millions of people pounding the streets, hustling to sell insurance. And when you're trying to push a product, but the underlying understanding of what is the consumer need is not there when they don't see the need. So you're pushing the product.

So I am convinced that actually selling it the way we are selling it, which is a solution oriented sale as part of a long term retirement planning or protection planning agenda is the way to go. I think that's the only way to break this and we're seeing the benefits of that already. You know, we don't push, we do the -- I call it change from cross-sell to cross-buy, how do you create the context where the consumer recognizes that this is good for them and why they should do it in a particular context?

So train your bankers that way, you use data that way, and you push that agenda. And then you lay that with making commitment, you use the digital tools on top of that. What you said is correct. Insurance, I saw Swiss Re had this thing. I don't know how they counted, but they said the mortality protection gap is \$120 trillion in Asia and looks like a big number to me.

I certainly know that life penetration ranges between 2% and 8% in Asia, non-life is like 1% to 3%. So even relative to low penetration in other parts of the world, Asia is underpenetrated for insurance, but also the retirement. And I see the two pockets of demographics, even the average Asian age is 27, 28, these countries Japan, China, China in particular, Singapore, Hong Kong, Thailand, one-fourth of the population is over 60 now, right.

Whereas you have these young country, this way. But this worry about retirement and also retirement times. Four of the most underfunded retirement plan countries in the world are right here. It is China, Japan, Australia, interestingly. So they reached a cusp and a point in time where this consumer need to think about the future, to think about their mortality, to think about their retirement, to think about estate planning. You know, the next generation part. It's all happening as we speak, but you can't push the product. You have to pull the product through these kinds of sales process. I think that's what it takes and I think we're doing the right thing together.

Roy Gori - Manulife Financial Corp - President & Chief Executive Officer

And the education is certainly something that we've been focusing on collectively to try to help people understand why it's important. Ironically, to some extent the pandemic has actually helped people appreciate why insurance is critical.

I'm going to now go to the floor. I want to make sure that we have some time, at the very least, to answer questions that you might have. So please if you could put your hand up.

Meny Grauman - Scotiabank Global Banking and Markets - Research Division - MD of Financial Services Equity Research & Analyst

Piyush, thanks for being here. Wondering how does insurance fit into your overall strategy and what the knock on effects of your business are from these insurance sales?

Piyush Gupta - DBS Bank Ltd - Chief Executive Officer, DBS Group

So you know, wealth management is what we started off with. Our first this thing was, we got to be a wealth provider and I think about wealth provision. A lot of people want to buy insurance as a retirement product, investment product as part of their estate planning, looking after the next generation. Wealth planning therefore, wealth management has been big for us. It had been 5% of our business, today is 20% of the bank and it's a fantastic high ROE business. It is really what transformed DBS. We were not in the top 30 private banks in Asia. Today we're number three in AUM and sales. And so it's been a big growth agenda for us, so that's the affluent based, the mass affluent based.

But on top of that, as we started scaling up, we figured that even in the mass market space, there's a real opportunity to change the economics, which is frankly, we really are balance sheet bank. If we take your deposit and give you loans. But if you really want to maximize the customer value then you got to figure what are the other products and services you can offer even into the mass market base.

And so a lot of part of the protection products et cetera fits very well in that base, they like to buy it. We like to be able to work with them because it improves the economics for us. So collectively, the whole wealth management, 20% of our business and the banca portion of that is rapidly growing. Seven years ago we were making \$200 million, \$300 million from banca. Today it's like \$600 million, \$700 million. So it's a fast growth business of the period time.

We sell, this year, will sell about \$1 billion of volume. But more than that, we will contribute meaningfully to our own bottom line as well. That's from an economic standpoint. The bigger thing to me from the customer standpoint. For me at the end of the day to be able to keep the customer relationships sticky, I have to be able to do more products with the customer and it's one of the ways in which we compete with the digital banks, right?

They come in with a very simple you can do your payment or you can do your thing. I offer a full-service value proposition. And I found that the more digitally you can engage with the customer, the more they choose to do with you and the more they do with you, the more sticky they are. So to me, the insurance product is a critical part of building and cementing the customer relationship. And a longer term customer value proposition.

Meny Grauman - Scotiabank Global Banking and Markets - Research Division - MD of Financial Services Equity Research & Analyst

Thank you.

Tom MacKinnon - BMO Capital Markets Equity Research - MD & Analyst

I mean, if you like, have an insurance company to partner with, what's stopping you from just buying one or developing one instead, then you don't have to share the economics to get them all?

Piyush Gupta - DBS Bank Ltd - Chief Executive Officer, DBS Group

We thought about it very hard when we did the deal and before. I think the skillsets in manufacturing and running insurance are very different from the skillsets in distribution and customer engagement. They're not the same skillset. And you could do that. You'd have to create a conglomerate. I could own an insurance company and I could own an asset management company. But we chose in the past to focus on the customer side of the business, which is the distribution side of the business, knowing the customer and creating a customer value proposition that we could work with and go out to buy the products.

So we do some internally, but whether it's mutual funds, I don't create that. I go to Black Rock and Blackstone. Insurance, I go to the insurance partner to get it and so on and so forth. I think over the last 10,15 years, the strategy has worked well for us. You know, we're generating 18%, 19% return on equity. We are growing at double digit bottom line. You know we are going at strong single digit top line and by that I think they're outperforming.

Most of our competitors who've tried to do all things together, I think it's sometimes distracts you if you try to do a whole bunch of things and not focus on a single core competency. But there are people who do everything and do it, you know, reasonably well, I just found that if you focus on where you think your competency is and what you want to build, you get better performance.

Doug Young - Desjardins Securities Inc. - Research Division - Diversified Financials and Insurance Analyst

Just you have a 15-year partnership. Just want to understand how do you approach renewing that partnership, the process as you go through? How you think about it and you always take that partnership to market when you get to the end. I'm just trying to understand the steps you go through?

Piyush Gupta - DBS Bank Ltd - Chief Executive Officer, DBS Group

I haven't done this before, so I'm not sure I know the answer to that, but let me give you first an anecdote, right. It was a 15-year partnership and then COVID happened. And through COVID, I realized that, because of everything that was happening, we weren't going to be able to deliver for Manulife what I was hoping to be able to deliver, right, in terms of getting customers, the customers are just completely shell shocked.

And so we went back to Manulife and said, you know what, let's extend this partnership one year and I'm not going to charge you for extending it one year, because I think collectively we owe it to each other that you benefit from it as much I do. So, that's the spirit in which we engage with this. We're not just dollar and cent kind of bank, and not just a dollar and cent partnership.

So, we extended one year just to make sure that the collective commitment we have, we can make it come good. I'm sure that come at the end of the decade when somebody is going to look at it, hopefully not me by then. They will approach it with the same mindset.

I like to say, we are an Asian kind of bank. In a sense, so, well, obviously economics matter, but relationship matters a lot. And so we are the kind of bank that goes through cycles. We're happy to go through down cycles because we know there's up cycle. So all the same things that matter, you know we work well together, it's a good relationship, culture matters a lot.

We are also economically minded if Manulife winds up underbidding everybody by 50%, of course we look at another partner.

Roy Gori - Manulife Financial Corp - President & Chief Executive Officer

I think that you raised a good point and I think your example there, Piyush you're just illustrates how you know each party is looking out for the interests of the other. And I think that goes back to the cultural alignment and you know, we often hear win-win and lose-lose. But very rarely does it get executed in a partnership, and I'm proud to say that actually for our partnership, it is one that is very much the way we think about it.

And I think the other objective that we both have is that we make this partnership so successfully valuable to both institutions that the friction to actually work with another party would be painful for both of us and I think that's exactly the goal that we're working towards. Any last questions?

I think we can wrap it there. So what I'd like to do is just offer a huge thank you to you, Piyush. Firstly for joining us, secondly for sharing some phenomenal insights. I think we all come away with a lot deeper and knowledge of the markets in Asia and actually perspectives as it relates to how things are going to unfold over the next 5, 10 years.

And then obviously the huge thank you to you for the leadership that you provide for our partnership. Please, if I could ask you all to put your hands together for Piyush Gupta.

Piyush Gupta - DBS Bank Ltd - Chief Executive Officer, DBS Group

Thank you.

PRESENTATION

Hung Ko - Manulife Financial Corp - Global Head, Investor Relations

Thank you so much, Roy and Piyush. I hope you enjoyed the discussion, it's very insightful to me. It's very important to acknowledge the fact that how we offer solutions to our customers with our partners such as with DBS.

And I cannot find another transition to do this because, the digital focus that we have for both DBS and us really, really bring to life and now I would like to in a moment welcome Karen Leggett, our Global Chief Marketing Officer, as well as Jodie Wallis, our Chief Analytics Officer, coming on stage to talk about our digital customer leadership strategy.

And in addition to a presentation, Jodie actually going to walk us through a live demo, showcasing some of our in-flight opportunities to use generative AI, which is obviously a buzzword these days, but we want to showcase to you how we are using that at Manulife and create value.

With that, Karen?

Karen Leggett - Manulife Financial Corp - Chief Marketing Officer

Good morning, as we head into home stretch, Jodie and I are very excited to be hosting this session this morning. And as global CMO, a critical part of my mandate is accountability for our digital customer transformation and AI. Two areas experiencing rapid change and innovation and generating a high degree of interest.

On the back half of the session, Jodie will explain to us and demonstrate how we are scaling deployments in generative AI to lead against our competitors. And I'll start with a progress update on our digital customer transformation.

Our transformation has evolved the way we work, the way we innovate, and the way we scale and deliver value. And as I take you through our journey, there's really two key differentiators that I want to highlight.

Firstly, in addition to the billion dollars we invested prior to 2023, we have now committed another billion dollars as part of an enhanced programmatic approach to digital, customer leadership. And this approach is underpinned by detailed road maps leading us through 2023 to 2025, developed at the line-of-business level and globally governed.

Secondly, the material investments we have made in cloud, data, and AI capabilities and skill sets are allowing us to execute faster than our peers.

So let's take a look back at where we started in 2018, and the progress, as you can see, has been striking. Some notable highlights: we are now leading in the majority of our business lines in relationship NPS, which we know to be the barometer of customer experience. We've achieved an STP rate of 85%, up from only 68% in 2018 and digital has become the dominant channel for customer servicing interactions, allowing us to deepen our customer engagement, while transforming our cost base.

These accomplishments have actually created significant tailwinds, enabling us to deliver \$185 million in financial benefits in 2023 alone, and our momentum has us on track to deliver \$500 million by the end of this year.

Our focus on STP is a critical lever to transform our cost base through automation and digitization of manual processes. One example of that is our migration to a global contact center platform, and this allows us to divert call center interactions to digital, thereby reducing our unit cost. And these unit cost reductions in the first year of deployment of the platform are in the magnitude of 12% to 20%. And we are on track to complete Asia, GWAM, and Canada in Q3 of this year, thereby expecting further upside.

I always like the caution that build it and they will come, doesn't always work. Automation and digitization give us the value only if customers adopt. If they start digital and they stay digital. And as a result, we've developed very detailed adoption plans that accompany our three-year roadmaps.

We're rigorously tracking global adoption metrics that we've developed at the bottoms up perspective from the line of business rolled up to the segment, rolled up globally and we are competitively benchmarking ourselves to ensure that we understand how we are leading.

And how this translates is that, we've actually automated 53% of our customer servicing processes globally. And that represents 69% of our total global servicing volume. And this is reflective of us actually in a disciplined way, tackling automation of highest volume transactions, which gets us to the 69%. And now we're pivoting to tackle less frequent, but still high-cost manual processes and so that clearly delivers more upside.

And one of the key levers to driving adoption, is our market-leading mobile apps. We've made significant progress over the last three years, improving experiences on our mobile apps and that has resulted in us exceeding our peer average in mobile app ratings in every segment.

And so beyond the impact the NPS, the reason this is important, it's important from a cost perspective because our mobile adoption data shows us that mobile users are four times more digitally active than web-only users.

We've also delivered competitively differentiated solutions for our customers. For example, in our U.S. business, and Brooks will get into this in a lot more detail, our Vitality plus customers digitally engaged with us over 24 times per month. That's huge. That allows us to increase upsell, cross-sell and improve persistency. As you know, most insurers are lucky to speak to their customers once a year or once every two years.

Another example is the migration of our group benefits customers to a new claims platform that instantly adjudicates between 92% to 95% of claims, up from 65% today. And then lastly, right here in our largest market in Asia and Hong Kong, we provide a seamless, integrated digital experience for our insurance and wealth and asset management customers.

As I mentioned earlier, we've also made meaningful investments in our cloud infrastructure and data capabilities with 100% of our data lakes and AI models as well as 71% of our apps now in the cloud. And the reason that this matters is that the impact of these investments has actually reduced our time to provision infrastructure from 60 days down to 3.

And our infrastructure costs for compute and storage have been reduced by 30%, allowing us to reinvest those savings in our digital customer transformation. This is a step change from where we were. But most importantly, these capabilities are allowing us to rapidly scale and capitalize on innovation opportunities such as GenAI faster than our peers.

These investments have also allowed us to democratize innovation across our company through deploying GenAI productivity tools to our entire employee base in the last 60 days. We also have a very strong position in traditional AI. It's odd that we now talk about traditional AI, having deployed over 103 models across our businesses.

And we've moved well beyond piloting in GenAI. You're going to read a lot here from competitors everyone's piloting in GenAI, we are actually live and scaling multiple global use cases.

The impact of these investments is facilitating the deployment of proprietary tools such as our intelligent customer data platform and what we call VOICE. These are proprietary tools that give us a complete view of customer interactions on a near real-time basis. And that is important because otherwise, you only survey about 1% to 2% of your customers.

We can inject all the contact center transcripts, digital footprint, holdings, interactions, et cetera. And this level of granularity not only allows us to pinpoint with high accuracy where customer friction points are, customer irritants are, but it also allows us to address those in an accelerated way.

We believe this is another factor that is contributing to our leadership and relationship NPS, wherein 11 of 16 markets we are leading. And we're also in the last year month-over-month, experiencing record-high transactional or tNPS results.

So in summary, we've made material progress in our digital customer leader transformation, and it's giving us high confidence in our ability to achieve accelerated performance in the future. So let's pivot and look at where we go from here.

So we will continue to raise the bar on customer experience, on value delivered and operational excellence. As I mentioned earlier, we've already delivered \$185 million in 2023 in financial benefits and are on track to deliver \$500 million by the end of this year. And in total, we expect to deliver \$1.5 billion in financial benefits from our 2023 to 2025 roadmaps, which over a 5-year time horizon equates to a 3x return.

We'll continue to focus on digitization and automation and will improve our STP from 85% to 88% by the end of next year. And we're also confident that we will meet our +37 target for rNPS by the end of 2027. And if you recall, we were only +1 on rNPS and 68% STP in 2018.

And then lastly, we're already beginning work on the next set of three-year roadmaps that will cover 2026 through 2028. So we're confident in achieving these outcomes because of our diverse set of capabilities. The impacts of automation, digitization and adoption are already well anchored in our road maps and in our plans. But we expect further tailwinds from the deployment and scaling of lead generation and personalization, which you heard Piyush speak of.

And I want to share a couple of examples to bring this to life. As I mentioned, we have detailed adoption plans that identify areas where we can significantly improve digital engagement. And one such area is in U.S. retail plan administrators who submit member contributions.

We were able to double adoption from 34% to 69% in an eight-week period with a targeted outreach campaign. And I see Aimee here in our Canada retirement business, we use personalization through in-app notification to encourage customers to update their banking information or add their banking information, we've doubled adoption from 34% to 51% in a 90-day period. As you can imagine, that reduces calls to the contact center, reduces the issuance in mailing a cheque's, and is honestly a much better customer experience.

With respect to digital leads, we made a decision in late 2022 to in-house our digital media buying because we felt we could drive better outcomes internally. In the first full year of operation in 2023, we improved our total costs and significantly improved our efficiency.

It's still early days, we're still nascent in digital lead generation, but we actually decreased our digital media spend. We improved our targeting. We drove 14% more leads. We converted 10% more lead, and we did it at a 49% lower cost. And so that positions us very well to scale our spend and scale our impact as it relates to digital lead generation.

And lastly, the early results from our GenAI deployments are really highly promising. And to demonstrate that, I'm now going to turn it over to Jodie to show how our talent and our investments are enabling speed, efficiency, and innovation in the GenAI space.

Jodie?

Jodie Wallis - Manulife Financial Corp - Chief Analytics Officer

Thanks so much, Karen. I am so excited to talk to you about how we're embedding GenAI as a strategic capability across our organization and show you one of the great solutions that we've launched recently.

So what is it that's enabling us to deliver GenAI solutions? Well, we have a deep talent pool with a team of about 190 data scientists and machine learning engineers. 80% of our AI talent is embedded in our businesses and functions, which allows close alignment to business priorities. In generative AI specifically, we are well past the phase of experimentation as Karen noted, we have identified over 240 use cases.

We've deployed seven use cases into full-scale production, and we have another 16 coming live in the next few months. We're also combining GenAI with traditional AI or machine learning and integrated solutions, like in underwriting, where we're using GenAI to interpret and summarize position statements and then using machine learning to make decisions.

In sales and you'll see this in a few minutes. We're using machine learning to generate leads, nudges as Piyush call them, generate leads, and score those leads and then using GenAI to create personalized talking points and communications.

Others we speak to in our industry have also identified use cases and some have launched toolsets to drive productivity. We believe we are differentiated in three ways. First, our investments in our data and AI platforms have really set us up for success.

Second, our programmatic approach is allowing us to move with speed and scale across the organization. And we are on the agenda of our most senior leaders.

And third, we have a track record of successfully creating value from AI. We launched our AI practice, coincidentally, the same year that we did the DBS deal in 2016. And now we have data scientists and ML engineers embedded in all of our businesses and functions.

In the last three years, we doubled the value we deliver from AI, by improving our throughput through enhanced tooling and skills development and also diversifying our portfolio of AI solutions. All of this is underpinned by responsible AI framework and a set of AI principles that guides everything we do.

Outside of our AI practice, we also have the broader organizational ingredients for success. We have leadership from the top with a hands-on approach to GenAI from Roy and the leadership team. We align all of our AI activities with our code of business ethics, commitment to customers and employees, and our position on sustainability.

We take a cross-functional approach to GenAI as well, recognizing this can't be owned by a technology team alone. And finally, we design our solutions with transparency in mind. So we're clear about when and how we use AI. And so we can provide clear explanations for the GenAI responses that we generate.

Late last year, we rolled out GenAI awareness and training for our leaders and our people and earlier this year, we launched a program to illicit use cases from all employees. We have collected over 240 use cases with over 20 of them either deployed to production or in development.

Let me give you a few examples. We deployed an AI productivity tool called ChatMFC for our 38,000 employees for use in their day-to-day activities. In our Canadian business, we're using GenAI to summarize call transcripts and Karen mentioned this and then using traditional machine learning models to model trending topics.

This provides management of daily view of emerging issues, both in advance of NPS surveys and on every interaction instead of the 1% to 2% that we surveyed. And we're going to scale this capability to all North American contact centers by the end of 2024.

In the U.S., in our Annuities business, we have deployed a contract lookup solution for complex contracts. We received in this particular contact center about 360,000 calls a year. Previously, customer service agents had to navigate between multiple systems for policy information, for state

regulation, for contract details. With GenAI, they can now get a summary of coverage, depending on the specific question that the caller is asking about.

This both delivers a better customer experience because we're answering that question much more quickly and provides greater efficiency as well.

And we supplement the responses with two things. One, we provide the agent with sources, particular snippets in the contract where the answer came from, so they can double check it or read it for themselves.

And two, we provide them with confidence scores from the AI model. So they know how likely is this to be the right answer or do I need to intervene. In our first month, we already saw a 5% improvement in average handle time, which is pretty significant in a high volume contact center. This has now been rolled out to two US contact centers that handle a total of 1.23 million calls per year, and we'll deploy to an additional five contact centers this year alone.

But it's not sufficient just to roll out tools, our culture and behavior change are key to driving value from any transformation. We know that, but particularly in the GenAI world like Karen said before, build it and they will come does not always work. Our goal is to embed GenAI, as an organizational capability, not just as a set of tools with a broad adoption program that will democratize use for all of our employees.

We delivered a communications hub. Employees can participate in our program of crowd-sourced idea generation, and they can access self-service learning about GenAI. We're also deploying tailored hands-on workshops for teams to help them to develop their own prompt and their own GenAI skills that are relevant to their jobs.

And the program is working. We've seen a usage increase in terms of transactions but also in terms of the breadth of the user base across geographies, levels, and roles. And I love this, I was looking at our usage statistics before coming over to Hong Kong and as of the end of May, our top 10 users of our GenAI tools spend a client account representative in our retirement business, a full stack engineer, a talent acquisition manager in Canada and a Marketing Director in Hong Kong. I'm trying to get on the list of top 10, but I haven't put in enough prompts yet.

So now I am excited to move over here to this iPad and provide you with a live demo of one of the GenAI tools that we recently launched for Singapore sales agents. These capabilities have been rolled out to 220 agents across six branches so far and will ramp up to 2000 agents in the next few weeks.

I'm going to show you how we incorporate machine learning or traditional AI together with generative AI as well as insights from our intelligent customer data platform. I'm going to show you how easy we have made it, for our agents to increase their engagement with customers on topics that are meaningful in the moments, personalized and in the language and tone that is most comfortable for the agents.

And I'm going to show you how we have kept the power in the hands of the agents, giving them choices on how to engage on their own terms.

I'm going to switch hats now. So forget about Jodie, the Chief Analytics Officer. I'm now Jodie, the Insurance Sales Agent and I have six years of experience as an insurance adviser in Singapore. I joined Manulife two years ago from another firm. I have 92 customers. And I am able to connect with about 25 of those customers once every couple of months and another 25 customers maybe twice a year.

And I bring this slide here for us, this is the homepage that I log into every day, there it is. And what I have here is some of my performance statistics and outstanding activities. One of the first things I do each morning as I look at my leads and these are leads generated by our machine learning models that show me the top customers to reach out to in terms of their propensity for new or follow-up opportunities.

I'm going to pick the first customer from the list, which is Chee Seng Hee. So what we have first is information about Chee Seng Hee some insights about who he is and what he might be looking for. And what is telling me here is that our next best recommendation engine is telling me that he has needs in life protection, critical illness, and retirement.

Beyond telling me that he has needs in those areas, I'm provided with an explanation. Here's why we think he has needs in these areas. And I'm also provided with the most recent interactions that Chee Seng Hee has done with Manulife.

You can see here he requested funds switch in the app. He e-mailed us about reinvesting dividends. And he has a number of claims as well. So that's what I'm seeing. Now for the magic, I'm going to go to generate and I said earlier that we wanted to keep the power in the hands of the agents. As a matter of fact, that was feedback that they gave us while we were developing this solution. So what we have allowed them to do what we've enabled them to do is to generate engagement ideas, how to talk to Chee Seng Hee, in three different ways.

One based on his life stage needs and gap. One based on his most recent transactions. And one based on news articles or things happening in the environment. So I'll start with life stage needs and gaps and here again, you can see because our next best recommendation engine said critical illness, retirement and life protection where he's high-need areas. Those are highlighted for me.

I'm going to pick life protection, and I'm going to click generate. What this is going to do, is going to give you some background about Chee Seng Hee and why he has life protection needs. It's then going to tell me how I might engage with Chee Seng Hee on this topic. So we call it engagement idea.

Here it says, suggest that he maintains his current needs or add on more for family and loved ones in the category of life protection. It's also suggesting I might highlight the importance of having adequate life protection coverage to safeguard against unforeseen circumstances.

From there, I can go ahead and generate an e-mail on this topic, and it will present me with a copy of an email that I can grab and put into outlook. If I don't like how this sounds, if it doesn't quite sound like me, I can change the tone, make it more professional or more casual. Here, it says I hope the email finds you well, et cetera, et cetera. I'll change it to something a little more casual.

It says, I hope you're doing well. And it says I'd love to have a chat to understand your specific needs. So I can continue to regenerate the e-mail as many times as they want until I find something that feels like me.

Now this is not scripted. The engagement ideas are not scripted and the emails are not scripted. These are truly generated by our large language model by our GenAI solution. I also have the ability to turn it into a text message, if that's how I like to communicate and here it will shorten it and make it something I can fit into a text. And I have the ability, of course, to translate it in this case to Mandarin, with other languages coming soon.

So that's one example. I've just given myself lots of ways to engage with this customer based on his life stage needs and gaps. I'm going to go ahead and show you another way that we can engage and serve life stage needs and gaps. I'm going to pick customer activities.

So I noticed that funds switch, did you see that fund switch that he had done recently in the app. So I'm going to add select the app transactions. And now it's going to generate some engagement ideas based on him having made that fund switch.

It gives me the background that he made a fund switch on the May 27, and it tells me the implication is that the funds switch, indicates the customers actively managing his investments and maybe seeking better returns.

If I'm someone who normally sells life protection, this might be a new topic for me. So I'm going to go ahead and generate an email, which will give me the text that I need to reach out to my customer.

I hope this e-mail finds you well I wanted to reach out to acknowledge the recent funds switch you made. Your proactive approach to managing your investments is commendable. And I would love to understand more about your financial goals. So I can go ahead and send this. Again, I can change the tone to make it more professional, more casual. I can generate a text message or translate it.

I'm going to give you one more example, I'm going to generate some talking points, some engagement ideas and some email based on recent news on news articles. Recall, one of the areas that we thought would be of interest to Chee Seng Hee was retirement planning.

So I'm going to pick retirement planning click next. Now I'm going to get a list of articles that are related to retirement planning. I see there's one here around guide to retirement planning for young adults. I like that one. I'm going to pick it.

And then I could click the view article and read it or I can ask GenAI to give me a summary of the article, which it will do. It'll give me the article summary, which has this provides a guide to retirement planning for young adults, emphasizing the importance of starting earlier -- early excuse me. And then it gives me the implications to this customer, specifically based on his age, his life-stage and the products that he already has.

I can again generate the email. And what I get here is an email that I can send it to Chee Seng Hee, it includes the link to the article, and I can go ahead and send that.

So to recap, what hopefully I've seen here is that we're using GenAI and machine learning model to make it really easy for agents to understand customer opportunities, but also to generate these personalized communications at the click of a button to help them engage with more customers, more often.

In our first two weeks live, about 68% of our agents had already the new generate capabilities. And in July, we will be broadening that user base to about 2000. Based on our analysis in Singapore, we anticipate a 17% uplift in repurchase rates for our customer base. When this is fully rolled out to all of our agents.

It's still early days. So it's difficult to get a full picture of where this will go. But at a minimum, we expect to see about a 5% increase in APE sales impact across our businesses.

In addition. So in addition to these sales results, we're increasing the efficiency of our agents, and we're improving the effectiveness of recruiting to support the ambition that Phil talked about yesterday. And we are not stopping here. We have about 12 enhancements planned to this solution for the remainder of the year, including additional languages and new capabilities for recruitment managers.

One of the great pieces of feedback we received from our distribution transformation lead was that this is great for the sales agents, but it's also fantastic for their recruiting managers. And we're also in the process now of scaling to Japan to our US wholesalers and we have more businesses to follow.

I hope you enjoyed that and thankfully, it worked. The hotel Wi-Fi seems to be on our side today.

With that, I'm going to turn it back to Karen.

Karen Leggett - Manulife Financial Corp - Chief Marketing Officer

So thank you, Jodie. And in closing, there are three key takeaways we'd like to leave you with today. Firstly, as you saw from Jodie's presentation, we are extremely well positioned to lead in GenAI.

Secondly, our programmatic and enhanced and disciplined approach to value generation. We will continue to execute in this way through 2028. And lastly, we also have confidence in the momentum of our future performance as we scale our investments in leading edge capabilities that we shared with you today.

And that is how we are raising the bar in our digital, customer ambition.

Thank you and Hung I will turn it back over to you.

Hung Ko - *Manulife Financial Corp - Global Head, Investor Relations*

Welcome back, everyone. Our next presenter is Naveed Irshad, President and CEO of our Canadian business. Since we're here in Hong Kong, it's natural that we spend a lot of our time talking about our Asia business, but it's actually very important to talk about home market as well. And Naveed is going to show us how we're going to win and help to service our customers in Canada. With that, Naveed?

Naveed Irshad - *Manulife Financial Corp - President & Chief Executive officer, Manulife Canada*

Thank you, Hung, and good morning. I'm really excited to be back in Asia. I spent four years in the region overseeing the transformation of our Singapore business. I just love the energy and vibrancy of Asia. But as a proud Canadian, I'm thrilled to be here to talk to you about Manulife Canada and how we're going to win in our home market.

I'll take you to our journey of becoming the undisputed leading insurer in Canada. We're proud of the foundation that we've built, our track record speaks for itself. We're already number one in core earnings in Canada relative to peers, and we'll look to increase the distance between us and our competitors.

I'll talk about our winning strategy and why it's the right one for our business and for millions of our customers. We have built a strong foundation with really solid fundamentals, and we're set up nicely for the next stage of growth.

Looking back, we have a leading presence at home, a proven track record of delivery and execution, at scale operating units with a very attractive product shelf, a culture of expense efficiency driven by win-win solutions for customers and Canada is an attractive platform for growth.

We have a broad coast-to-coast presence across Canada. We've been protecting Canadians for over 135 years. We serve one in four adult Canadians today, 3 million Canadians have multiple products with us, 5 million group benefit members depend on us. We have a broad distribution ecosystem with the leading bank for financial advisors with a complementary offering with significant overlap with insurance and wealth advisors.

We have number one or number two market shares across the board. Number two in group insurance, number one, excluding the Canadian federal employees plan, which changed hands last year, number two in retail individual insurance, number one in group retirement, number two in mortgage creditor, number one in travel insurance, number one in associations and dental.

These rankings are no accident. We have a proven track record of making the right decisions for our business. We have a clear right to win in Canada. We have a strong brand built on innovation, innovation that drives value for customers.

We're the first company in Canada to underwrite using artificial intelligence. We're the first company to offer coverage to Canadians living with HIV. We're the first company to offer coverage to Canadians living with diabetes. We're the first company to offer lower premiums to non-smokers. We're the first company to embrace behavioral insurance through our Vitality program.

Vitality is now available on all our core retail insurance products. It drives better health and financial outcomes. You'll hear more about Vitality from Brooks in our next session. We have a top-tier product shelf, broad multichannel distribution from independent advisors, consultants, brokers, travel agencies, right through to direct-to-consumer.

Manulife Canada is significant, we represent 22% of the company's earnings. We have diversified and comprehensive product lines. We help protect Canadian's physical, mental, and financial health. Our current product shelf is a mix of short-term repriceable and long-term adjustable products with minimal material long-term guarantees.

Our bank has a high quality, fully secured low credit risk portfolio. We have a track record of execution, strong earnings growth across the board. Our efficient capital deployment on new business, and efficient capital management on inforce that was highlighted by the largest UL transaction in Canadian history that we completed earlier this year.

We're driving improved return on equity and consistent cash generation and remittances year after year. So I mentioned new business, we have a product shelf with excellent risk-return profile. Management actions we've taken include new reinsurance agreements, new product launches, exiting certain higher risk product lines, targeted repricing in other product lines, claims management actions, underwriting modernization activities, and expense efficiency activities.

This has driven really attractive returns. As you can see from the slide, our product shelf is ready for distribution expansion. And I mentioned expense efficiency, we've developed a strong culture of expense management across the segment, primarily by driving the digital agenda, win-win solutions, better experiences for customers, and lower costs to the company.

We handled 56 million group insurance, health and dental claims in 2020, at a unit cost of \$0.55. In this year we'll handle 75 million at a unit cost of \$0.45. So that's an increase in claims of 34% and an increase in expenses of only 9%. All the benchmarking we've done has shown us to be top of class, both in terms of unit cost and expense efficiency ratios. So expenses are a competitive advantage for us in product development.

So to summarize, we have a leading presence in Canada, a track record of execution, at scale diversified business units, a strong product shelf, a culture of expense efficiency driven by digitization. And so, we're attacking the future from a position of strength. We're ready and we have the right strategy to truly win in our home market of Canada.

Now looking ahead, it's actually the exciting part. We're really well-positioned in Canada. Canada is an attractive platform for growth. We're going to continue to focus on execution. We're going to continue to focus on best-in-class offerings, and we'll drive step change on digital distribution and differentiation through health, that's how we'll become the undisputed leader.

We have a strong market position in Canada with a potential to do a lot more. Canada has had a record population growth driven by immigration. Underinsurance is prevalent in the newcomer segment. This resonates with me personally as a first generation Canadian, growing up friends from our communities, families, I saw many of them go into financial distress because one parent passed away unexpectedly and they did not have adequate insurance coverage in place. I saw what it did to those families. This is an area where we can make a huge difference.

There's also significant upcoming intergenerational wealth transfer. And while we have a strong public health system in Canada, it will need to be complemented by some additional private spending. We're really well-positioned to solution all of these macro trends.

So this is our roadmap, our strategy on a page to becoming the undisputed leading insurer in Canada, I call these the four Ds, deliver in core, digital customer leadership, distribution expansion, and differentiation through health. All will contribute to increasing core ROE.

Of course, any other additional legacy actions working with Marc and the inforce management team provide further upside to this. The right side of the slide shows incremental core ROE growth for each of the 4Ds, and I'll drill into each of these separately.

Deliver in core is all about focusing on the brilliant basics. Vitality is available on all our core retail insurance products, Vitality Plus customers buy 20%-plus higher face amounts, have 50% lower lapse rates, are 55% more likely to cross-sell to other product lines and have 3 times higher net promoter scores than our traditional offering.

Our par fund returns are amongst the highest in the industry driven by our investment expertise, including alternative assets. We launched, in Q4 of last year, a new version of our par product and a payout annuity product. And we're seeing great traction on both of those.

On the group insurance side, it's about maintaining our industry-leading metrics. Last year, our persistency was over 97%. Our direct expenses are below peer averages, and so we'll drive continued increased short-term insurance profits. We'll continue to optimize the product suite and continue to leverage existing distribution.

You heard from Karen and Jodie about all the great things we're doing to become the digital, customer leader. Digital is the second D for the Canada strategy and it is about moving from very good to exceptional. Now I'm really excited about this because these are win-win solutions, better experiences for customers, and expense efficiency for the company.

Take, for example, a group health insurance claim where there are out-of-pocket costs, like massage therapy. So this is not one of the claims that instantly adjudicated. So is the one where someone has to provide a submission.

In the past it's taken us a few days to process and approve such a claim. By the end of the year, it will be within a day and we're targeting to get that one to instant also.

We are the leader in underwriting using artificial intelligence. Currently, about 25% of our business is underwritten in this way. We're targeting to increase that proportionately 2 times to 3 times by 2027. We're laser focused on increasing all aspects of the digital experience. It's a top priority across the segment.

There are multiple elements to distribution expansion. There's significant underinsurance in the mass market. Now the mass market requires simple products and processes. Products have to be easy to buy, easy to sell, easy to service. This complements perfectly with our digital ambitions. The goal is to obtain a representative share of this market.

The natural share of the market for us is 20%. And our strategy is about simply getting to this, it's very achievable. The MGA within Manulife Wealth, which Paul talked about yesterday, is a strategic asset for us. Taking insurance productivity at top of class will double sales, further activating wealth advisors who don't currently sell insurance provides further upside.

These opportunities are about execution. We're also looking to proactively engage specific target market segments with custom strategies. The Asian-Canadian market for example is the fastest growing market segment in Canada and the highest utilization of Vitality. It's a natural opportunity for expansion for us, given our Asian footprint.

The high-net-worth market, we get feedback from our reinsurance partners that our underwriting is best-in-class in the high-net-worth space. And of course, we're leveraging our global capabilities here. We get feedback from advisors that our tax and estate planning team is best in market, so again, a natural opportunity for distribution expansion.

Differentiation through health is about moving from a stand-alone claims payer to an integrated health platform. We talk to Canadians all the time and they're telling us they're having challenges accessing and navigating the healthcare system. We have the tools to help.

Our North Star is improved health outcomes. The right care at the right time in the right way, this is not just theoretical. We've built a platform and rolled it out. With Manulife employees, we did a pilot for Manulife employees in Canada and we increased the utilization of the app from 40% to 70% within six months.

We're already seeing how we can improve the health outcomes for millions of Canadians. Our strategic partnerships are showing great promise. On our specialty drug program, we saw a 5% increase in prescription adherence and a 45% decrease in disability claims for members using our strategic partner, which is curated.

Over on the block, we have \$6.5 billion of claims every year and we hold \$3 billion of reserves against non-permanent disability. Moving the needle, just 5% is a huge impact for us and our sponsors, healthier members, lower claims, and continued excellent persistency.

Now unlike some of our peers, our platform is fully integrated with the claims paying model tool. Our strategic partners are world-class players and household names in Canada, not something that smaller players can duplicate. The platform is powered by League, a global health tech company and a Canadian success story.

Aeroplan is our new health rewards partner, Telus Health for mental health, virtual care, and employee assistance programs, plugs right in seamlessly with a single sign-on. Cleveland Clinic Canada is our medical director. This is just the beginning. We're going to continue to expand partnerships and enhance our platform. This will be a true differentiator.

So I want you to leave with the same confidence as I have in the future of our Canadian business. We're already the market leader. We're number one in core earnings and we're number one in sales across multiple product lines. We're committed to making decisions easier and lives better for millions of Canadians. We're excited to take that to the next level. We're ready to continue to drive growth for Manulife and become the undisputed leading insurer in Canada. Thank you very much, and I'll turn it back to you, Hung.

Hung Ko - *Manulife Financial Corp - Global Head, Investor Relations*

Our next presenter will be Brooks Tingle, President and CEO of John Hancock, our US business. Brooks will share with us our transmission journey and also how unique product offering will continue to drive profitable growth in that market. With that, please welcome Brooks.

Brooks Tingle - *Manulife Financial Corp - President & Chief Executive Officer, John Hancock*

Thank you, Hung, great to be with you. It's exciting to sort of wrap up the presentations over the past day and half because for the past day and a half you've heard a lot about Manulife overall and the great transformation journey we've undertaken.

But the US is a really interesting and exciting microcosm of that. There are three things that I hope you remember from my presentation this morning. One, we have dramatically transformed the profitability of our US business, the legacy businesses, the inforce businesses.

A lot of people have I think, old tapes, maybe stereotypes about the US insurance business to be able to drive improvement in ROE over the past few years from 8% to 16% in the US insurance business is something we're very, very proud of. The second is an equally powerful transformation in the profitability of the new business that we write, so dramatic improvement in the inforce.

The third thing I want to share with you and add some color to is the unique foundation we now have to grow profitably in the future. And the heart of that foundation is our investment, our commitment to behavioral insurance, brought to life there is something we call John Hancock Vitality. It's a very unique value proposition for us, highly differentiated, driving not just improved financial performance, but a unique right to win.

So before I get into the first of those, which is the transformation of our inforce legacy businesses, I do want to just show you a quick highlight of where we operate today from a go-to-market perspective. Over the past several years or decade-plus really, we winnowed our focus a bit from a go-to-market perspective, really to try to drive that ROE improvement.

So where we offer product today, individual life insurance is really in some of the most attractive market segments in the space. We have diversified sales. People in the US, buy life insurance for primarily one of two reasons, protection, as the name implies protection against unexpected death, lost income, protection against perhaps an estate tax liability protection, in that regard. The other reason people buy life insurance is accumulation. Also, as the name suggests, to accumulate wealth, in the US, there aren't a ton of ways to accumulate assets on a tax-favored basis anymore. Of course, you have 401(k)s, IRAs, beyond that, really sort of muni bonds and life insurance and annuities.

And particularly at the higher end of the market, a lot of people in the US use life insurance as a means to accumulate wealth. And we're nicely diversified, as you can see here between protection and accumulation. That's important because as tax laws change, come under threat, as economic conditions change, we can kind of pivot our product focus between protection and accumulation to thrive.

Within primarily permanent life insurance, we offer term insurance, it's really sort of just a necessary thing to have on the platform to keep brokers' attention. But we really focus our energy on the frankly, higher value permanent products. And within that, variable life, universal life, and indexed universal life, strong shareholder value, really compelling customer value with innovative sort of pass-through designs that have a very attractive risk profile associated with them.

Few highlights here as I start to talk about the transformation over the past few years of our inforce and legacy businesses. You can see the large quantum of remittances we've been able to deliver to Manulife. Perhaps the most striking number for me on this slide is the new business value

transformation, the life insurance business that our brokerage operation was selling in 2017, actually destroyed new business value, you can see a negative \$36 million here.

Just over a few years we've been able to transform that to where those products have nice margins on them. You'll see another chart on that in a moment, and we're creating a lot of value with every sale that we make. So we're now confident actually growing this business, so quite a dramatic transformation there, solid contributions in the core earnings growth.

You may look at sales and say, that's not really scorching growth there, Brooks, fair enough, but I can tell you our priority of the past few years has been to improve the left side of this chart, not the right, the fact that we've been able to grow while strengthening margins, the way that we have to yield this new business value improvement is quite significant. The US market, individual life insurance market, I'm sure you know, is not growing fast. We've actually outgrown the market five out of the last six years, and we think we're in a position now to outgrow the market nicely in the coming years.

So I talked about the improvement in return on equity, something we're extremely proud of, quite dramatic, quite important to the overall Manulife franchise. Really pretty simple story as to how this was achieved. Simple, though not easy, but very focused and determined management actions, first and foremost, divesting of lower margin businesses, lower ROE businesses.

My team, I myself enjoy just a wonderful relationship with Marc and his team, partner extremely closely in an ongoing series of transactions that you're all familiar with to reduce the quantum of these lower margin businesses in our overall portfolio, big driver of this improvement.

The second is really sort of organic activity as it relates to the inforce block. And that is most notably very, very disciplined expense management. And by disciplined expense management I don't mean just let's keep it to inflation or less, significant reductions in expenses in the US, which I'll highlight in a moment.

And then lastly, in terms of the material drivers of this ROE improvement is that significant improvement in the profitability of the new business that we're writing each year. So altogether, I'm extremely proud of this improvement.

I mentioned before the collaboration between my team and Naveed's team as well with Marc's team and just extremely proud of this track record. I mean, it can't get much more sort of reliable and predictable than this nice series of transactions. I know it was discussed yesterday. I know you all know that we're not done, Marc's not done, but we've proven that not only can these opportunities be identified, but they can be executed really, really well and successfully.

I mentioned cost management. I don't have the time to get into this at a huge amount of detail. But again, this isn't just about sort of holding the line on expenses. It was about transforming the expense base in the US taking out large loss of expense. We can see that materialize in some important metrics, I didn't have the space or the time to share a lot of them, but we have a lot of them that show quite favorable unit costs whether it's operations, technology or other spaces relative to the market, relative to our competitors.

Most important thing I want to note about this whenever you see the organization taking out literally hundreds of millions of dollars of expense over a period of relatively few years. You might wonder have we compromised the franchise somehow, are we able to service our customers properly?

And I'm extremely proud to share that because of the way that we've done this: investments in digital, moving some of the technology things to the cloud, consolidating technology, administrative systems and things like that. We've not only taken out a couple of hundred million of expense, we've improved the quality of the service we're able to deliver to our customers. Our NPS scores have literally never been higher after taking out this type of expense. So we're very proud of that.

Again, new business transformation, you can see the evolution here of our new business value margins, our LROC, lifetime return on capital, dramatic improvement over just a few years, easily double the average in the US, and then again, notable improvement in the capital payback year. So, it

took a little bit of time to get here, but we are now in a position where we're happy to sell all the life insurance we can at these types of margins. So it's a great position to be in.

And again, we have a great platform for that, which is John Hancock Vitality. So you've probably heard of Vitality, most of you. Vitality has partnered with other companies in different parts of the world. Let me tell you at the risk of sounding immodest, no one is bringing vitality to life the way we are both in the US under John Hancock and Naveed now in Canada.

We are investing heavily and we take what Vitality offers for sure but we've invested a ton around that, ton of creativity, partnerships, energy, passion around this concept of Vitality. And it's a really simple concept. In the grand scheme of everyone's life here, who should care about you living a long, healthy life beyond your friends and family more than your life insurance company, right?

And it strikes us as being profoundly odd, but for hundreds of years, this industry underwrote the daylights out of people, issued them policies and sat back and said, I sure hope they live a long, healthy life, that would be great. I mean you all know how we make money, right? You guys are kind enough to pay us premiums, Scott and Paul and others invest them for us. And the longer we get to collect those premiums and invest the dollars, the more money we make.

So why wouldn't we just sit back and hope our customers live a longer, healthier life? Let's try to affect that outcome. And that's exactly what we're trying to do here, shift from passive claims payer, sit back and wait to pay the claims, to active risk manager. Let's engage and try to bend that mortality curve. We do that through a really nifty app, education, and importantly, incentives and rewards all correlated to things that correlate with a longer, healthier, better life.

Ton of science behind here, you see the types of things that we give people points for, it's crudely analogous to an airline frequent flyer program. In an airline the more miles you fly, your status improves, and you get more perks, right. But here, you get points, they accumulate to a status, bronze, silver, gold, or platinum, and that correlates with the value you get back as you're creating value for us.

I won't get into all the science behind this, but here's a simple reality. Most people in America do not conform with the recommendations for when you're supposed to go for a colonoscopy, at what age, or mammogram, male, female, all these different things, not great compliance with that. We give people points for that and we see our clients much more often going for those preventative screenings.

Our customers take twice as many steps on average as the average American, but anyways points for doing these things that correlate with longevity, status, then you get the rewards of it. Premium savings, I want to note, by the way that those premium savings that discounts that our customers can enjoy are fully backed by our reinsurers and then a whole bunch of other cool rewards that oddly customers are more excited about.

We have customers that literally are billionaires, we have this thing called the Vitality wheel, every 10th workout you get, you get to spin this wheel, and I got a text from this literally a billionaire recently saying I got \$5 from Amazon on their Vitality wheel. I mean it's almost illogical, right? But people are motivated by that stuff.

But again, the concept is that it's fun, it's engaging, Karen mentioned a really important stat. Our customers are now engaging with us 20 times to 30 times a month through this platform. So it sounds fine and cool and all that, but very, very important things are happening behind the scenes about longevity and long-term experience mortality results that we expect here.

And a few stats I want to share on this. In the US, I joke today that well, nine 9 of 10 consumers, this isn't Brooks asking his friends and family, would you prefer Vitality to other life insurance? Independent third party research, 9 out of 10 consumers say they would prefer life insurance with Vitality to life insurance without it.

I joke all the time in America today, you cannot get 9 out of 10 Americans to agree that the earth is round, but 9 out of 10 Americans prefer Vitality. 7 out of 10 US consumers say the presence of Vitality would make them more likely to buy life insurance. Naveed shared some of the stats, they buy higher face amounts. The NPS among our vitality customers, we have 64 here, to be honest with you. It's actually trending up into ranges that life insurance companies don't see.

So a really sort of a virtuous cycle where if we can encourage our customers to do things that promote longevity creates value for us, we plow part of that value back. On an improved mortality side, Mr. Finch wherever he is with lunch up here and drag me off the stage if I started to share actual mortality results because they're not yet fully mature, we need to have more, not something we're sitting back and cheering for, we need a certain number of deaths among our Vitality customers to be able to share with you, quote unquote, credible, actuarially credible mortality data.

But I can tell you, as deaths have increased slowly at every step of the way, we're seeing meaningful differences in mortality between Vitality customers and non and within Vitality by status. So we're very excited about the future here.

Okay. So looking back, incredibly proud of the improvement in the ROE for the US business. I'm excited about the transformation of the new business profitability and really, really excited to take this platform that we built, anchored around behavioral insurance into the future.

So let's talk about the future. We certainly are going to continue. We don't consider the job done with respect to inforce and legacy businesses. That work is continuing. Trust me, Marc and others are very busy. It's continuing and we're going to continue to support that, the execution of those transactions.

And we will maintain a very persistent focus, not just on inorganic activity related to the inforce blocks, but organic activity. And I want to spend a minute in a moment sharing with you some of the things we're doing on the organic side to further improve there.

Karen and Jodie did a great job talking about digital. Digital is hugely important to us in the US and we have an advantage that no competitor can touch in terms of driving digital engagement in the US. Most people, sorry to disappoint you, aren't really super excited to digitally engage or engage in any way with their life insurance company. So driving digital adoption can be pretty tricky.

We have customers that want to engage with us digitally because they're getting these rewards, these benefits, and things. We have these positive interactions, all digital, 20 to 30 a month. So it's very easy for us to slide into that, hey, do your customer service this way? Perhaps buy your next amount of insurance the same way, so huge advantage there. And again, we're confident that we can outpace the growth in our insurance business of the industry in the coming years based on the uniqueness of Vitality.

So think about ROE, we talked a bit about the journey from 8% to 16%, we see getting to 17% by 2027. I do want to point out that notably this projection and sort of crude guide path as to how we're going to get there does not include potential, additional inorganic transactions. That's sort of the dotted line on the far right, so a lot of ROE improvement so far. But through continuing actions, digital leadership, and growth of profitable sales, we believe we can improve that ROE even further between now and 2027.

I mentioned this focus on not just inorganic activity to drive improved results on our legacy businesses, but organic activity. We talked about expense reduction, but particularly with our LTC business, there is a tremendous opportunity to shape outcomes there, investments, partnering with Jodie and Karen, on investments in AI and other things to eliminate fraud, waste, and abuse in our long-term care claims.

One, I'm most excited about probably is trying to bend the morbidity curve, influence outcomes for long-term care claims. We have shown over the past 10 years that we can bend the mortality curve. We can shape mortality outcomes on the life insurance side through Vitality. Let me tell you, in the US, probably not anywhere in the world, no one is looking forward to the day that they get to go into an assisted living facility. No one looks forward to the day that they require assisted living services.

And you know what, we kind of hope they don't need them there, right, because we've got a bunch of risk there. So can't we, shouldn't we, and we will, engage our existing long-term care customers to help shape those outcomes. So if you're in your 50s, we're going to incentivize you to exercise and eat well. 60s, exercise and eat well, maybe adds a medication adherence. 70s, those things maybe some brain plasticity things.

Companies we partner very closely through on Vitality with the Apples and Googles and Amazons and others of the world. People are working on wearables, not just that will say so and so has fallen, but alerting a loved one that so and so is within 30 to 60 days of taking a fall, which for our LTC business knowing before the fall happens is really important.

And then you're in your 80s and we're already doing some of this today. We're going to send somebody to your house who makes your carpet is secured, you've got a railing, all these things. So we are confident we can actually shape those outcomes with respect to long-term care, a huge win for the customer, a huge win for us.

Digital, I've already touched on it. Just again, we've got a meaningful advantage here through the Vitality program. People actually want to interact with us digitally. So we're going to build on that to be a leader and then just some overall tailwinds we see for the business as it relates to growth.

You've heard every market pretty much talks about this unmet need. I will tell you, I was always sort of skeptical about this unmet need, the protection gap until I started spending a lot of time with the companies that we work with through Vitality, again, the Apples, Googles, Amazons, every time I'm meeting with one of those execs I ask, do you have individual life insurance?

And I think, I probably had meetings with 200 execs at those companies and there have been three that have said they have individual life insurance, three. Trust me, these people have a lot of money and I'll never forget asking this one executive at Amazon, like why don't you, and she said I want more life insurance, I love this Vitality thing. So why don't you have more?

So I tried to sign up for more, they wanted to send a nurse to my house and weigh me and take my blood, I'm not going to do that and there's this whole generation of digital savvy people that are earning real money now that we have to evolve the buying process using AI and things like that, electronic health records, and that's really why we'll get a lot of those people to start buying our products.

The huge wealth transfer that's occurring globally, it's very pronounced in the U.S. Again, we have a distinct advantage there. We know all of our customers who have large policies, and we've got a lot of customers with very large policies, we know who, typically adult children, but we know who stands to get the death benefit proceeds. We know who stands to inherit that money.

Why wouldn't we now offer Vitality to those adult children of these wealthy people who have policies with us? So when they pass, the money goes down, the customers are already in Vitality, far more likely to stay with John Hancock for their plan because they're now going to have their own planning needs, stay with John Hancock. So we're very well-positioned there.

And then just a broad tailwind for the US insurance market is some tax reform activity occurring over the next 18 months. Estate taxes are scheduled to sunset, boring stuff, but we're in a great position there. We are in top two player in the survivorship market, which will benefit enormously from this estate tax reform.

So very well-positioned, innovative capabilities, really strong distribution relationships, I just spent the weekend with 200 or 300 of the top independent distributors in the US, some interesting things happening there by the way if you're interested during the Q&A.

We're really uniquely well-positioned to grow profitably going forward. And I'll leave you with one of the things that I think positions us best for the future and that I'm most excited about, a really unique ecosystem of partners, partners that help us in a range of ways, but particularly as it relates to helping people live longer healthier, better lives.

And I'll just highlight two quickly. Who here has heard of a company called GRAIL, a test called Galleri, anybody actually do the test here? Couple of you, okay. So GRAIL has this test. It's called a multi-cancer early detection test. Through a simple blood draw, they can detect the presence of over 50 types of cancer in your body. This isn't, Brooks, you're more likely to get some sort of cancer down the road. This is like you do or do not have cancer in your body today.

We were the first life insurance company to begin offering that to our customers almost two years ago. And we have now had many customers find out that they have early stage cancer as a result of our offering. Many people have said, if I hadn't bought a policy from John Hancock, if I hadn't signed up for Vitality, if I hadn't done that test, I wouldn't know that I have cancer, including people, one guy with a really large policy by the way, found out that he had Stage 2 pancreatic cancer by virtue of our offer.

Anybody ever hear somebody getting diagnosed with Stage 2 pancreatic cancer? It's unfortunately almost always 3 or 4. And the prognosis is exceptionally poor. This client of ours, 45 straight days chemo, radiation surgery, just ran a half marathon. So it sounds great from sort of a warm and fuzzy feeling, I mean that in a serious way. My mom died from a type of cancer way too young that should have been detected early, early detection is essential.

So it's great from a human perspective, but from a business perspective, that policyholder with a \$20 million policy that got diagnosed with pancreatic cancer in Stage 2, that probably would have been a death claim within what, two years. Now, I don't know, 5 years, 10 years, 15 years, so great for the customer, great for business. So GRAIL has been an important partnership.

We just launched Prenuvo, a company called Prenuvo, full body imaging, MRI scan head to ankles. They can identify 70 factors that tie to mortality from the scan. I did it myself. It's amazing. We just were the first life insurance company to partner with them.

In the US, all of our customers will get a \$500 discount on the screening. What our brokers love the most is that our customers move to the front of the line. This is just taking off in popularity with wealthy people in the US in particular, oftentimes a 10 or 12 week wait time at their facilities. Brokers just love that our customers got to cut the line and go to the front, huge differentiator for us, so incredibly excited about these things.

I wanted to leave you with, again, I mentioned already just to summarize, great improvement on ROE, great improvement in new business and, behavioral insurance platform through Vitality.

And I wanted to leave you with a video that I think sums up what we're doing in a really powerful way, not just for people, not just for society, but for our shareholders because as you hear Kelley King's story, again, I've met Kelley many times, I can't tell you how powerful it is to meet somebody who tells you that you've saved their life. It surely wasn't me, it was all the great people on the team, but he only knows he has cancer because he was a John Hancock customer and he participated in John Hancock Vitality.

But I again ask you to think about from a shareholder perspective, 36%, 38% of our customers are going to get cancer, just a fact, would we, as a life insurance company, rather, they find out early about 8 times the successful treatment outcomes or later with much poor outcomes? Of course, earlier. So as you think about the story, that's a great testament of what we're trying to do and why we're so excited about our business going forward. So thank you, and please enjoy the video.

QUESTIONS AND ANSWERS

Hung Ko - *Manulife Financial Corp - Global Head, Investor Relations*

Thank you, Brooks. I'm sure you can hear the passion and excitement we have for US business. Now I would like to bring back the panelists who had the last few sessions to join Roy on stage for the last Q&A panel of our event in Hong Kong. And before we get them to join us, I would like to remind you to please introduce yourself and your firm before you ask your question. And we have people bring a microphone to you. Panelists? We are open for questions.

Gabriel Dechaine - *National Bank Financial, Inc. - Research Division - Analyst*

One question for Naveed. I noticed, unless I missed it, the ROE, we saw the progress from 2017 to 2023 on ROE, but no objective. Hopefully, I didn't miss that. But do you have a target for 2027?

Naveed Irshad - *Manulife Financial Corp - President & Chief Executive officer, Manulife Canada*

Yeah, the target there was a slide on that, from 14% to 16% by 2027.

Gabriel Dechaine - National Bank Financial, Inc. - Research Division - Analyst

All right. Okay. I guess I did miss that. The system that we saw there, the GenAI thing, I'm just curious how much does something like that cost?

Jodie Wallis - Manulife Financial Corp - Chief Analytics Officer

I can answer in weeks. The original system took us 12 weeks to develop and it was probably a team of 10 that were involved in that. And the reason we were able to do that efficiently is because we made some significant investments in our data AI platforms. We moved everything to the cloud. We moved all of our data lakes. We moved all of our AI models. And so we used that kind of as the starting point for delivering what you saw.

Roy Gori - Manulife Financial Corp - President & Chief Executive Officer

And just to add to that, Gabriel, it's a great question, and we think that this is a competitive advantage for us and a disadvantage for the companies that haven't invested in the infrastructure. So the \$1 billion that I talked about, having invested over the last five years, putting the data architecture -- the data infrastructure that we've put in place to support advanced analytics and AI now allows us to accelerate the use of GenAI. And quite frankly, without that, it would have taken us possibly not just months but years to be able to really at scale deploy some of the use cases that Jodie just talked about.

Gabriel Dechaine - National Bank Financial, Inc. - Research Division - Analyst

And is that -- we saw the examples of sending e-mails out and changing the tone, is that -- it's like a mass market type product capability or sales capability rather, as opposed to something more high-touch?

Roy Gori - Manulife Financial Corp - President & Chief Executive Officer

Let me start and Jodie add in. We don't think it's limited to one segment. So we think that the tool and the capabilities to scale across all different customer segments, but also channels. Obviously, the tone will change and the interaction that will exist between, for example, an agent and ultimately what gets sent out is really still critical. You can't just have this machine to send stuff out, you need a human in there. But if this process can greatly optimize the efficiency and then convert into a much more significant sales ratio, that's quite tremendous.

Karen Leggett - Manulife Financial Corp - Chief Marketing Officer

I might add. One of the advantages is that as we refer to the Intelligent Customer Data platform, and that's where we've got a holistic 360 view over the customer. So we know everything about the customer and that is where the GenAI model is drawing the data from in order to come to those conclusions.

So if it's a mass-market client, we will know by their holdings, we will know by a whole bunch of different parameters. And if it's a high-net-worth customer, we will know that as well. And then we can manage the tone and the approach correspondingly. So it is highly adaptive.

Gabriel Dechaine - National Bank Financial, Inc. - Research Division - Analyst

All right. Thanks.

Hung Ko - *Manulife Financial Corp - Global Head, Investor Relations*

Next question. Table 8.

Mario Mendonca - *TD Securities Equity Research - MD & Research Analyst*

So you sell the insurance, which is a pretty mature product. It's an old product. In two economies that are very mature economies, but you're talking about 16% and 17% ROEs. So that just seems odd to me that's not what I grew up with. So what gives like how do you generate ROEs of that magnitude in mature products and mature economies. And I appreciate that IFRS 17 probably has something to do with this, maybe it's 200 basis points or 300 basis points, but walk me through that type of an ROE because I mean Finance 101, Eco 101, wouldn't get you there.

Roy Gori - *Manulife Financial Corp - President & Chief Executive Officer*

Let me start. Naveed, Brooks, chime in. I think the first thing is that we've been much more selective with the products that we're offering, You've seen throughout all the presentations, the focus on LROC, lifetime return on capital.

So where traditionally you look at the market average returns on new business and they're historically quite low. We're saying we won't be all things to everyone. We're going to focus on those products that we can actually generate a return that's acceptable to our shareholders. So that's certainly part of the reason why we can actually generate improvements in ROE.

You're right, IFRS 17 is another factor. But the third big factor is the benefits of scale. And now digitization, we've got this incredible transformative technology through GenAI, but even before that AI and machine learning, which is completely changing the game, the efficiency ratio that we talked about earlier, 55% down to 45%.

The scale benefits that we're getting through our procurement and operational teams, but then the use of technology to take cost out is, in my mind what's driving a significant improvement in our profitability and why our LROCs are now so much higher, but why our returns are so much higher than what historically has been the case.

Our efficiency ratios are amongst the best in the industry, and that is significant value. It's not a theoretical presentation that Colin provided earlier, but it's real hard cold dollars. You remember back in 2017, 2018, we said we wanted to improve our efficiency. We also said, we wanted to take \$1 billion worth of cost out. We achieved that \$1 billion, two years ahead of schedule. Now as we look to the next chapter, I'm incredibly excited about GenAI. And I think it's going to drive a next level of efficiency and improvements. But Naveed, Brooks, please chime in.

Naveed Irshad - *Manulife Financial Corp - President & Chief Executive officer, Manulife Canada*

Exactly what you said, Roy. So our inforce block, our current ROE is 14% in Canada and the lifetime return on capital of the new business we're writing is over 20%, so as that comes in over time. And some of the things you talked about, so it's about scale.

We have the scale already and some of that investments we're making are going to take it to the next level. We're already industry leading, we're getting it to another level. So that's a big part of it. It's about really capitalizing opportunities.

So I mentioned that our group health platform, we have 5 million group benefit members. And so historically, they've just been going to the application or website and submitting claims, so it's simple claims paying model. It's about really activating those and offering them experiences that are win-win and taking it to the next level.

Brooks Tingle - *Manulife Financial Corp - President & Chief Executive Officer, John Hancock*

I totally respect and appreciate the question. I've grown up in this business, and I'm used to thinking of US insurance as a cost of capital plus a little bit, right. For 50 years, it's been that, really you look at the US market, but if you think about what the dynamics have been, that have been keeping that sort of pressure on it, these big legacy blocks with a mix of sort of marginally profitable businesses and frankly, new sales that aren't optimally profitable. We've addressed both parts of that.

We've said let's shed some of the lower ROE components of our inforce, I would argue as aggressively if not more than anybody in the US and then you saw the dramatic turnaround in the profitability of the new business we're writing. So every piece of new business we write now pulls that number up, not dampens it down.

We've been selective, as Roy said and where we play, I think you see a lot of carriers that are tempted to trying to be all things to all people. Trust me, I could be a top two or three player in the term insurance market if I wanted to be, but I don't because that would compromise the very metrics we're talking about. We're okay being number 20 there. And then all the reasons that Roy and Naveed have described around expense efficiency. And I think there's just more to come frankly, on the expense efficiency.

Karen Leggett - *Manulife Financial Corp - Chief Marketing Officer*

I might just add that the \$185 million, and the \$500 million, and the \$1.5 billion overall, the way to think about that is actually 50% of that is hard cost savings and that's where we'll flow through earnings as they're realized and will actually impact efficiency ratios. And those are baked into the segment plans.

Hung Ko - *Manulife Financial Corp - Global Head, Investor Relations*

Next question. Table 16.

Brendon Sattich - *RBC Global Asset Management - Portfolio Manager*

I'm curious, some insurance companies have talked about the impact of GLP-1 drugs. Any early thoughts on that and what it could mean for the business over time? Thank you.

Roy Gori - *Manulife Financial Corp - President & Chief Executive Officer*

Go for it.

Brooks Tingle - *Manulife Financial Corp - President & Chief Executive Officer, John Hancock*

I think they're game changers. One of the real strategic advantages we have is the company we keep. I have nothing against the rest of the US life industry or global, but I spend very little time with CEOs of other life insurance companies. I spend most of my time with people at MIT and Apple and all these places trying to understand what's in their heads.

And every smart person that I know says game changer on GLP-1s, and I think a game changer for our industry. I mean, just think about portion of people and really every market we're in that experience matters relating to obesity, the cost and the toll, the life expectancy implications of that.

So I think we're on the precipice of some major macro tailwinds, not just GLP-1, some of the technology I touched on. And any one of them in and of itself, but you start stacking these things on top of each other, you do the Galleri test from GRAIL, you do the Penuvo scan. If you need it, you are on a GLP-1, you're stacking things in your favor. And I think we've got a major tailwind on mortality. And I can tell you there's not a company

around that can capitalize on better at it. Right now we offer the GRAIL test, we offer Prenuvo. We're thinking about what do we do for our clients that maybe don't have access to GLP-1s? Shouldn't we want them to have that access? How do we perhaps incentivize that? So a brilliant question, I think a huge game changer.

Roy Gori - Manulife Financial Corp - President & Chief Executive Officer

And I think the pharmaceutical advances that we've seen over the last five years and we're expecting to see over the next decade is another tailwind. I can't put my finger on how big that is and what the potential is. You've talked to one area, but the research that we're seeing in Alzheimer's, dementia, this is quite transformative, A, for the general well-being of the population, but for our business and our industry.

So we are quite excited about that and how it's going to actually help us. Brooks talks very passionately about trying to help our customers live longer. And we think that too much of the healthcare system is reactive. You're dealing with a symptom and then you're trying to correct that symptom.

The true game is to be fought in the preventative care space. And I think we've just seen so much more being done there. We want to be the leader on that front. As I said, in the very beginning of this program, we want to move from being a company that's focused as our industry is on deaths and claims to being one that's focused on really helping our customers live longer and improving their wellness.

Hung Ko - Manulife Financial Corp - Global Head, Investor Relations

Question here. Table 11.

Tom MacKinnon - BMO Capital Markets Equity Research - MD & Analyst

A question for Naveed. The mass market is underserved and it's hard to get brokers to go for it because the commission dollars are so much higher if they're going after high-net-worth. So why would they chased that marketplace?

So when you said that you wanted to double your share from 10 to 20 over four years in the mass market, that seems to be a tall order. And I don't know if you can do it just by telling your distribution to go after them, they go where the money is. So like what's your strategy there because this is an underserved market where there's potential for some good margin expansion?

Naveed Irshad - Manulife Financial Corp - President & Chief Executive officer, Manulife Canada

So Tom, I agree, it's underserved. The opportunity is staring us in the face, and again, the 10 to 20 is on a relative basis, right in terms of market share. So you're right, some distributors have shied away from the market because they're smaller tickets and there's a lot of work involved in making the sale.

And so what's important here is to make it a seamless process, right, really easy, really easy to buy, really easy to sell, really easy to service. And so as we're building out our digital capabilities, those capabilities can be repurposed within this market. So this is a natural connection to our digital customer ambitions.

Tom MacKinnon - BMO Capital Markets Equity Research - MD & Analyst

It would seem that you have a natural way to get into that through the affinity market. Can you take advantage of that more than you're currently doing?

Naveed Irshad - *Manulife Financial Corp - President & Chief Executive officer, Manulife Canada*

So we have a multichannel distribution strategy for mass market. So there are a number of brokers in the market and MGAs are focused on the mass market, we'll sort of activate those. We've built an in-house wholesaling team to interact with those. And I agree with that affinity markets is sort of at this captive opportunity for us. We have access to all the different professional associations and University alumni and offering simple solutions digitally enabled is a big opportunity and a big focus.

Hung Ko - *Manulife Financial Corp - Global Head, Investor Relations*

Any questions from the audience? Sounds like it's a wrap for us. I would like to thank our panelists for joining us here. But Roy, please stay behind, I'd like to have you offer some final closing remarks for us.

Roy Gori - *Manulife Financial Corp - President & Chief Executive Officer*

How're you all doing? How's the jet lag? We're still in there or hanging in there. I hope so. And I hope you've enjoyed the last couple of days. I wanted to sort of close this part of our Investor Day sessions with a huge thank you.

The first thank you is to all of you for investing the time to come and be with us for a few days. I know it's a huge commitment to travel for many of you across the world and to actually invest the time to be here. And I hope you've also found that very valuable and informative, but also insightful in terms of A, the journey that we've been on as a company, but also where we're going as to our future direction.

I want to thank you all also for the support that you offer and give us. As shareholders, you've placed a lot of trust in us and we don't take that for granted. It's absolutely critical for us that we deliver to the requirements of our shareholders. And it's not lost on us. And obviously for the analysts in the room, we appreciate the engagement. I want to also just thank you for the engagement throughout the course of the last couple of days. The questions the engagement from the crowd has been energizing for the team. As you can imagine, an incredible amount of work goes into preparing for these events. But it's really fulfilling when we can get a real sense from the team that is here that it's valuable and that you're finding the content useful. So I want to thank you for that.

I want to wrap the session really where I started and that is to leave you with a couple of key messages. The first message is that we are Manulife, a dramatically different company today to the one that we were in 2017. We don't say this lightly, this journey of transformation that we've been on is something that we're incredibly passionate about. And it's something that's really driven incredible energy and excitement from every one of the ELT that are here and also that are in our head office, and we are proud of what we've achieved.

We've taken a company that was high risk, low ROE, and we've converted into a company that is lower risk and higher ROE. And that's certainly something that has taken an incredible amount of effort. But it's also been something that the team has been passionate about.

The second message I wanted to leave you with is that we do have an incredibly high quality team and culture, and that has allowed us to deliver the results and the execution that we've been able to demonstrate and you've been able to see. And I'm hoping again that you've had an opportunity to connect, not just with the leadership team, but the next level down and you'll get a sense of not only the quality of these individuals, but the focus that they have on executing and delivering value. So that's really critical for us.

We believe that we are uniquely positioned to capitalize on the megatrends that are shaping the global economy. And it's not something that we say lightly. We think the next decade is transformative in terms of the global economy. And I can't think of a better footprint to have than the one we have to make the most use of or to take advantage of those megatrends. The footprint that we have, I would not trade with any one of my peers and that is what excites me about the journey that we have.

And we do talk about raising the bar, not just in terms of our financial targets, but in terms of how we will show up and how we will operate. And again, I'm hoping that you'll get a real sense of the kind of transformation that's underpinning our business and how we actually operate culturally, but also in terms of how we're showing up for our customers. So, I am incredibly excited.

We say that the best is still ahead of us and I'm hoping that you get a sense of that energy, excitement, and passion that's there, but also have confidence that we have deep and very clear plans on how we're going to actually execute against that agenda. So, thank you again for being with us. For those of you who are coming on to Jakarta with us, we won't say goodbye. But for the rest of you, thank you and safe travels back and all the best. Cheers.

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