

Accelerating our *Customer & Digital* Strategy

Karen Leggett, Global Chief Marketing Officer
June 29, 2021

Agenda

- **Digital Journey**
- **Customer & Digital Strategy**
 - Strategy Overview
 - Focus Areas
 - Measuring Progress

Key Messages

- Over the past three years, we have made real progress on our Digital Transformation, **creating significant value** for customers, shareholders and Manulife
- Our **Customer and Digital strategy** provides a laser-focused, disciplined framework to guide how we prioritize and sequence our investment choices to provide maximum benefit through:
 1. Using the **Voice of the Customer** to ensure we solve the most pressing customer issues
 2. Creating **market-leading, differentiated customer experiences** by doubling-down on the most critical interactions that will have the most impact for our brand
 3. **Extending our relationships** in the Health and Wellness ecosystem to serve customers in new ways
- We have made tremendous progress and there is **still substantial value to realize**

Digital *Journey*

We have invested in core Enterprise *Strategic Accelerators* to support our Digital Transformation

Digital & Customer Investment



Over **\$750M** invested in digital capabilities since 2018

Human-Centered Design



In 2020, our HCD Practitioners engaged **7.5k+** customers in research & design, contributing to a **50% NPS¹** increase

Agile



5k+ Agile Practitioners across **500+** Squads globally

Advanced Analytics



160 Data Scientists enabling value across our businesses

Technology Infrastructure



57% of Applications in the Cloud

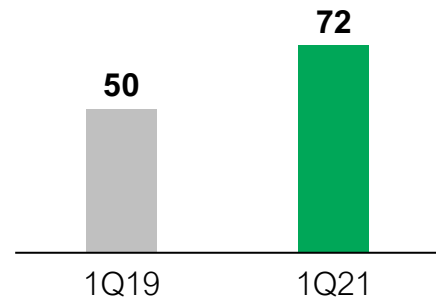
High-Velocity Digital Wins



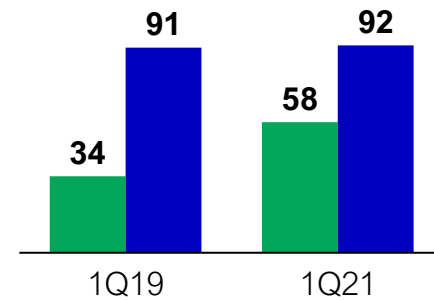
26 initiatives delivered in **<90** days resulting in **120%** ROI

Early success proves the value in our *strategy* and demonstrates our ability to *transform*

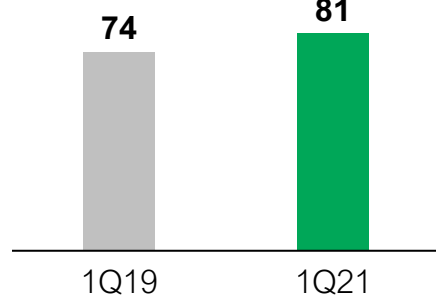
Auto-Underwriting
(%)



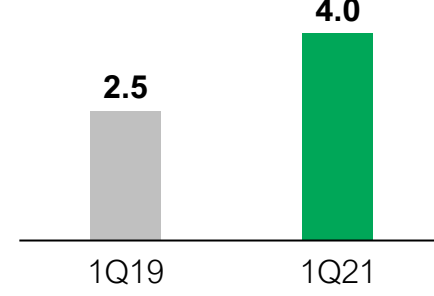
Digital Claims Submission
(%) Life Insurance All Insurance



STP
(%)



Mobile App Ratings¹
(Stars)



¹ Most frequently used Mobile apps on 5-star rating system.

³ As of Full Year 2020.

⁵ As of 1Q21.

⁷ Artificial Intelligence/Advanced Analytics.

² New business digital submission as of April 2021.

⁴ From 1Q20 to 1Q21.

⁶ Manulife Investment Management.

Asia Digital Onboarding

Provided 80K agents with tools to onboard new customers

- 73% new business digital submission²
- 76% auto-underwriting³

Digital Claims

Delivered a seamless customer experience that provides faster claims approval, digital submission, and automated payment

- 60% of total claims were submitted digitally in 1Q21 in 6 markets in Asia where the platform is deployed
- Group Benefits claims transformation increased auto-adjudication rates from 60% to 86%⁴
- Group Benefits redesigned App which resulted in 4.3 out of 5 Stars⁵

MIM⁶ Digital Express Enrollment

Streamlined enrollment experience driving higher adoption of plan advice such as suggested savings rates

- U.S. Retirement customer savings rates increased from 6.9% to 8.4% in 2020

MIM Retail Distribution Optimization

Leveraged AI/AA⁷ models to deliver targeted communications, generate leads and drive sales within a 300K advisor network

- Identified 15K prospects resulting in \$2.5 billion AUM in 2020

Customer & Digital *Strategy Acceleration*

Accelerating our Customer & Digital strategy through the *Voice of the Customer*

Become the digital, customer leader in our industry

Customers Expect...

-  **Proactive Stewardship**
-  **Simple, Fast & Seamless Experiences**
-  **Empathetic & Human Interactions**
-  **Clear & Transparent Processes**
-  **Value Beyond the Transaction**
-  **Enabled Intermediaries**

Focus Areas

Brilliant Basics

Harness the Voice of the Customer to excel at the basics

Differentiated Experiences

Build differentiated, market-leading priority customer experiences

Extend Customer Relationships

Use open innovation to provide value-added advice and new services to customers

Strategic Accelerators

-  **Digital and Customer Investment**
-  **Human-Centered Design**
-  **Agile**
-  **Advanced Analytics**
-  **Technology Infrastructure**
-  **High-Velocity Digital Wins**

Brilliant Basics

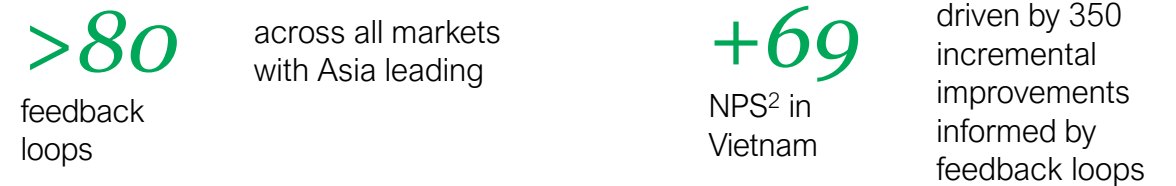
Harness the Voice of the Customer to excel at the basics

- Industrialize always-on feedback loops
- First call resolution
- Paper reduction
- Simplify customer communications

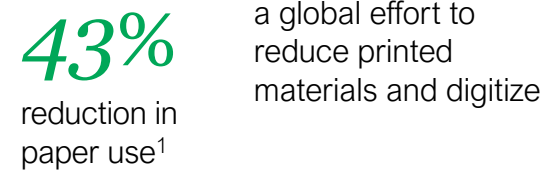
Voice of customer insights



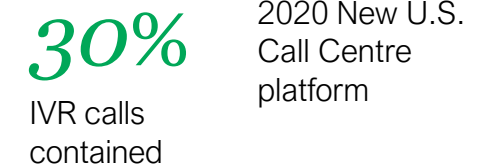
Industrialized feedback loops



Paper reduction



First call resolution



The opportunity



Proactive service recovery intervention



Integrate all customer listening posts



Influencing detractors to passives to promoters

¹ Total paper use measured in metric tonnes: 2018 to 2020 comparison. ² Relationship NPS.

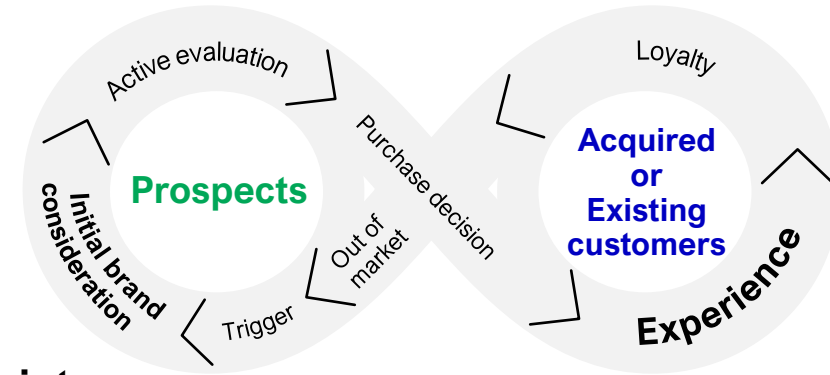
Differentiated Experiences



Build differentiated, market-leading priority customer experiences

- Leverage Human-Centered Design to re-imagine priority moments that influence customer advocacy and drive business results
- Harness the power of Advanced Analytics to predict servicing intents, aligning customers with solutions

Identifying & redesigning priority experiences across the customer journey



Proof points

U.S. Insurance sales

80%

reduction in turnaround time

auto-underwriting and eliminating health exam¹

Hong Kong statements

13%

reduction in inquiry calls²

redesign of the anniversary statement

▲ 26points NPS³

Intelligence as a differentiator

Sales Lead Scoring

Intent Detection Next-Best Action

Automated Underwriting

Health Prediction Feedback Analysis



WATERLOO.AI
WATERLOO ARTIFICIAL INTELLIGENCE INSTITUTE

¹ Available to ages 18-60 with a face amount below US\$3 million. ² In 4Q20 compared to 4Q19. ³ Transactional NPS.

Extend Customer Relationships

Use open innovation to provide value-added advice and new services to customers

- Leverage partnership ecosystems to extend our products and services in health and wellness
- Provide holistic advice to customers on their key life decisions to help them achieve health and wellness goals

Customer reach¹

2.4M global Behavioural Insurance customers



Healthy outcomes¹

25+ mobile interactions² monthly

50% report BMI reductions members³


Financial impact¹


24% contribution to global individual insurance APE sales


Deepen relationships¹


41% in Hong Kong purchased a 2nd product customers

Partnership ecosystem

 1st life insurer to collaborate with Amazon

 digital rewards platform in Asia to support health journey

 named Best Life Insurer for people living with diabetes⁴

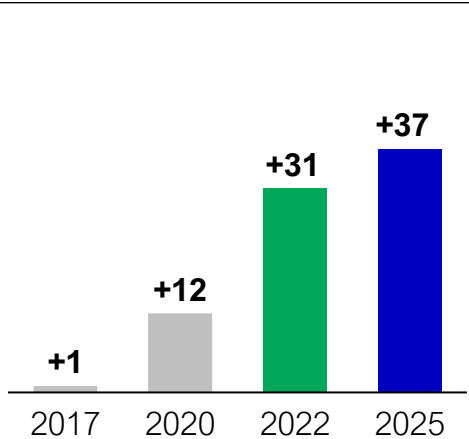
 Health Score Engine
It's all about you.

¹ As of 4Q20. ² North America. ³ U.S. ⁴ Investopedia May 2021 – John Hancock Best Life Insurance Companies for Diabetics.

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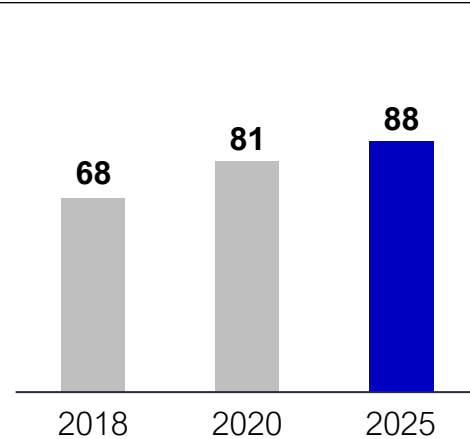
Measuring progress and performance against key customer and digital metrics

NPS¹



■ 2022 Target
■ 2025 Supplemental Goal

STP² (%)



Digital Customer Leader³

8/11
Markets

currently leading or co-leading in **NPS^{1,4}**

87%
Retail

MIM is leading the way with **Products Digitally Available End-to-End**

66%
Retirement

84%
Group Benefits

GB and Bank are leading the way with **Servicing Digitally Available End-to-End**

67%
Group Benefits

GB and HK are leading the way with **Customers Digitally Active**

85%
Manulife Bank

47%
Hong Kong

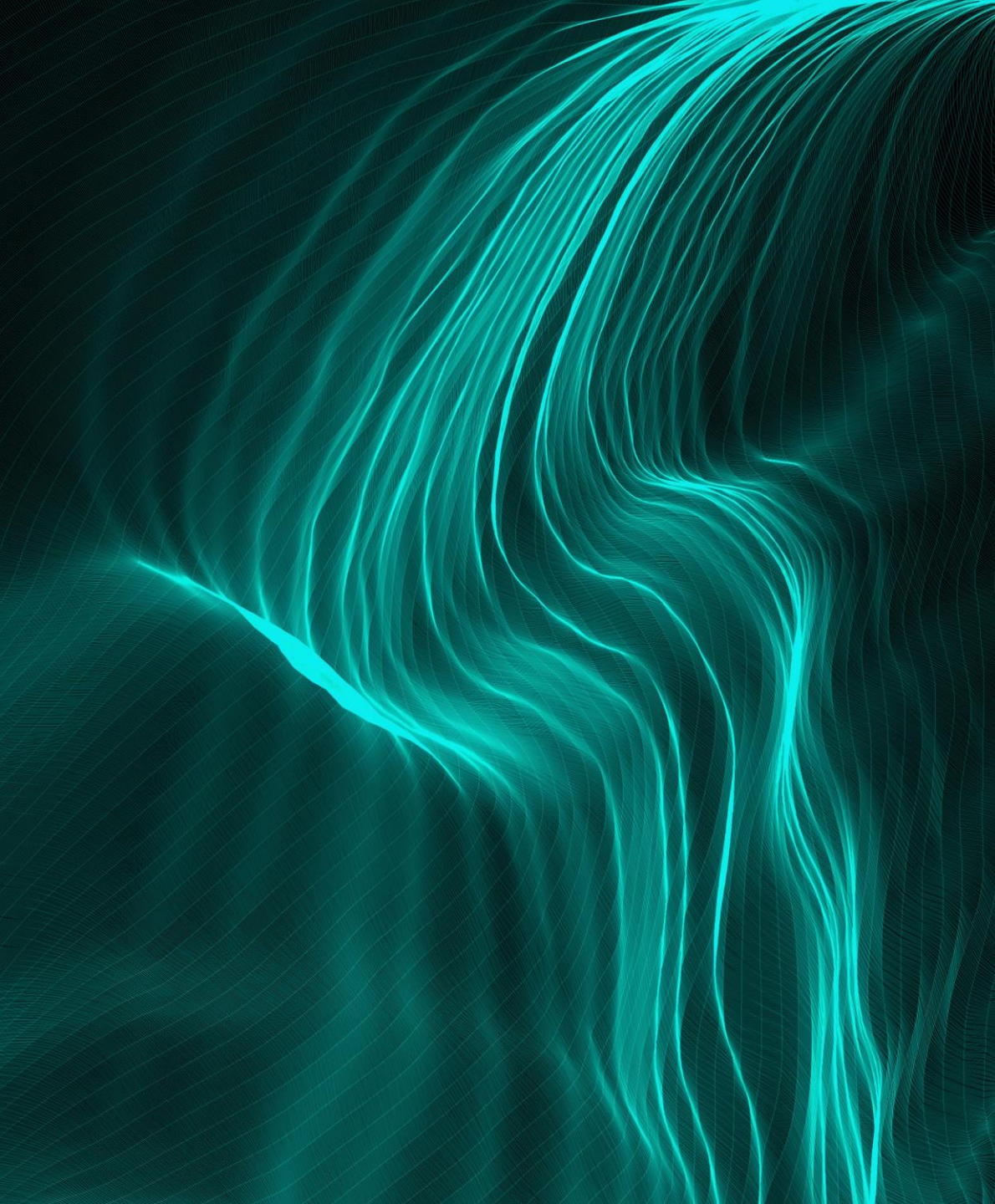
Note: See slide entitled "Caution regarding forward-looking statements" in 2021 Investor Day Legal Slides.

¹ Relationship NPS. ² Straight-through processing includes money movement. ³ All figures as of 1Q21.

⁴ For Individual Insurance markets.

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Manulife