Manulife John Hancock

ANNUAL MEETING ADDRESS

Remarks

DONALD A. GULOIEN
PRESIDENT AND CHIEF EXECUTIVE OFFICER

at the

ANNUAL MEETING OF SHAREHOLDERS

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Check Against Delivery
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Good morning, Mr. Chairman, ladies and gentlemen, fellow policyholders and fellow shareholders. Welcome and thank you for joining us.

I am pleased to discuss Manulife's performance, as well as how we are setting the course for the future, innovating and reimagining our business for our customers, and improving the discipline with which we execute.

Throughout 2016, we stayed focused on our strategic plan, renewed our commitment to our customers and delivered solid operating results.

All of this was possible thanks to the passion and dedication of our 35,000 employees and 70,000 agents around the world.

Steve has covered our full-year 2016 results in detail, but I would like to talk about our performance over a longer period of time.

Back in 2012, we set a target of achieving $4 billion in core earnings in four years. This was a challenging objective. It was set in a very uncertain period, when earnings had fluctuated considerably as a result of the impact of the financial crisis.

We faced many headwinds and challenges, including: historically low interest rates; legacy businesses which consumed roughly half our capital; risks associated with basis changes; and the need to put interest rate and equity hedging in place. And, indeed, then interest rates continued to fall further.

Despite these challenges, we achieved the $4 billion target in 2016, nearly doubling core earnings from 2012, and that momentum has continued into the first quarter.

I would also like to use this four-year context to reflect on a few other elements of our performance over that period.

Our net income this year was $2.9 billion, which represents an increase of more than 60 per cent from 2012.

Our assets under management and administration grew to a record $977 billion, up 84 per cent from 2012. And as you know, in Q1 we surpassed the $1 trillion milestone for the first time.

We've also delivered positive quarterly net flows in our global Wealth and Asset Management business for 29 consecutive quarters.

Our market capitalization has almost doubled since 2012, and as of May 1st, it sat at about $47.6 billion.

And finally, our Total Shareholder Return between the end of 2012 and May 1st of this year was more than 100 per cent … outperforming the TSX composite index and the S&P 500 over the same period.

It's also important to note we recently raised our dividend 11 per cent, marking our third consecutive year of increases, and a cumulative increase of 58 per cent during this period.

So there's a lot to be proud of in terms of the progress we have made in recent years.

Still, we are mindful of the areas where we have fallen short. While we are proud of our 2016 results, the truth is that we had set even more ambitious targets for ourselves.

These shortfalls are reflected in the compensation for me and my team, and I want to assure you that we are committed to improving performance further and sharpening our focus on shareholder return.

I would also like to be able to tell you that we have eliminated volatility, but due to the nature of some of our legacy businesses, volatility will stay with us for some time. However, we have taken a variety of measures, including hedging, diversification and basis changes, to reduce it from what it would otherwise be, but volatility in net income - primarily from our closed-block businesses will be still with us for some time.

Now, please let me give you an overview of our progress in other areas, and of where we are headed. As we move forward, we are using a dual-lens approach to making strategic decisions.

Our first lens is our corporate purpose, which is "to help people achieve their dreams and aspirations, by putting customers' needs first and providing the right advice and solutions."

This is much more than a tag line. Rather, it's a clear articulation of what we do for our customers in order to earn a return for our shareholders. We believe that if we develop new, innovative products and services for our customers, and do that really well, we will drive substantial shareholder value.

Our second, equally important lens is rigorous discipline around Total Shareholder Return. We carefully evaluate and prioritize projects and initiatives, and how we allocate our time, resources and capital, based on a realistic assessment of the value they can be expected to deliver for you, our shareholders.

This dual-lens approach helps determine our greatest priorities… and we know that when the interests of our customers and our shareholders intersect, truly exceptional things can happen.

We are also working hard to strike a balance between delivering strong short-term results and investing for the long term. There's no question we must do both, but we must get the balance right: if we only think long-term and deliver poor short-term results, we know we will lose our right to invest for the future.

At the same time, if we don't invest for the long-term, we risk falling behind; our industry could be disrupted by new entrants; and long-term shareholder value would ultimately suffer.

Our successful Efficiency and Effectiveness initiative is a good example of this philosophy in action.

We started E&E in 2012 by making significant investments in technology to produce better outcomes in the future. We are now achieving annual pre-tax savings of $500 million, exceeding our target by 25 per cent. We are also using a considerable portion of these savings to continue to make investments in technology and innovation, but we expect an increasing amount of the savings will fall to the bottom line over time.

During the year, we made $26 billion in payments to our customers, including: delivering returns on investment, providing pension and retirement income, helping pay for medical needs, and paying out death benefits. It's an impressive number.

But caring about customers goes beyond just money. What's equally impressive is how we serve our customers and their families around the world. I'm going to tell you about a few of them.

First, I would like to take you to Casselman, Ontario. There's a new small business there called Charithé, which is operated by two young women named Emilie and Valerie. Charithé makes beautiful, custom-designed mugs with inspirational messages, and they donate a portion of the profits to local charities.

Valerie is a Manulife Bank customer, and she recently told us that the flexibility of banking with us helped her save what she really needed in order to start the business. I can tell you that we're very proud to have played a small part in bringing her dream to life.

We are also proud of how we stand by our customers when life presents them with some of its toughest challenges.

A customer who is a disability claimant bravely battling cancer wrote this to her Manulife caseworker:

Dear Kim,

This is just a note to let you know how much I appreciated having you as my caseworker during these past three years. I couldn't have asked for better.

Cancer and its side effects are devastating. You don't know how much your calls meant to me. I just wanted to let you know that you really do touch people in your work.

That tells the story of one of our employees going above and beyond for our customer. But sometimes, the products and services we offer are the stars.

A U.S. customer wrote this: "Can I just tell you how much I love you for getting us into the John Hancock Vitality program?" Vitality not only provided the customer with the coverage she was looking for, but also helped her focus on healthy living while saving money and earning rewards, part of which she allocated toward a family vacation.

She has become a passionate Vitality advocate, enthusiastically referring friends and family to the program.

I think these stories are great examples of customer centricity in action. I also think they speak to not only how we serve our customers, but why.

We all have different dreams and aspirations. For some, it's about starting a business, putting their kids through college or university, or buying their first home. For others, it's about living healthier, paying off a student loan, planning for retirement or providing for others.

With our 22 million customers and their families, I am excited to imagine how many dreams and aspirations are out there, and I can tell you we take our commitment to all of them very seriously.

We continue to launch tools, products, services and partnerships to re-engineer our business and improve our customer experience. Let me give you a few examples.

We have now launched Manulife Vitality in Canada.

We are also using advanced, predictive analytics to simplify insurance underwriting and eliminate unnecessary medical testing. In 2016, we continued to lead the industry by eliminating the need for body fluid collection as part of the underwriting process for a large number of customers. We also became the first insurer to accept life insurance applications from Canadians living with HIV.

We are present in some of Asia's most rapidly growing markets, as you can see from this slide. In addition, the middle class in Asia is projected to grow dramatically. By 2025, Asia's middle class is expected to be eight times that of North America – an estimated 2.5 billion people. And household wealth in Asia is expected to more than double in the next ten years.

So this massive, increasingly wealthy group of people will have needs that we are uniquely positioned to serve … thanks to our longstanding experience in the region, as well as our capabilities in <u>both</u> wealth management and life insurance.

We have expanded our innovative ManulifeMOVE program to the Philippines and mainland China, building on the success we've seen in Hong Kong and Macau. In Indonesia, we launched the first self-serve online mutual fund platform in the market.

In Japan, we've enabled the payment of premiums using text messages. In mainland China, we are using the WeChat platform to process claims, reducing processing time from more than one week to as little as one day.

In the U.S., we launched the first phase of our digital life insurance buying platform and are making a foray into digital advice.

We also expanded our Vitality program, offering discounts for healthy food purchases. We have more than 16,000 stores associated with the program, so when many of our customers go through checkout at Walmart, they see on their receipt that John Hancock Vitality got them the discount – never a bad message to deliver!

And we continued to build our momentum in the ETF market by adding six new funds to our lineup.

This is just a small sample of how we're innovating for our customers. As you can see, around the world, our businesses are learning from each other, sharing and applying best practices.

As we look ahead, we expect Asia and global Wealth and Asset Management will continue to be our most rapidly growing businesses.

In Asia, we are benefitting from exclusive partnerships with other financial institutions. Relationships such as Danamon Bank and DBS have diversified our geographical footprint and channel mix. They have given us the opportunity to reach millions of new potential customers… and we now have the number one market share position in bancassurance in Singapore.

Our global Wealth and Asset Management businesses are also strongly positioned, delivering organic growth across our retail, retirement and institutional platforms… supplemented by acquisitions.

We also plan to further enhance our scale and capabilities in certain areas of the business, including: mutual funds; U.S. retirement; institutional multi-asset solutions; liquid alternatives; passive investments; and institutional infrastructure. We have also expanded our asset management presence into Europe, the Middle East and Latin America.

These investments play an important role in the long-term growth of our businesses around the world.

We are fond of saying that we prefer margins over market share. That's generally true, but in the retirement-plan space, scale really counts. We have made acquisitions to augment our scope and reach.

In Asia, in addition to the DBS deal, we strengthened our Mandatory Provident Fund position through the launch of a strategic partnership with Standard Chartered Bank in Hong Kong.

In the U.S., we successfully integrated our acquisition of New York Life's retirement planning business. This helped our U.S. business write a record number of proposals and close a record number of plans in 2016.

And in Canada, our acquisition of Standard Life's Canadian operations played a significant role in growing our wealth and asset management business, adding 1.4 million customers to our base and strengthening our overall presence in Quebec.

I would like to switch gears now and speak to you about how technology can accelerate our customer focus.

Over the past year, we have dramatically simplified and sped up the underwriting process in Canada, and reduced some of the hassles commonly encountered by our customers.

We've been able to do this because we have a talented team of data scientists who developed a system that uses artificial intelligence and analytics to help us make underwriting decisions based on the information the applicant provides to us – without invasive testing.

This type of technology makes the application process faster and easier for our customers, and allows us to reduce the costs we incur, in addition to helping minimize fraud. In other words, the customer wins and the Company wins.

But this is just one example. The team that developed this technology for our Canadian Division is leveraging it with similar teams in Asia and the U.S.

We are also developing partnerships with – and investments in – several FinTech startups. In addition, we now have innovation hubs in Singapore, Boston, San Francisco, Toronto and Kitchener-Waterloo. They are exploring new markets and developing truly innovative and disruptive solutions that benefit our customers.

As always, attracting, developing and retaining the best and most diverse talent remains a priority for Manulife.

We are investing to enable our employees to be the best they can be. We do this through training, and making Manulife a more flexible, and inclusive place to work.

The reasoning is simple: engaged employees are more likely to deliver a great customer experience, and a diverse pool of employees better reflects our customer population.

The progress we have made as a company continued to garner a variety of external recognition. For the second year in a row, we were recognized by the Glassdoor Employees' Choice Awards as one of the Best Places to Work. The Glassdoor Awards are an exceptional honour because they are based on voluntary and anonymous feedback from employees… and we are benchmarked against the best competitors.

We are also pleased that Manulife and John Hancock were recognized by Forbes as being among Canada's and America's Best Employers, respectively, and that we were once again named one of Canada's Top Employers for Young People.

John Hancock also received a perfect score as one of the best places to work in terms of LGBT workplace equality.

We are proud of helping our 22 million customers achieve their dreams and aspirations. In addition, we are passionate about supporting the communities where we live and work. In 2016, Manulife, its employees and its programs contributed a total of $39 million to non-profit organizations.

Our employees also gave more than 107,000 hours of their time over the past year to volunteering in the community.

We recognize that a healthy environment is vital to the well-being of our business, our employees and the people we serve around the world.

To that end, we invested $1.5 billion in renewable energy and energy efficiency projects in 2016 alone. And since 2012, we have reduced the intensity of greenhouse gas emissions in our real estate portfolio by 24 per cent.

Our employees, investors and customers will soon see more of a new face. In March, we announced that Roy Gori, who currently leads our Asia Division, would become President of Manulife, effective June 5th.

Roy is an enormously capable leader. I am simply delighted he is taking on this global role, leveraging his talent, expertise and collaborative instinct across all our businesses.

Since joining our Company, Roy has had an incredibly positive influence on our business in Asia, and its long-term growth trajectory. As President, he will assume leadership of the Company’s Canadian, U.S. and Investment operations, in addition to Asia, and will also be responsible for developing and executing Manulife's business strategy.

Actually – I’m going to put you on the spot, Roy. May I ask you to introduce yourself and say a few words?

Thanks Roy. I look forward to next month, when all of Manulife will be able to see your leadership and energy in action.

Another new face on our senior leadership team is Linda Mantia, our Chief Operating Officer, who joined us in the fall. Linda has already made a very significant impact, and I know we will continue to see many more contributions from her in the future.

On a more somber note, an outstanding person who helped make Manulife the success it is today passed away in November. I would like to take a moment to honour him.

Steve Sigurdson, who served as Manulife’s General Counsel, was a remarkable individual, with great strength of character, intellect and sense of humour.

Steve was instrumental in many important initiatives at Manulife, including our successful acquisition of Standard Life’s Canadian operations. He also made numerous contributions as outside counsel before he joined our company. Just this week, Steve was posthumously recognized with the lifetime achievement award at the 2017 Canadian General Counsel Awards – a testament to his career, character and capabilities.

I had the pleasure and honour of calling Steve my friend, and, like many others at Manulife, I miss him profoundly.

In closing, I would like to thank Dick DeWolfe and the rest of our Board of Directors for the guidance, support and counsel they have provided to me and to Manulife’s management team over the course of the year.

I also wish to thank our employees, agents and other distribution partners, who are the engine that drives our success.

Finally, I would like to thank you, our fellow shareholders, for your trust in Manulife, our strategy and our people.

Reflecting on 2016, as well as the four years since we set our ambitious $4 billion core earnings target, we've achieved strong results – as you can see from this slide.

I am confident that on balance, the course we set and the decisions we made have been the correct ones for our Company.

Today, Manulife is moving forward with solid momentum to deliver exceptional experiences for our customers and sustainable, long-term growth for our shareholders.

Thank you.