

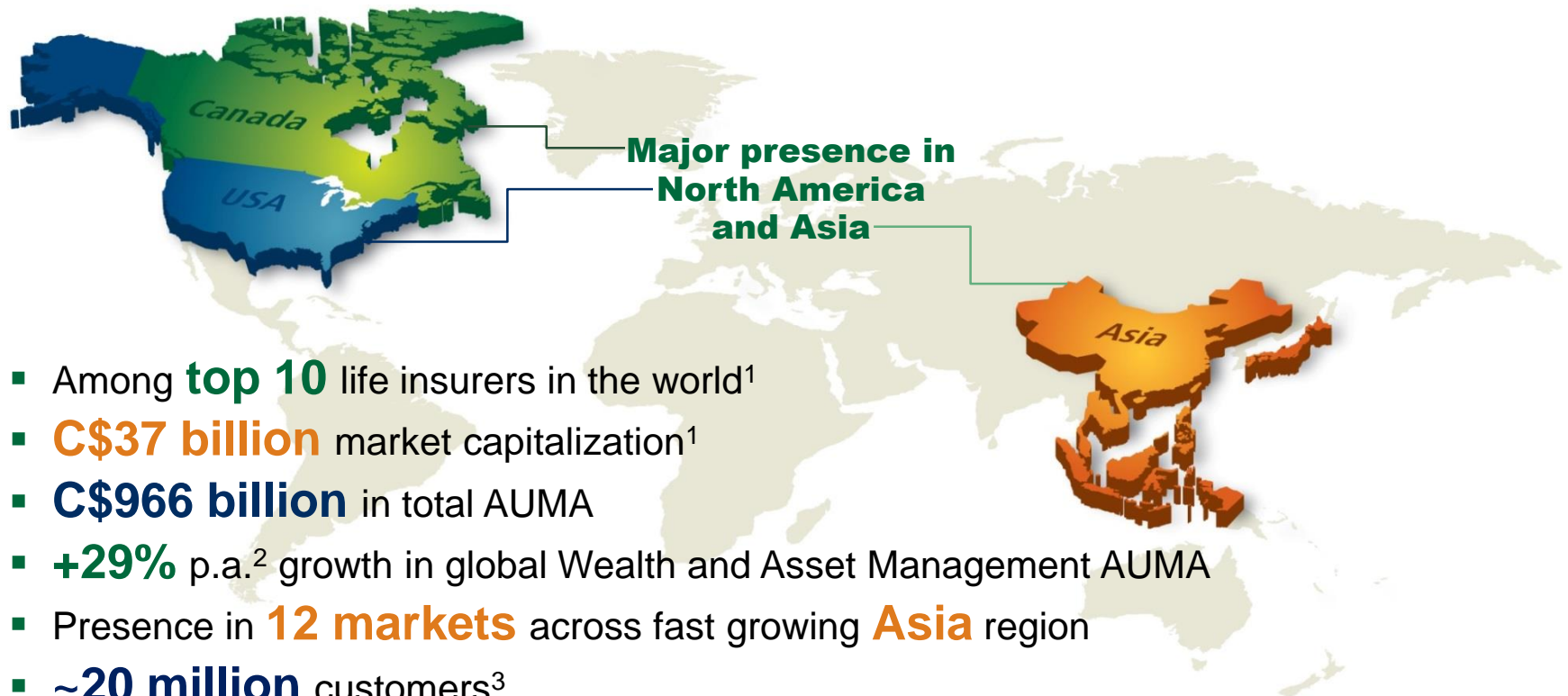
Manulife Experience: strategic planning of government and regulatory affairs across three jurisdictions

Peter Wilkinson, SVP,
Regulatory and Government
Affairs

Manulife Financial



Manulife is a leading global financial services company



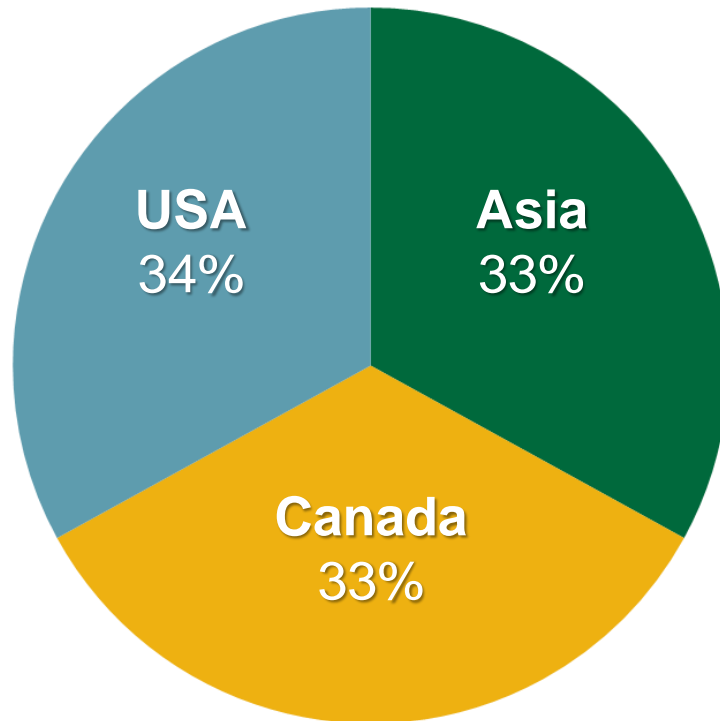
- Among **top 10** life insurers in the world¹
- **C\$37 billion** market capitalization¹
- **C\$966 billion** in total AUMA
- **+29%** p.a.² growth in global Wealth and Asset Management AUMA
- Presence in **12 markets** across fast growing **Asia** region
- **~20 million** customers³
- **~34,000** employees³

¹ As at September 30, 2016; Global life insurers ranked by market capitalization in U.S. dollars; Source Bloomberg. ² Compound Annual Growth Rate ("CAGR") of Assets Under Management and Administration ("AUMA") from December 31, 2012 to September 30, 2016. ³ As of December 31, 2015.

Two thirds of our business comes from outside Canada

Core earnings by region

(Relative split over time)



In the United States, we operate under the John Hancock brand

John Hancock

Deep understanding of Asian markets, founded on over 100 years of history



Strong presence in Asia

- ✓ 7 million customers
- ✓ 119 years in Asia
- ✓ Leading professional agency
- ✓ 100+ bank partners, 6 exclusive relationships, access to 17 million customers
- ✓ 11 insurance and 9 asset management operations
- ✓ US\$93 billion assets under management and administration

Note: As at September 30, 2016

Regulatory and Public Affairs Group: global mandate, diverse team, high-level impact.

Regulatory and Public Affairs (RPA) helps the company achieve its business goals by advocating for desired changes to public policy, regulation, or industry practices, and by encouraging desired outcomes in governmental and regulatory decision-making process. We also drive our global and local Corporate Social Responsibility efforts and are invested in the communities we operate in.

- **Skills and Competencies:** We are a team of lawyers, accountants, actuaries, political risk and policy analysts, archivists, librarians and data researchers.
- **External Stakeholders:** We help Manulife speak with one voice, globally – on government, public policy, national and international regulatory bodies, regulatory and corporate social responsibility and philanthropy matters.

Internal Stakeholders: RPA is an important group within Manulife. We have a high degree of responsibility, visibility and are in close contact with senior management. RPA reports to the global COO but most of our work interaction is with the global CEO.

- **Structure:** Flat organizational structure, RPA reports directly to COO. RPA's leader sits on the company's global management committee. We are actively involved in the day-to-day business, get engaged in business and investment deals.
- **Issues Management:** Regular reputational, political and regulatory issues-monitoring done by analysts and senior managers. We are also responsible for the daily media scans that go up to the company's Board and Senior Management.

Practical Example 1: Insights, thought leadership and high level visibility in policy circles

- RPA is an important group within Manulife. We have a high degree of responsibility, visibility (both within the company and externally) and are in close contact with senior management.
- To keep our internal and external audience up to date, RPA issues Regulatory and Political Risk Newsletters, Policy Viewpoints, and Industry Papers. These materials help position our company at the forefront of industry and public policy thinking. Depending on the jurisdiction, we help our senior leaders adopt a higher profile to communicate our thinking.
 - **High profile:** For example, our CEO and President, Donald Guloien, is on the advisory board of the IBLAC (International Business Leaders' Advisory Council) for the Mayor of Shanghai, and participates in the annual China Development Forum, organized by the Premier of China.
 - **Low profile:** In other Asian jurisdictions, we are a go-to partner during consultations on policy reforms and new initiatives. We have educated various regulatory bodies on pensions, investor protection, securities regulation, infrastructure investment and other reforms.

Practical Example 2: Manulife's life insurance business in Taiwan

- Manulife entered Taiwan in 1992. After operating in the country for almost 20 years, the decision was made to close our operations because of a highly volatile regulatory environment. As a Canadian company our operations abroad were still subject to the strict oversight of the Canadian regulators.
- Manulife's business team negotiated a deal with a buyer without involving the regulator. The regulator rejected the deal, citing that a Manulife exit would be "bad public policy" and create "negative market perception".
- RPA got involved. Primary efforts aimed at finding a local buyer and flag the benefits of the deal to Taiwan. The regulator did not approve.
- RPA lobbying efforts were launched at all levels of government:
 - In the U.S., through John Hancock, we worked with the U.S. Department of State, Dept. of Commerce and the Official Trade Representatives. We also approached influential Members of the House and Senate Committees.
 - In Canada, we involved officials in multiple ministries, as well as trade and diplomatic offices.
 - All our government contacts approached their counterparts in Taiwan asking why Manulife was not being allowed to leave the country.
- Thanks to RPA efforts, Manulife successfully sold its insurance business in 2013. Ever since, RPA has always been involved in global and local business transactions.

Practical Example 3: RPA involvement in local deals

■ **Standard Life Acquisition in 2015**

- Standard Life was Manulife's first acquisition since the financial crisis, the largest acquisition in the Canadian financial institution space in the last 10 years, and the third largest Canadian life insurance acquisition ever.
- Standard Life's operations were based in Quebec, the second most-populous Canadian province with a predominantly French-speaking population. Local politics are very nuanced.
- From early on, RPA got involved to help set the tone with regulators, provincial government and the business community to pre-condition all local stakeholders.
 - RPA Acted as an "early-warning" system, flagging issues which may be conflicting
 - We spent time monitoring the environment and working our stakeholder relationships to ensure that the transaction is "in-tune" with the Quebec values and business culture.
 - We ensured that all communication were published in French and English at the same time.
 - We spotted issues, and showcased long-term commitment to the community
 - Maison Manuvie, Manulife BIXI initiative