

An Actuary's Experience as a CFO in Asia



Pacific Rim Actuaries' Club of Toronto
February 21, 2013



Agenda

- Manulife in Asia
- Asia CFO Role
- Lessons learnt
- Working as an Expat

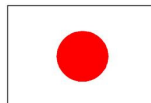
Manulife in Asia

A leading pan-Asian platform

MANULIFE
OPERATIONS



115 years and 11 territories



Japan

- 2nd largest insurance market in the world
- High growth opportunities for nimble players



Hong Kong

- 115 years of operations
- Diversified business in an excellent market



Indonesia

- Huge emerging middle-class
- Large diversified business
- Now reporting separately



China

- National platform (13 provinces and 50 cities)
- Existing fund management platform



Other Southeast Asia

- Increasing wealth and favorable demographics
- Leading platform to seize the growth opportunities

strong reliable trustworthy forward-thinking

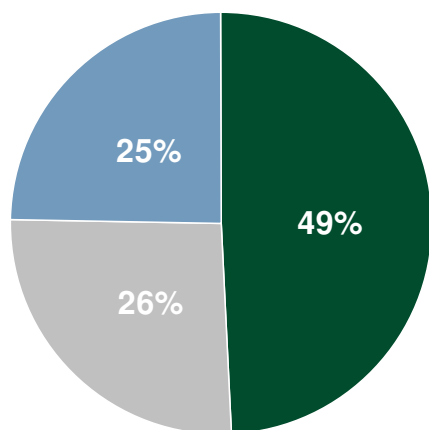
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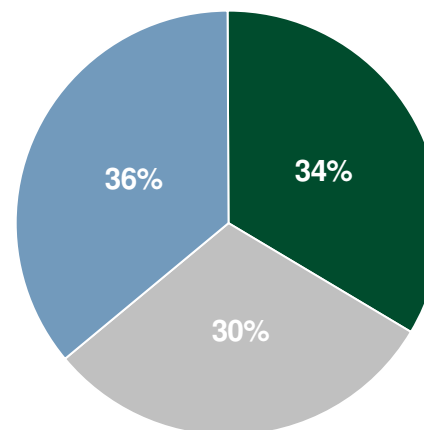
125 YEARS

Asia already contributes materially to MFC

2011 Insurance Sales¹ Mix by Division
(C\$2.5 billion)



2011 Core Earnings¹
(C\$ 2.8 billion, excludes Corporate & Other Division)



■ Asia Division ■ Canadian Division ■ U.S. Division

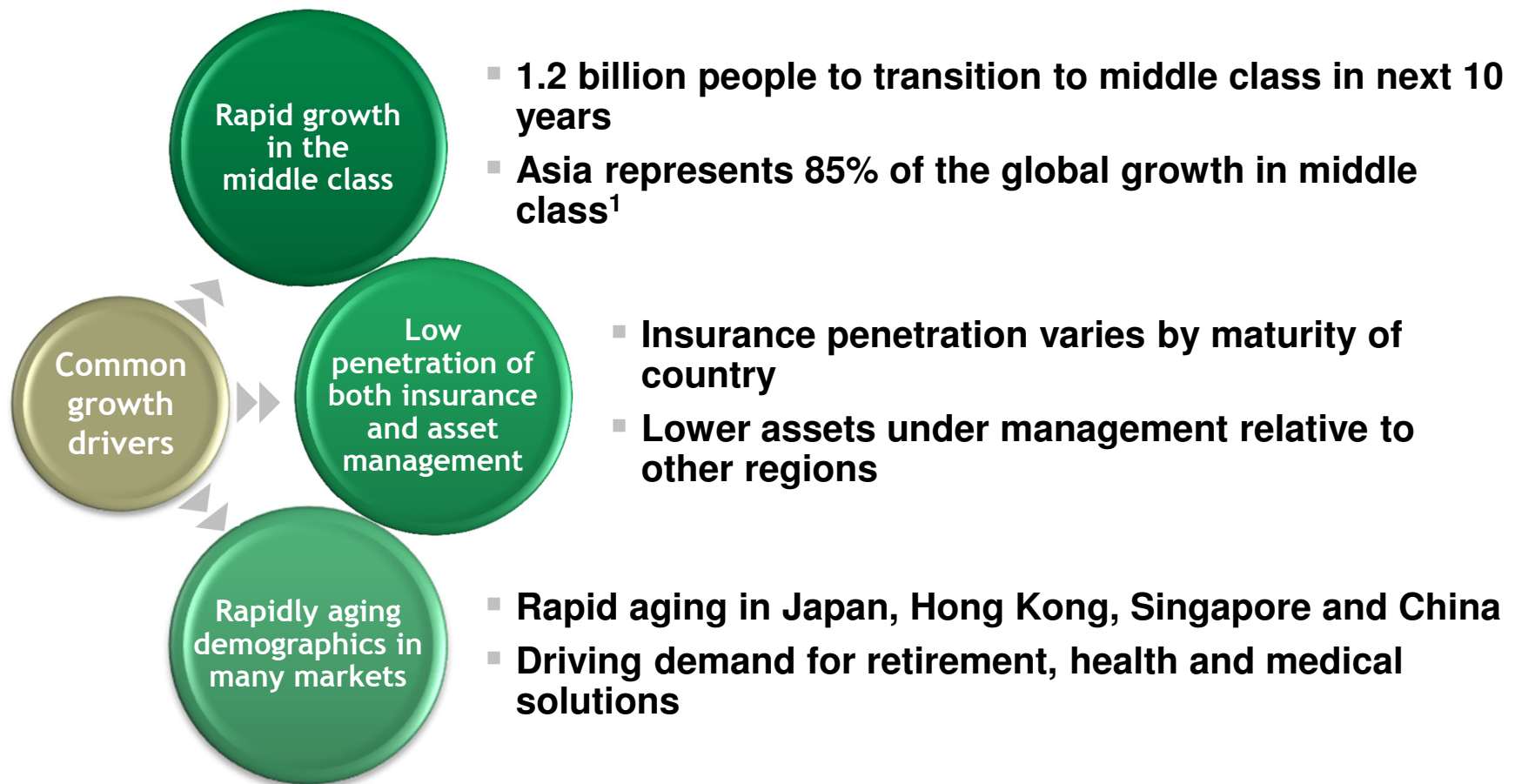
¹ A Non-GAAP measure. See "Notes to Users – Performance and Non-GAAP Measures" above.

strong reliable trustworthy forward-thinking

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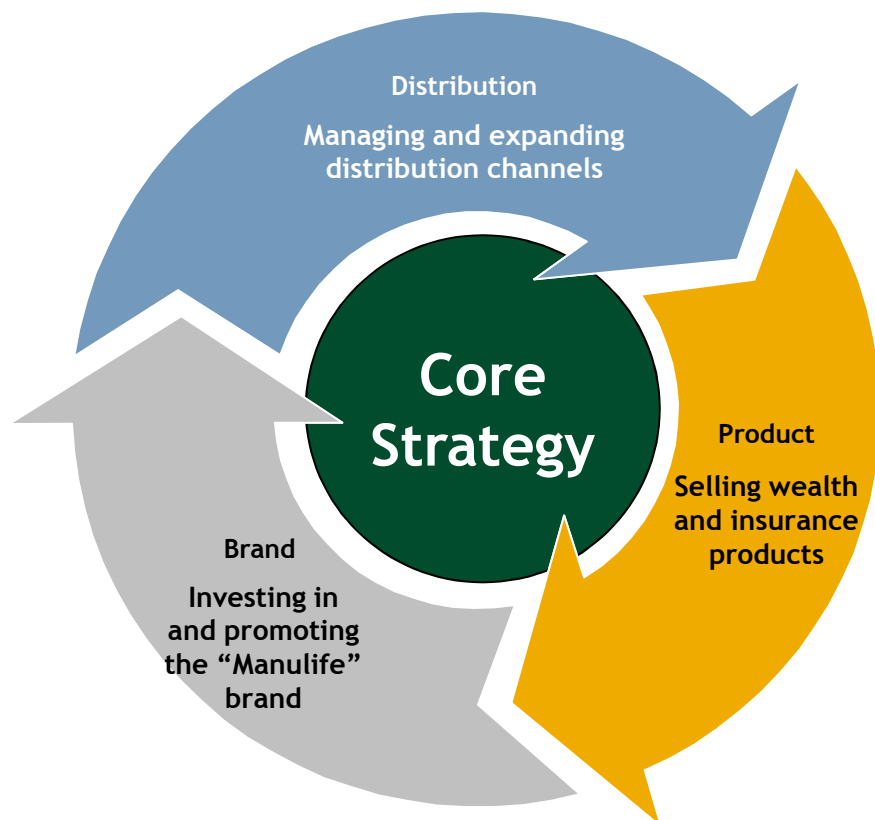
125 YEARS

The Asia Opportunity



¹ Source: "The Emerging Middle Class in Developing Countries", Homi Kharas, OCED Development Center Working Paper No. 285

Manulife's clear and consistent Asian strategy



Diversified Business & Geographic Portfolio

Business Expansion
New Market Entry
M&A

strong reliable trustworthy forward-thinking

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125 YEARS

Executing on priorities for each leg of the strategy

Expand Distribution Capabilities

- Double the core professional agency force
- Continue building out a network of significant regional and local bank partners
- Expand the independent and MGA distribution channels

Build Wealth Management Capabilities

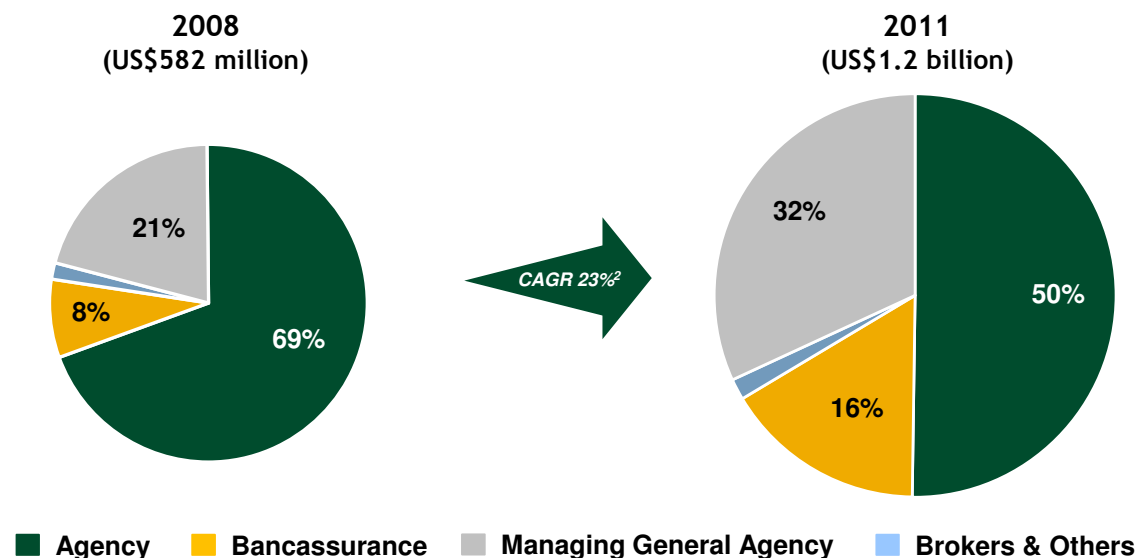
- Expand mutual fund sales and collaborate with Manulife Asset Management
- Leverage global capabilities to take advantage of the emerging pension and retirement opportunity

Develop Innovative Campaigns

- Develop differentiated marketing campaigns
- Enhance brand recognition by consumers

Successfully growing and expanding distribution

Insurance APE Sales¹ by Channel (%)



- Historical focus on a tied professional agency
- Increasing success with leading foreign and local banks
- Growing expertise with independent financial advisors

¹ Non-GAAP measure. See “Note to Users – Performance and Non-GAAP Measures” below.

² Growth rates on a constant currency basis. A non-GAAP measure.

Asia CFO Role

Scope of Asia CFO Role

- Asian operations span 11 countries/territories
 - 11 Country CFOs to manage
 - 11 Country General Managers to know and understand as well as their Regional General Managers
 - 11 Country Chief Actuaries and Controllers to know and understand
 - 11 different cultures to understand
 - 11 different operations, product line ups, regulatory and capital regimes, distribution systems and partners to know and understand
 - Over 500 finance and actuarial professions
 - Dual reporting to Group CFO as well as General Manager for Asia

A lot of operations and people to know, understand and manage

Scope of Asia CFO Role

Accountabilites

- Accuracy of financial and actuarial reporting
- Capital management for 11 entities
- Approval of all new products
- Risk management
- Talent management – attracting, developing, retaining and ensuring appropriate talent was in place
- M&A
- Suitability of wealth management funds offered
- Management of relationship with Corporate Finance functions

Lessons Learned

Successful Leading and Managing in Asia

- People are the same everywhere
 - Successful leadership requires that you connect with them
 - Treat them with respect
 - Focus on positive versus negative messages
 - Honour their traditions
- In Asia, given the growth, recruiting is an every day job and as a leader, its your job
 - Teams in Asia fall apart much more quickly in stressful situations
 - You are at a disadvantage – local knowledge takes time to build

Successful Leading and Managing in Asia (cont'd)

- To successfully lead in Asia, you have to be more attuned to people
 - Managing people at a distance
 - Understanding and managing around different agendas
 - Understanding the impact of different cultures
- You need to be self reliant and self contained
 - In many respects you are on your own
 - You do not have a peer group in your time zone to call upon

Successful Leading and Managing in Asia (cont'd)

- You need to help people move within the organization to develop a broader skill set
 - Individuals can be reluctant to move
 - Managers prefer to keep their best performers
 - Need to think several roles ahead
 - Try to develop your successor
- It is extremely rewarding because people are so appreciative and keen

Lessons Leant

Adapting to a different culture

- You are the guest. Behave accordingly
- Observe the local culture and conform
- Never under estimate the advantage of local knowledge
 - Your instincts will often be wrong and if you rely on them you will make the wrong choices
 - There is a lot you will not know. Don't make the mistake of assuming you do
- Enjoy the experience – it is enriching
- You will discover that the most rewarding part of the experience is what it teaches you about yourself
 - And how it allows you to shape how you behave and how you think

Working as an Expat

Working as an Expat

- Shouldn't be one unless you feel you can make a difference
- Key attributes:
 - Resourceful
 - Persevere
 - Extra capacity – its harder than doing the same job in your home country
 - Adaptable – it won't be like home
 - Family that is supportive, adaptable, self reliant – you'll be working a lot and size of housing is usually smaller
 - Enjoy new experiences, travel and living in different cultures

Working as an Expat (cont'd)

- Attitude is very important
 - Focus on what you like, ignore what you don't like
 - Make the most of the experience
- Not always easy to find suitable employment for a trailing spouse
 - Will depend on your spouse
 - Have to be willing to make trade offs
 - Child care and domestic help is easier
 - Schooling can be a challenge

Working as an Expat (cont'd)

- Many career opportunities in Asia given the growth but if you are 'going it on your own'
 - Language and culture can be a barrier to moving around the region
 - It can be difficult to find roles that are a good fit
- Hong Kong is a perfect location for travel throughout Asia
- You will find that you become a 'citizen of the world'

Thank you

