

For Immediate Release
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Manulife Hong Kong reports strong third-quarter results for 2015

Hong Kong – The Manulife group of companies operating in Hong Kong (“Manulife Hong Kong”) reported strong results for the third quarter and the first nine months of 2015.

Highlights are:

- Robust growth in **insurance sales**¹:
 - Quarterly insurance sales of HK\$758 million, up 20% from the third quarter of 2014.
 - Year-to-date insurance sales of HK\$1.9 billion, up 29% from the first nine months of 2014.
- Solid growth in **premiums and deposits**²:
 - Quarterly premiums and deposits of HK\$10.0 billion, up 10% from the third quarter of 2014.
 - Year-to-date premiums and deposits of HK\$29.0 billion, up 15% from the first nine months of 2014.
- Strong growth in **wealth and asset management gross flows**³:
 - Quarterly wealth and asset management gross flows of HK\$5.1 billion, up 14% from the third quarter of 2014.
 - Year-to-date wealth and asset management gross flows of HK\$14.8 billion, up 22% from the first nine months of 2014.
- Significant growth in **new business value (NBV)**⁴:
 - Quarterly NBV of HK\$551 million, up 19% from the same quarter of 2014.
 - Year-to-date NBV of HK\$1.4 billion, up 29% from the first nine months of 2014.
- Entered into an exclusive 15-year Mandatory Provident Fund (“MPF”) distribution partnership with Standard Chartered Bank (“Standard Chartered”) and an agreement to acquire the bank’s pension businesses and the related investment management entity in Hong Kong.



- Launched Manulife**MOVE**, a unique insurance concept that rewards customers for being healthier and more active.

“We had a very fruitful third quarter with our key businesses continuing to grow strongly,” said Michael Huddart, Manulife’s Executive Vice President and General Manager for Greater China. “We are particularly pleased about the signing of a pension distribution agreement with Standard Chartered that will significantly expand our pension business in Hong Kong and reinforce our position as a leader in MPF services. This, together with a higher number of agents at the end of the third quarter, means that our distribution capabilities have been further strengthened.”

With the newly-signed 15-year distribution partnership with Standard Chartered, Manulife has the exclusive right to offer its MPF products to the bank’s customers in Hong Kong. And as part of the arrangement, Manulife will acquire Standard Chartered’s existing MPF and Occupational Retirement Schemes Ordinance (“ORSO”) businesses, and the related investment management entity. The transaction is expected to close in 2016, subject to the relevant regulatory approvals.

As at the end of June 2015, Manulife’s MPF market share increased to a new peak of 18.9%⁵ in terms of assets under management, making it the second largest MPF service provider⁶ in Hong Kong.

“Another highlight of the third quarter is the launch of Manulife**MOVE**, a unique insurance concept for Hong Kong consumers,” continued Mr. Huddart. “This is a truly customer-focused initiative that rewards customers for being healthier and more active. Members of the Manulife**MOVE** program will enjoy discounted premiums on their eligible policies by simply being more active. The program has already received enthusiastic feedback from the market and positioned us as a leading advocate of health and wellness that is able to offer extraordinary solutions to our customers.”

Manulife Hong Kong’s insurance sales in the third quarter of 2015 were HK\$758 million, an increase of 20% from HK\$632 million in the same quarter of 2014, primarily attributable to the strong sales of new products, an expanded agency force and higher sales from the broker channel. Year-to-date insurance sales were HK\$1.9 billion, up 29% from HK\$1.5 billion in the first nine months of 2014.

Total premiums and deposits in the third quarter grew to HK\$10.0 billion, up 10% from HK\$9.2 billion in the same period of 2014; and increased by 15% to HK\$29.0 billion in the first nine months of 2015 from HK\$25.3 billion in the same period of 2014. These increases were mainly driven by higher insurance and pension sales, growth in renewal premiums and an expanded agency force.

Quarterly wealth and asset management gross flows grew by 14% to HK\$5.1 billion from HK\$4.5 billion in the same quarter of 2014, mainly attributable to growth in pension sales. Year-to-date wealth and asset management gross flows increased by 22% to HK\$14.8 billion from HK\$12.2 billion in the first nine months of 2014.



Quarterly NBV was HK\$551 million, up 19% from HK\$462 million in the same quarter of 2014, primarily attributable to sales growth. Year-to-date NBV was HK\$1.4 billion, up 29% from HK\$1.1 billion in the first nine months of 2014.

As at September 30, 2015, Manulife had a professional agency force of 6,508 agents in Hong Kong, representing a 10% increase over the prior 12 months.

During the third quarter, Manulife completed the purchase of Manulife Tower at Kowloon East from Wheelock Properties. “This is another milestone in our history in Hong Kong,” said Mr. Huddart. “We are very pleased to occupy this brand-new Grade-A office building starting this month. This flagship building signifies our commitment to Hong Kong and provides us with additional office space for future expansion.”

About Manulife Hong Kong

Manulife Hong Kong offers a diverse range of protection and wealth products and services to individual and corporate customers via Manulife (International) Limited, Manulife Asset Management (Hong Kong) Limited and Manulife Provident Funds Trust Company Limited, which are members of the Manulife group of companies.

About Manulife

Manulife Financial Corporation is a leading international financial services group providing forward-thinking solutions to help people with their big financial decisions. We operate as John Hancock in the United States, and Manulife elsewhere. We provide financial advice, insurance and wealth and asset management solutions for individuals, groups and institutions. At the end of 2014, we had 28,000 employees, 58,000 agents, and thousands of distribution partners, serving 20 million customers. At the end of September 2015, we had C\$888 billion (HK\$5,138 billion) in assets under management and administration, and in the previous 12 months we made more than C\$23 billion in benefits, interest and other payments to our customers. Our principal operations are in Asia, Canada and the United States where we have served customers for more than 100 years. With our global headquarters in Toronto, Canada, we trade as ‘MFC’ on the Toronto, New York, and the Philippine stock exchanges and under ‘945’ in Hong Kong. Follow Manulife on Twitter @ManulifeNews or visit www.manulife.com or www.johnhancock.com.

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Notes:

¹ Based on 100% new annualized regular and 10% single premium sales from individual and group life and health. For individual insurance, new annualized premiums reflect the annualized premium expected in the first year of a policy that requires premium payments for more than one year. Sales are reported gross before the impact of reinsurance. Single premium is the lump sum premium from the sale of a single premium product. For group insurance, sales include new annualized premiums and administrative services only premium equivalents on new cases, as well as the addition of new coverages and amendments to contracts, excluding rate increases.

² Premiums and deposits are the aggregate of (i) general fund premiums, net of reinsurance, reported as premiums on Manulife's Consolidated Statements of Income, (ii) segregated fund deposits, excluding seed money, ("deposits from policyholders"), (iii) investment contract deposits, and (iv) mutual fund deposits.

³ Wealth and asset management gross flows is comprised of fee based business with little or no insurance risk, including mutual funds and pensions products.

⁴ New Business Value ("NBV") is the change in embedded value as a result of sales in the reporting period. NBV is calculated as the present value of shareholders' interests in the expected future distributable earnings on new business, less the present value of the cost of holding capital as calculated under the MCCSR framework in North America, and the local capital requirements in Asia. Investment assumptions are consistent with product pricing, updated to reflect market assumptions consistent with the market environment in the quarter the business was sold. Best estimate fixed income yields are updated quarterly, and long term expected yields for alternative long- duration assets are typically reviewed during the annual review of actuarial assumptions and methods.

⁵ The calculation of MPF market share is based on the following information:

i) Aggregate Net Asset Values of all MPF Schemes: HK\$620.1 billion (including assets transferred from ORSO scheme) (Source: MPFA Statistical Digest, data as of June 30, 2015.)

ii) Aggregate Net Asset Values of Manulife MPF Schemes as of June 30, 2015: HK\$117.3 billion (Source: Manulife Asset Management (Hong Kong) Limited)

⁶ According to the MPF Annual Report 2014 published by Towers Watson, Manulife Provident Funds Trust Company Limited was second in terms of MPF assets under management.

