

For Immediate Release
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Manulife Hong Kong delivers strong results for fourth quarter and full-year 2015

Hong Kong – The Manulife group of companies operating in Hong Kong (“Manulife Hong Kong”) reported strong growth and delivered a number of new records in the fourth quarter and full-year 2015.

Highlights are:

- Record **insurance sales**¹:
 - Quarterly insurance sales of HK\$984 million, up 29% from the fourth quarter of 2014.
 - Full-year insurance sales of HK\$2.9 billion, up 29% from 2014.
- Record **premiums and deposits**²:
 - Quarterly premiums and deposits of HK\$10.7 billion, up 17% from the fourth quarter of 2014.
 - Full-year premiums and deposits of HK\$39.6 billion, up 15% from 2014.
- Strong growth in **wealth and asset management gross flows**³:
 - Quarterly wealth and asset management gross flows of HK\$5.1 billion, up 17% from the fourth quarter of 2014.
 - Record full-year wealth and asset management gross flows of HK\$19.9 billion, up 21% from 2014.
- Significant growth in **new business value (NBV)**⁴:
 - Quarterly NBV of HK\$641 million, up 24% from the fourth quarter of 2014.
 - Full-year NBV of HK\$2.0 billion, up 27% from 2014.
- A new high in agency numbers of 7,092, an increase of 8% over the previous year.
- Mandatory Provident Funds (MPF) market share increased to a new high of 19.1%⁵ as at September 30, 2015.



Michael Huddart, Manulife's Executive Vice President and General Manager for Greater China, stated: "We are very pleased that Manulife Hong Kong achieved its best year ever in 2015. Our insurance and wealth and asset management businesses continued to grow strongly and set new records. We also saw significantly higher NBV reflecting higher sales and the quality of our new business. Our agency numbers expanded to more than 7,000, setting another new record for Manulife Hong Kong."

He continued: "Other key achievements during the year include the signing of two significant agreements with DBS Bank and Standard Chartered Bank on life insurance distribution and pension business, respectively. These agreements, both with a term of 15 years, will significantly strengthen our distribution capabilities in the future. Manulife**MOVE**, our wellness initiative that rewards customers for living active lifestyles, has received an overwhelming response from the market since its launch in Hong Kong and was extended to cover Macau in the fourth quarter."

Manulife Hong Kong's insurance sales in the fourth quarter of 2015 were HK\$984 million, representing a new quarterly high and an increase of 29% from HK\$762 million in the same quarter of 2014, primarily driven by successful sales and promotion campaigns, new products to address customer needs, an expanded agency force and higher sales from almost all distribution channels. Full-year insurance sales also achieved a record high of HK\$2.9 billion, up 29% from HK\$2.3 billion in 2014.

Total premiums and deposits in the fourth quarter grew to a new record of HK\$10.7 billion, up 17% from HK\$9.1 billion in the same period of 2014, mainly attributable to growth in both new and inforce businesses, higher insurance and pension sales, our expanded agency force and higher sales from other distribution channels. Full-year premiums and deposits increased by 15% to another new record of HK\$39.6 billion in 2015 from HK\$34.4 billion in 2014.

Quarterly wealth and asset management gross flows grew by 17% to HK\$5.1 billion from HK\$4.4 billion in the fourth quarter of 2014, mainly due to growth in pension sales and successful sales campaigns. Full-year wealth and asset management gross flows increased by 21% to a record high of HK\$19.9 billion from HK\$16.5 billion in 2014.

As at September 30, 2015, Manulife's MPF market share increased to a new high of 19.1%⁵ in terms of assets under management, maintaining its strong position as the second largest MPF service provider⁶ in Hong Kong.

Quarterly NBV was HK\$641 million, up 24% from HK\$524 million in the fourth quarter of 2014, primarily attributable to sales growth. Full-year NBV was HK\$2.0 billion, up 27% from HK\$1.6 billion in 2014.

As at the end of 2015, Manulife Hong Kong had a professional sales force of 7,092 agents, representing a record high and 8% increase over the prior 12 months.

Guy Mills, Executive Vice President and Chief Executive Officer of Manulife (International) Limited, remarked: "To build on the strong operating results of Manulife in Hong Kong and Macau, we will continue with our differentiated business strategies to put customers at the centre



of all of our service delivery, and focus on key growth areas to help us go on exceeding expectations.”

Mr. Mills continued: “As the retirement expert in Hong Kong, we are committed to offering holistic solutions and extraordinary experience to our customers so that they are financially and physically fit to enjoy a worry-free retirement.”

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 2015, we had approximately 34,000 employees, 63,000 agents, and thousands of distribution partners, serving 20 million customers. At the end of December 2015, we had C\$935 billion (HK\$5,236 billion) in assets under management and administration, and in the previous 12 months we made more than C\$24.6 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\$561.3 billion (including assets transferred from ORSO scheme) (Source: MPFA Statistical Digest, data as of September 30, 2015.)

ii) Aggregate Net Asset Values of Manulife MPF Schemes as of September 30, 2015: HK\$107.0 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.

