

For Immediate Release
February 9, 2017

Manulife Hong Kong delivers strong results for fourth quarter and full-year 2016

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 2016.

Highlights are:

- **Annualized premium equivalent (APE) sales:**
 - Record quarterly APE sales of HK\$1.1 billion, up 11% from the fourth quarter of 2015.
 - Record Full-year APE sales of HK\$3.8 billion, up 27% from 2015.
- **Premiums and deposits:**
 - Record quarterly premiums and deposits of HK\$13.0 billion, up 22% from the fourth quarter of 2015.
 - Record full-year premiums and deposits of HK\$44.3 billion, up 12% from 2015.
- **Wealth and asset management gross flows:**
 - Record quarterly wealth and asset management gross flows of HK\$5.8 billion, up 14% from the fourth quarter of 2015.
 - Record full-year wealth and asset management gross flows of HK\$20.2 billion, up 1% from 2015.
- **New business value (NBV):**
 - Record quarterly NBV of HK\$761 million, up 19% from the fourth quarter of 2015.
 - Record full-year NBV of HK\$2.2 billion, up 7% from 2015.
- **Mandatory Provident Funds (MPF)** market share increased to a new high of 22.0% as at end of 2016 after acquiring Standard Chartered Bank (Hong Kong) Limited’s MPF business.



- A new high in agency numbers of 7,235 at the end of 2016, an increase of 2% over the previous year.

“2016 was a remarkable year for Manulife Hong Kong. Both our insurance and wealth and asset management businesses have grown strongly and achieved new highs,” said Guy Mills, Chief Executive Officer of Manulife (International) Limited. “We also saw the successful kick-off of our 15-year bancassurance partnership with DBS Bank and our 15-year MPF distribution partnership with Standard Chartered Bank, which have significantly strengthened our distribution capabilities.”

Mr. Mills continued: “We are particularly delighted with our leadership position in the MPF business. Manulife ranked number one in terms of both assets under management and net cash flows as at December 31, 2016. It is a significant achievement in a year that we celebrated our 80th anniversary of pension business in Hong Kong. We are very proud to be Hong Kong people’s retirement expert, helping them to plan for their golden years.”

Manulife Hong Kong’s APE sales in the fourth quarter of 2016 were a new high of HK\$1.1 billion, up 11% from HK\$1 billion in the same quarter of 2015 driven by distribution expansion. Full-year APE sales were also a record high of HK\$3.8 billion, up 27% from HK\$3.0 billion in 2015.

Total premiums and deposits in the fourth quarter grew to a new record of HK\$13.0 billion, up 22% from HK\$10.7 billion in the same period of 2015, attributable to growth in insurance and pension sales and higher renewal premiums. Full-year premiums and deposits increased by 12% to another new record of HK\$44.3 billion in 2016 from HK\$39.6 billion in 2015.

Quarterly wealth and asset management gross flows grew by 14% to a new quarterly high of HK\$5.8 billion from HK\$5.1 billion in the fourth quarter of 2015, reflecting the continued expansion of its pension business and an increase in mutual fund sales. Full-year wealth and asset management gross flows increased to another new high of HK\$20.2 billion from HK\$19.9 billion in 2015. The continued success and growth of pension business was largely offset by lower mutual fund sales due to negative market sentiment.

Quarterly NBV was HK\$761 million, up 19% from HK\$641 million in the fourth quarter of 2015, in line with sales performance and continued delivery of strong margins. Full-year NBV was HK\$2.2 billion, up 7% from HK\$2.0 billion in 2015 as higher APE sales were partially offset by the impact of lower interest rates during the year and a change in business mix.

Other key achievements of Manulife Hong Kong in 2016 include the beginning of an exclusive partnership with QBE Hongkong & Shanghai Insurance Limited for distribution of general insurance products, the continued success of Manulife**MOVE** in the Gen Y segment, and the launch of innovative products and services, helping Manulife to serve its customers better and engaging with them more frequently in their daily lives.



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 that helps people achieve their dreams and aspirations by putting customers' needs first and providing the right advice and solutions. We operate as John Hancock in the United States and Manulife elsewhere. We provide financial advice, insurance, as well as wealth and asset management solutions for individuals, groups and institutions. At the end of 2016, we had approximately 35,000 employees, 70,000 agents, and thousands of distribution partners, serving more than 22 million customers. At the end of 2016, we had \$977 billion (HK\$5,646 billion) in assets under management and administration, and in the previous 12 months we made almost \$26 billion in 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.

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Notes:

¹ All records refer to new records for Manulife Hong Kong

² All percentage changes are stated on a year-over-year basis, except for MPF market share

³ Annualized premium equivalent (APE) sales are presented to provide consistency of scope for NBV disclosures and industry practice. APE sales consist of Insurance sales plus weighted Other Wealth sales, and exclude our Wealth and Asset Management businesses. It is comprised of 100% of regular premiums/deposits sales and 10% of single premiums/deposits sales, for insurance and other wealth products.

⁴ 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.

⁵ Wealth and asset management gross flows is comprised of fee based business with little or no insurance risk, including mutual funds and pensions products.

⁶ 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 MCCR 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.



⁷ MPF market shares are measured by scheme sponsor share of asset under management and net cash flows respectively.
Source: Table on p. 5 of Gadbury MPF Market Shares Report as at December 31, 2016.

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