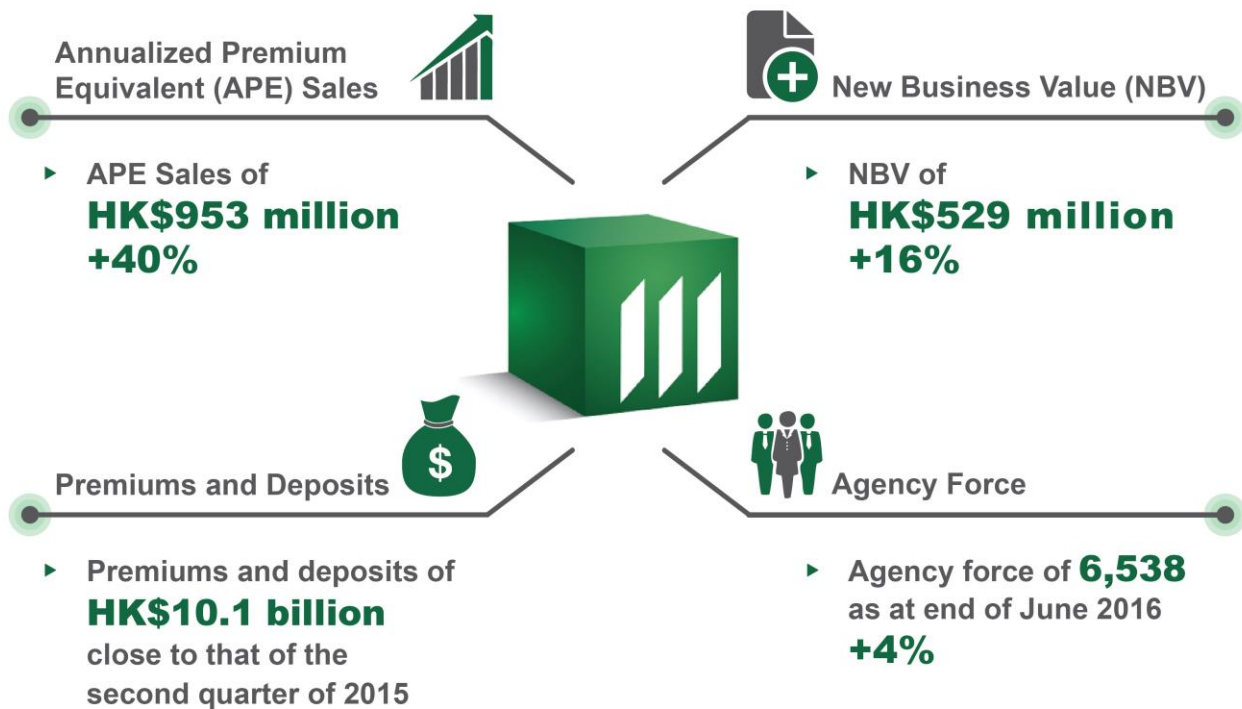


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## Manulife Hong Kong reports strong APE sales for second quarter and first half of 2016

**Hong Kong** – The Manulife group of companies operating in Hong Kong (“Manulife Hong Kong”) reported financial results for the second quarter and first half of 2016, marked by strong growth in annualized premium equivalent (APE) sales<sup>1</sup>.

### Manulife Hong Kong 2016 Second Quarter Results Highlights



\*All percentage changes are stated on a year-over-year basis

Guy Mills, Chief Executive Officer of Manulife (International) Limited, said: “We have seen very strong APE sales growth in the second quarter. This included contributions from our agency force, bank partners and brokers, testifying to the success of our multiple distribution channels. Higher APE sales brought us higher new business value<sup>2</sup>, which highlights the high quality of our new business.”



Mr. Mills continued: “Our strengthened bancassurance partnership with DBS allowed us to reach a wider customer base. And we have been first-to-market with innovative new insurance products, such as an iGenes Pharmacogenomic test for eligible buyers of ManuSilver Care. We have continued to promote healthy living through the Manulife**MOVE** program, which also brought greater engagement with customers and earned us many industry awards. Our profile as a trusted brand among Hong Kong consumers was heightened with a series of brand awards, all of which confirm that our customer-centric approach is on the right track.”

Manulife Hong Kong’s APE sales in the second quarter of 2016 were HK\$953 million, a significant increase of 40% from HK\$680 million in the same quarter of 2015, attributable to increasing insurance sales from all distribution channels and successful sales campaigns. These, together with new product launches in the first quarter, have resulted in an increase of 44% in half-year APE sales to HK\$1.8 billion from HK\$1.3 billion in the first half of 2015.

Total premiums and deposits<sup>3</sup> in the second quarter of HK\$10.1 billion were on par with those for the same period of 2015. Higher insurance sales and inforce business in the second quarter of 2016 were partially offset by lower wealth inflows amid market turmoil. First half total premiums and deposits increased by 6% to HK\$20 billion from HK\$18.9 billion in the first half of 2015. The increase was mainly driven by higher insurance sales and growth in renewal premiums.

Overall higher sales have helped raise Manulife Hong Kong’s NBV. Quarterly NBV was HK\$529 million, up 16% from HK\$454 million in the second quarter of 2015. First half NBV was HK\$909 million, up 10% from HK\$822 million in the first half of 2015.

Manulife Hong Kong has maintained its strong position as the second largest MPF provider in the market<sup>4</sup>. Its MPF market share was 19.1%<sup>5</sup> based on assets under management as at the end of March 2016.

As at June 30, 2016, Manulife had a professional agency force of 6,538 agents in Hong Kong, representing a 4% increase compared with June 30, 2015.

“We will continue with our long-term growth strategy for Hong Kong, focusing on helping customers with their retirement planning and protecting their health and wellness,” said Mr. Mills. “We are also investing heavily in technology, equipping our advisors with the most advanced digital sales tools.”

He added, “We have recently entered into an exclusive general insurance distribution agreement with QBE Hongkong & Shanghai Insurance Limited to complement our offerings of insurance solutions to our customers.”

### **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 34,000 employees, 63,000 agents, and thousands of distribution partners, serving 20 million customers. At the end of June 2016, we had C\$934 billion (HK\$5,571 billion) in assets under management and administration, and in the previous 12 months we made more than C\$25.4 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](http://www.manulife.com) or [www.johnhancock.com](http://www.johnhancock.com).

## Media Contact:

Jacqueline Kam / Crystal Tse  
Manulife (International) Limited  
Tel: (852) 2202 1284 / 2510 3130  
[Jacqueline\\_tm\\_kam@manulife.com](mailto:Jacqueline_tm_kam@manulife.com) /  
[Crystal\\_ym\\_tse@manulife.com](mailto:Crystal_ym_tse@manulife.com)

### Notes:

<sup>1</sup> Annualized premium equivalent (APE) sales are presented to provide consistency of scope for NBV disclosures and industry practice. APE sales are presented before adjustments for non-controlling interests. 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> According to the MPF Annual Report 2015 published by Willis Towers Watson, Manulife Provident Funds Trust Company Limited was second in terms of MPF assets under management.

<sup>5</sup> The calculation of MPF market share is based on the following information:

i) Aggregate Net Asset Values of all MPF Schemes: HK\$592.6 billion (including assets transferred from ORSO scheme) (Source: MPFA Statistical Digest, data as of March 31, 2016.)

ii) Aggregate Net Asset Values of Manulife MPF Schemes as of March 31, 2016: HK\$113.3 billion (Source: Manulife Asset Management (Hong Kong) Limited)

Manulife (International) Limited  
Incorporated in Bermuda with limited liability  
22/F., Tower A, Manulife Financial Centre, 223 – 231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong  
Tel: (852) 2510 5600

[manulife.com.hk](http://manulife.com.hk)

