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Manulife Hong Kong reports strong results for the first quarter of 2017

Hong Kong – The Manulife group of companies operating in Hong Kong (“Manulife Hong Kong”) today reported strong results for the first quarter of 2017.

Compared with the first quarter of 2016, some key highlights are:

- **Annualized premium equivalent (APE) sales** up 24% to HK\$1.0 billion
- **Wealth and asset management gross flows** up 38% to HK\$6.0 billion
- **Premiums and deposits** up 31% to HK\$12.9 billion
- **New business value (NBV)** up 44% to HK\$545 million
- **Mandatory Provident Funds (MPF) market share** of 22.0% as at March 31, 2017

“Our first quarter results represented a solid start for the year,” said Guy Mills, Chief Executive Officer of Manulife Hong Kong. “Both of our insurance and wealth businesses have recorded robust growth with higher agency and bancassurance sales. We are particularly pleased to see our strengthened bancassurance partnership with DBS Bank and MPF distribution partnership with Standard Chartered Bank, both of which enable us to provide our comprehensive protection and retirement solutions to broader customer segments.”

In the first quarter, Manulife Hong Kong’s APE sales were HK\$1.0 billion, an increase of 24% from HK\$847 million in the same quarter of 2016. The increase was driven by a new product launch and the addition of new features to the Manulife**MOVE** program.

First quarter wealth and asset management gross flows increased significantly by 38% to HK\$6.0 billion from HK\$4.4 billion in the same period of 2016. The increase reflected a combination of continued robust organic growth in agency and bank channels, and the impact of our partnership with Standard Chartered Bank (SCB).

Total premiums and deposits during the first quarter was HK\$12.9 billion, up 31% from HK\$9.8 billion in the same period of 2016. The strong growth was due to the favourable response received by our new product offerings, as well as contributions from the MPF portfolio acquired from SCB.

“Manulife strives to help customers achieve their goals through our diversified financial solutions and retirement expertise. Our latest addition of a new endowment product and other new product features has



been very well received by our customers. Manulife is also an MPF service provider of choice. At the end of March 2017, we remained the number one MPF scheme sponsor in terms of assets under management and net cash flows, a remarkable achievement which I am particularly proud of," Mr. Mills added.

First quarter NBV increased to HK\$545 million, up 44% from HK\$380 million in the first quarter of 2016. The growth reflected robust sales growth and scale benefits.

Another key highlight in the first quarter was the enhancement of the award-winning Manulife**MOVE** wellness program through offering seamless integration with Apple Watch in Hong Kong and Macau. The enhanced program creates an even more enriched experience for customers and motivates them to stay active and move more.

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. As of March 31, 2017, we had \$1 trillion (HK\$5,860 billion) in assets under management and administration, and in the previous 12 months we made almost \$26.3 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.

Media Contact:

Jacqueline Kam / Crystal Tse
Manulife (International) Limited
Tel: (852) 2202 1284 / 2510 3130
Jacqueline_tm_kam@manulife.com /
Crystal_ym_tse@manulife.com



Notes:

¹ All percentage changes are stated on a year-over-year basis, except for MPF market share.

² 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. They comprise 100% of regular premiums/deposits sales and 10% of single premiums/deposits sales, for insurance and other wealth products.

³ 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.

⁴ Wealth and asset management gross flows is comprised of fee based business with little or no insurance risk, including mutual funds and pensions products.

⁵ 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.

⁶ MPF market shares are measured by scheme sponsor share of asset under management and net cash flows. Source: Table on p. 5 of Gadbury MPF Market Shares Report as at March 31, 2017.

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

