

August 10, 2017

Manulife Hong Kong reports solid results for the second quarter and first half of 2017

Hong Kong – The Manulife group of companies operating in Hong Kong (“Manulife Hong Kong”) today reported results for the second quarter and first half of 2017:

Highlights are:

- **Annualized premium equivalent (APE) sales**
 - Quarterly APE sales of HK\$971 million, up 2% from the second quarter of 2016
 - First half APE sales of HK\$2.0 billion, up 12% from the first half of 2016
- **Wealth and asset management gross flows**
 - Quarterly wealth and asset management gross flows of HK\$7.3 billion, up 57% from the second quarter of 2016
 - First half wealth and asset management gross flows of HK\$13.4 billion, up 48% from the first half of 2016
- **Premiums and deposits**
 - Quarterly premiums and deposits of HK\$15.5 billion, up 53% from the second quarter of 2016
 - First half premiums and deposits of HK\$28.5 billion, up 42% from the first half of 2016
- **New business value (NBV)**
 - Quarterly NBV of HK\$495 million, down 7% from the same quarter of 2016
 - First half NBV of HK\$1 billion, up 14% from the first half of 2016
- **Agency force:** up 6% to 6,950 agents
- **Mandatory Provident Funds (MPF) market share** of 22.2% based on assets under management as at June 30, 2017, maintaining the number one MPF scheme sponsor position in terms of assets under management and net cash flows.

Guy Mills, Chief Executive Office of Manulife Hong Kong, said: “After a solid start for the year, Manulife Hong Kong continued on our growth momentum in the second quarter, marked by significant increases in wealth and asset management gross flows and premiums and deposits.”

Mr. Mills continued: “As the number one MPF scheme sponsor, Manulife is committed to helping Hongkongers accumulate wealth and prepare for their retirement. I am very pleased to see our pension



sales and wealth and asset management gross flows in the second quarter hit record levels, fueled by higher MPF personal account and jumbo employer transfers. It is a testament to our pension management expertise, comprehensive fund platforms and the professional services that we bring to our customers.”

Driven by the strong growth in pension business, quarterly wealth and asset management gross flows increased to HK\$7.3 billion, up 57% from HK\$4.7 billion in the same period of 2016. Both pension sales and wealth and asset management gross flows were record highs for Manulife Hong Kong in the second quarter, reflecting continued robust organic growth in agency, bank and broker channels. First half wealth and asset management gross flows increased by 48% to HK\$13.4 billion from HK\$9.0 billion in the first half of 2016.

Manulife Hong Kong’s APE sales in the second quarter of 2017 were HK\$971 million, an increase of 2% from HK\$953 million in the same quarter of 2016. Higher APE sales from new product launches and enhancements were partially offset by a reduction in sales to mainland Chinese visitors during the second quarter. First half APE sales were HK\$2.0 billion, up 12% from the first half of 2016.

Total premiums and deposits in the second quarter increased by 53% to HK\$15.5 billion from HK\$10.1 billion in the same quarter of 2016; and first half premiums and deposits increased by 42% to HK\$28.5 billion from HK\$20.0 billion in the first half of 2016. These increases were attributable to the favourable response received on new products, contributions from the acquired MPF portfolio as well as higher MPF personal account transfers.

Second quarter NBV was HK\$495 million, down 7% from HK\$529 million in the second quarter of 2016 as a result of a shift in business mix towards investment-linked products. First half NBV was HK\$1 billion, up 14% from HK\$909 million in the first half of 2016.

As at June 30, 2017, Manulife had a professional agency force of 6,950 agents in Hong Kong, representing a 6% increase in the prior 12 months.

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 June 30, 2017, we had over C\$1 trillion (HK\$6,089 billion) in assets under management and administration, and in the previous 12 months we made C\$26.7 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, (iv) mutual fund deposits, and (v) institutional advisory account deposits.

⁴ Wealth and asset management gross flows is comprised of fee based business with little or no insurance risk, including retirement, retail and institutional asset management.

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 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.

⁶ MPF market shares are measured by scheme sponsor share of asset under management and net cash flows. Source: Table on p. 5 of Mercer MPF Report as at June 30, 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

