

May 5, 2016

Manulife Hong Kong delivers strong results in the first quarter of 2016

Hong Kong – The Manulife group of companies operating in Hong Kong (“Manulife Hong Kong”) today reported strong results for the first quarter of 2016.

Compared with the first quarter of 2015, some of the highlights are:

- **Insurance sales**¹ up 51% to HK\$822 million
- **Premiums and deposits**² up 12% to HK\$9,846 million
- **Wealth and asset management gross flows**³ down 2% to HK\$4.4 billion
- **Agency force** of 6,715, an increase of 7% over the previous year
- **Mandatory Provident Funds (MPF) market share** increased to a new high of 19.4%⁴ as at December 31, 2015.

Guy Mills, Chief Executive Officer of Manulife (International) Limited, said: “After the tremendous year of 2015, we continued with strong sales momentum at the start of 2016. In particular, our insurance sales surged significantly as all of our distribution channels recorded robust new business growth in the first quarter.”

Manulife Hong Kong’s insurance sales in the first quarter of 2016 were HK\$822 million, a substantial increase of 51% from HK\$544 million in the same quarter of 2015. The strong growth was mainly driven by new product launches, successful sales campaigns and increase in sales from the agency, bancassurance and broker channels.

“During the first quarter, we successfully started our exclusive life bancassurance partnership with DBS Bank Ltd. That brings us lots of opportunities to meet the protection and retirement needs of different customer segments at DBS and allows us to broaden our product offerings to both individual financial solutions and MPF scheme,” Mr. Mills added.

Manulife Hong Kong’s total premiums and deposits in the first quarter grew to HK\$9,846 million, up 12% from HK\$8,760 million in the same period of 2015. The increase was mainly attributable to higher insurance sales and growth in renewal premiums.



New business value⁵ increased to HK\$381 million, up 4% from HK\$368 million in the first quarter of 2015. The growth reflected higher insurance sales which were offset by the impact of a change in business mix in the first quarter of 2016.

As at December 31, 2015, Manulife's MPF market share increased to a new high of 19.4% in terms of assets under management, maintaining the company's strong position as the second largest MPF service provider⁶ in Hong Kong.

Mr. Mills remarked: "We are well positioned to accelerate growth of our pension business. One of our focus areas this year is our acquisition of Standard Chartered Bank's (SCB) pension business which is expected to close later this year, subject to the receipt of relevant regulatory approvals. By then, we will have the exclusive right to offer our MPF products to the bank's business clients as well as individual customers, providing us opportunities to further penetrate the MPF market."

Wealth and asset management gross flows slightly decreased by 2% to HK\$4,368 million from HK\$4,438 million in the first quarter of 2015, mainly due to lower premiums and deposits from mutual funds and fewer MPF personal account transfers amid considerable global stock market turmoil.

As at March 31, 2016, Manulife had a professional agency force of 6,715 agents in Hong Kong, representing a 7% increase over the prior 12 months.

Manulife Hong Kong launched an expanded Manulife**MOVE** program during the quarter to continue to reward members for being healthier and more active by adding a range of consumer benefits, including access to benefits and discounts on health food, supplements, sportswear and gym memberships.

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 March 2016, we had C\$904 billion (HK\$5,406 billion) in assets under management and administration, and in the previous 12 months we made more than C\$24.9 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 The calculation of MPF market share is based on the following information:

i) Aggregate Net Asset Values of all MPF Schemes: HK\$591.3 billion (including assets transferred from ORSO scheme) (Source: MPFA Statistical Digest, data as of December 31, 2015.)

ii) Aggregate Net Asset Values of Manulife MPF Schemes as of December 31, 2015: HK\$114.5 billion (Source: Manulife Asset Management (Hong Kong) Limited)

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 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.

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