

November 9, 2017

Manulife Hong Kong delivers strong growth for third quarter and 2017 year-to-date results

Hong Kong – The Manulife group of companies operating in Hong Kong (“Manulife Hong Kong”) today reported strong growth and delivered a number of new records for Manulife Hong Kong in the third quarter and the first nine months of 2017.

Highlights are:

- **Annualized premium equivalent (APE) sales**
 - Record-high quarterly APE sales of HK\$1.2 billion, up 27% from the same quarter of 2016
 - Year-to-date APE sales of HK\$3.2 billion, up 17% from the same period of 2016
- **Premiums and deposits**
 - Record-high quarterly premiums and deposits of HK\$17.5 billion, up 54% from the same quarter of 2016
 - Record-high year-to-date premiums and deposits of HK\$46 billion, up 46% from the same period of 2016
- **New business value (NBV)**
 - Quarterly NBV of HK\$739 million, up 51% from the same quarter of 2016
 - Year-to-date NBV of HK\$1.8 billion, up 27% from the same period of 2016
- **Wealth and asset management (WAM) gross flows**
 - Record-high quarterly WAM gross flows of HK\$8.5 billion, up 57% from the same quarter of 2016
 - Record-high year-to-date WAM gross flows of HK\$21.8 billion, up 51% from the same period of 2016
- **Agency force:** up 5% to nearly 7,000 agents
- **Mandatory Provident Funds (MPF) market share** increased to a record-high of 22.4% based on assets under management as at end September 2017 and was 40.9% in terms of estimated net cash flows for the period from July to September 2017, further cementing its number one MPF scheme sponsor position in the market.



Guy Mills, Chief Executive Officer of Manulife Hong Kong, said: “We are happy to report a very strong third quarter, with increased sales from our agency, bank and broker channels. We continued momentum in the retirement market with pension sales and gross flows hitting record levels. Our MPF market share also reached a new high, a significant achievement I am particularly proud of.”

Mr. Mills continued: “We stepped up our effort to reinforce our pre-eminent retirement expert position by launching a digitally-driven Retirement Solutions campaign to encourage the ‘dual-income-no-kids’ couples to think early for their retirement planning.”

Hong Kong APE sales in the third quarter were HK\$1.2 billion, a 27% increase from HK\$935 million in the same quarter of 2016, benefiting from continued strong sales from recently-launched customer solutions. Both our agency and bank channels experienced strong double-digit growth. APE sales in the first nine months of 2017 were HK\$3.2 billion, up 17% from HK\$2.7 billion in the same period of 2016.

Total premiums and deposits in the third quarter increased by 54% to HK\$17.5 billion from HK\$11.3 billion in the same quarter of 2016, hitting a record high for Manulife Hong Kong. Year-to-date premiums and deposits increased by 46% to HK\$46 billion from HK\$31.3 billion in the same period of 2016. These increases were attributable to the favourable response received on investment-linked products, growth in renewal premiums, contributions from the acquired MPF portfolio as well as higher MPF personal account and employer transfers.

Third quarter NBV was HK\$739 million, an increase of 51% from HK\$487 million in the third quarter of 2016 as a result of higher sales and continued delivery of strong margins. Year-to-date NBV was HK\$1.8 billion, up 27% from HK\$1.4 billion in the same period of 2016.

Quarterly WAM gross flows increased to HK\$8.5 billion, up 57% from HK\$5.3 billion in the same quarter of 2016, reflecting a strong increase in both pension and mutual fund business in all of our distribution channels. Both pension sales and wealth and asset management gross flows were record highs for Manulife Hong Kong in the third quarter. Year-to-date WAM gross flows increased by 51% to HK\$21.8 billion from HK\$14.4 billion in the same period of 2016.

Manulife Hong Kong has further cemented our position as the number one MPF scheme sponsor with a market share of 22.4% in terms of assets under management as at the end of September 2017, and a share of 40.9% in terms of estimated net cash flows for the period from July to September 2017.

As of September 30, 2017, Manulife had a professional agency force of nearly 7,000 agents in Hong Kong, representing a 5% 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 primarily 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 September 30, 2017, we had over C\$1 trillion (HK\$6,297 billion) in assets under management and administration, and in the previous 12 months we made C\$27.1 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 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 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 Mercer MPF Report as at September 29, 2017.

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