

**For Immediate Release
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Many HongKongers still not planning properly for retirement

Survey shows Manulife outperforms key industry players in brand satisfaction – its MPF members are happy with its services

Hong Kong — Although it is now over a decade since the Mandatory Provident Fund (MPF) Scheme was set up in Hong Kong, eight out of 10 of the territory's workforce still do not think they have made adequate provision for their retirement. This was one of the interesting findings to come out of a survey commissioned by Manulife (International) Limited from The Nielsen Company, which was asked to look into local attitudes towards retirement planning and investment.

A total of 1,008 employees in Hong Kong were interviewed over the phone last year — 15 per cent of them are Manulife MPF members and the remaining 85 per cent enrolled with other MPF service providers. They were aged between 20 and 54.

Some 81 per cent of the respondents were concerned that their pensions would not be able to cover inflation and rising expenses after they stopped working. Only 22 per cent of them had seriously considered retirement planning, though they had not yet done anything about it.

Fewer than 40 per cent had actually made a start on planning for their retirement and, on average, such planning began at the age of 43 — giving them only 17 years in which to accumulate sufficient reserves for a retirement expected at 60 as they indicated in the survey.

“Hong Kong's working population looks for financial security in their retirement years and making better use of the MPF system will help them achieve this,” commented Luzia Hung, Manulife's Vice President of Employee Benefits. “Their MPF contributions can play a crucial part in facilitating a comfortable retirement if they manage them more pro-actively or seek professional support.”

The survey uncovered the fact that a lot of MPF members are looking for a simple and hassle-free MPF solution, with 38 per cent of the respondents regarding target date funds as useful to them. Nearly 72 per cent of those who expressed an interest in reviewing their MPF portfolio agreed that such funds are useful, a sentiment shared by 34 per cent of those who said that they did not have time to review their portfolio.

“The results indicate that Manulife is on the right track with introducing the target date fund type on its MPF platform,” noted Ms Hung. “These funds are ideal options for members who are too busy to constantly monitor their MPF investments. The auto-rebalancing feature means that they don't have to bother to keep re-arranging the asset mix themselves — it will be done for them by investment specialists.”

According to the survey, more than half of the respondents had never reviewed or adjusted their MPF portfolio; and nearly 45 per cent of them claimed to have insufficient time to do this, or never to have acquired the habit.

Lack of knowledge about how to manage their MPF portfolio is one of the key reasons for this low level of engagement in MPF management, the survey found. It also reflected the fact that Hong Kong's growing population of busy executives is calling for a reputable MPF provider that can offer professional, trustworthy services and time-saving, efficient communication through different channels — and Manulife would appear to answer these needs.

The survey also indicated that Manulife is leading all other major MPF service providers in terms of overall brand satisfaction, with its e-service platform, wide-ranging communications channels, the professional service of its intermediaries and comprehensive fund choices all helping to distinguish it from other market players.

To better understand the response from MPF members in relation to brand satisfaction, an additional 495 Manulife MPF members were interviewed, boosting the sample size to 1,503*.

Among the notable aspects in which Manulife outperformed its peers, 57 per cent of the interviewed Manulife MPF members valued the company's easy-to-use and convenient members' online service. And more than 50 per cent appreciate its detailed, easy-to-understand MPF member-benefit statements, while 43 per cent rate its communications channels highly. Some 38 per cent expressed satisfaction with the professional service provided by Manulife's MPF intermediaries, highlighting the company's agency model as one of its major competitive edges.

Ms Hung said: "Manulife's members prize the professional support that we can offer in their retirement planning, and I see more opportunities for customized service and agency models when the Employee Choice Arrangement is implemented in late 2012."

She concluded: "As a trusted retirement partner of the people of Hong Kong, Manulife will continue to enhance its MPF platform and services to help members better manage their retirement investments. We have been managing pensions business in Hong Kong for 75 years and going forward, we intend to remain at the forefront in educating Hong Kong employees in how to manage their financial affairs judiciously with a view to enjoying a comfortable retirement."

** The sample size was further expanded to 1,503 employees, including 647 Manulife MPF members, when surveyed on questions in relation to brand satisfaction.*

About Manulife

Manulife offers provident fund services in Hong Kong through its three operating companies: Manulife (International) Limited, Manulife Provident Funds Trust Company Limited and Manulife Asset Management (Hong Kong) Limited. All are members of the Manulife Financial group of companies. Manulife Financial is a leading Canada-based financial services group operating in 21 countries and territories worldwide. In 2012, we celebrate 125 years of providing clients strong, reliable, trustworthy and forward-thinking solutions for their most significant financial decisions. Our international network of employees, agents and distribution partners offers financial protection and wealth management products and services to millions of clients. We provide asset management services to institutional customers worldwide as well as reinsurance solutions, specializing in property and casualty retrocession. Funds under management by Manulife Financial and its subsidiaries were C\$492billion (HK\$3,685 billion) as at September 30, 2011. The Company operates as Manulife Financial in Canada and Asia and primarily as John Hancock in the United States. Manulife Financial Corporation trades as 'MFC' on the TSX, NYSE and PSE, and under '945' on the SEHK.

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