

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*This prospectus supplement, together with the short form base shelf prospectus dated September 3, 2010, which we refer to as the prospectus, to which it relates, as amended or supplemented, and each document incorporated by reference in the prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*The non-cumulative preferred shares to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended, which we refer to as the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, in the United States, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act), except in certain transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States.*

*Information has been incorporated by reference in this prospectus supplement and the prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Manulife Financial Corporation at 200 Bloor Street East, NT-10, Toronto, Ontario, Canada M4W 1E5 (telephone: (416) 926-3000), and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## **PROSPECTUS SUPPLEMENT**

*(To Short Form Base Shelf Prospectus dated September 3, 2010)*

*New Issue*

*May 16, 2012*



## **Manulife Financial Corporation**

**\$250,000,000**

**Non-cumulative Rate Reset Class 1 Shares Series 9  
(10,000,000 Shares)**

Manulife Financial Corporation, which we refer to as MFC, is offering 10,000,000 Non-cumulative Rate Reset Class 1 Shares Series 9, which we refer to as the Series 9 Preferred Shares. The holders of Series 9 Preferred Shares will be entitled to receive fixed non-cumulative preferential cash dividends, as and when declared by the board of directors of MFC, which we refer to as the Board of Directors, for the initial period commencing on the Closing Date (as defined below) and ending on and including September 19, 2017, which we refer to as the Initial Fixed Rate Period, payable quarterly on the 19th day of March, June, September and December in each year (each three-month period ending on the 19th day of each such month, a Quarter), at an annual rate equal to \$1.10 per share. The initial dividend, if declared, will be payable September 19, 2012 and will be \$0.355616 per share, based on the anticipated closing date of May 24, 2012. See “Details of the Offering”.

For each five-year period after the Initial Fixed Rate Period, each of which we refer to as a Subsequent Fixed Rate Period, the holders of Series 9 Preferred Shares will be entitled to receive fixed non-cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the 19th day of March, June, September and December in each year, in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate (as defined below) applicable to such Subsequent Fixed Rate Period by \$25.00. The Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period will be determined by MFC on the 30th day prior to the first day of such Subsequent Fixed Rate Period and will be equal to the sum of the Government of Canada Yield (as defined below) on the date on which the Annual Fixed Dividend Rate is determined plus 2.86%. See “Details of the Offering”.

### Option to Convert Into Series 10 Preferred Shares

The holders of Series 9 Preferred Shares will have the right, at their option, to convert their shares into Non-cumulative Floating Rate Class 1 Shares Series 10 of MFC, which we refer to as the Series 10 Preferred Shares, subject to certain conditions, on September 19, 2017 and on September 19 every five years thereafter. The holders of Series 10 Preferred Shares will be entitled to receive floating rate non-cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the 19th day of March, June, September and December in each year (we refer to the initial quarterly dividend period and each subsequent quarterly dividend period as a Quarterly Floating Rate Period), in a quarterly amount per share determined by multiplying the applicable Floating Quarterly Dividend Rate (as defined below) by \$25.00. The Floating Quarterly Dividend Rate will be equal to the sum of the T-Bill Rate (as defined below) plus 2.86% (calculated on the basis of the actual number of days elapsed in the applicable Quarterly Floating Rate Period divided by 365) determined on the 30th day prior to the first day of the applicable Quarterly Floating Rate Period. See “Details of the Offering”.

The Series 9 Preferred Shares will not be redeemable by MFC prior to September 19, 2017. On September 19, 2017 and on September 19 every five years thereafter, but subject to the provisions of the *Insurance Companies Act* (Canada), which we refer to as the ICA, including the requirement of obtaining the prior consent of the Superintendent of Financial Institutions, which we refer to as the Superintendent, and subject to certain other restrictions set out in “Details of the Offering — Certain Provisions of the Series 9 Preferred Shares as a Series — Restrictions on Dividends and Retirement of Series 9 Preferred Shares”, MFC may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem for cash all or from time to time any part of the outstanding Series 9 Preferred Shares for \$25.00 per Series 9 Preferred Share, together in each case, with an amount equal to the sum, which we refer to as the Accrued Amount, of (i) all declared and unpaid dividends in respect of completed Quarters preceding the date fixed for redemption; and (ii) an amount equal to the cash dividend in respect of the Quarter in which the redemption occurs, whether declared or not, pro rated to such date. See “Details of the Offering”.

The Series 9 Preferred Shares and the Series 10 Preferred Shares do not have a fixed maturity date and are not redeemable at the option of holders. See “Risk Factors”.

**There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased hereunder. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors”.**

The Class A Shares Series 1, Class A Shares Series 2, Class A Shares Series 3, Class A Shares Series 4, Class 1 Shares Series 1, Class 1 Shares Series 3, Class 1 Shares Series 5 and Class 1 Shares Series 7 of MFC are listed for trading on the Toronto Stock Exchange, which we refer to as the TSX, under the symbols “MFC.PR.A”, “MFC.PR.B”, “MFC.PR.C”, “MFC.PR.D”, “MFC.PR.E”, “MFC.PR.F”, “MFC.PR.G” and “MFC.PR.H” respectively. On May 15, 2012, the last trading day before the date of the public announcement of the offering, the closing sale prices of the Class A Shares Series 1, Class A Shares Series 2, Class A Shares Series 3, Class A Shares Series 4, Class 1 Shares Series 1, Class 1 Shares Series 3, Class 1 Shares Series 5 and Class 1 Shares Series 7 on the TSX were \$25.62, \$23.82, \$23.58, \$26.74, \$26.10, \$24.66, \$25.30 and \$25.60, respectively.

We have applied to list the Series 9 Preferred Shares and the Series 10 Preferred Shares on the TSX. Listing will be subject to our fulfilling all of the requirements of the TSX.

Our head and registered office is located at 200 Bloor Street East, Toronto, Ontario, Canada M4W 1E5.

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PRICE: \$25.00 per Series 9 Preferred Share to yield initially 4.40% per annum

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Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., TD Securities Inc., National Bank Financial Inc., Desjardins Securities Inc., HSBC Securities (Canada) Inc., Canaccord Genuity Corp., Laurentian Bank Securities Inc. and Manulife Securities Incorporated (collectively, the “Underwriters”), as principals, conditionally offer the Series 9 Preferred Shares, subject to prior sale, if, as and when issued by MFC and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “Plan of Distribution” and subject to approval of certain legal matters on behalf of MFC by Torys LLP and on behalf of the Underwriters by McCarthy Tétrault LLP.

**Manulife Securities Incorporated, one of the Underwriters, is a wholly-owned subsidiary of MFC. By virtue of such ownership, MFC is a related and connected issuer of Manulife Securities Incorporated under Canadian securities legislation. See “Plan of Distribution”.**

	<u>Price to Public</u>	<u>Underwriters' Fee<sup>(1)</sup></u>	<u>Net Proceeds to MFC<sup>(2)</sup></u>
Per Series 9 Preferred Share .....	\$25.00	\$0.75	\$24.25
Total .....	\$250,000,000	\$7,500,000	\$242,500,000

- (1) The Underwriters' fee is \$0.25 for each share sold to certain institutions and \$0.75 per share for all other shares sold. The total represents the Underwriters' fee assuming no shares are sold to such institutions.
- (2) Before deduction of MFC's expenses of this issue, estimated at \$325,000, which, together with the Underwriters' fee, will be paid from the proceeds of this offering.

The offering price was determined by negotiation between MFC and the Underwriters. In connection with this offering, the Underwriters may over allot or effect transactions which stabilize or maintain the market price of the Series 9 Preferred Shares at a higher level than that which might exist in the open market. These transactions may be commenced, interrupted or discontinued at any time. **The Underwriters may offer the Series 9 Preferred Shares at a lower price than stated above. See "Plan of Distribution".**

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of this offering will take place on May 24, 2012 or on such later date as MFC and the Underwriters may agree, which we refer to as the Closing Date. A global certificate representing the Series 9 Preferred Shares will be issued in registered form only to CDS Clearing and Depository Services Inc., which we refer to as CDS, or its nominee, and will be deposited with CDS on closing of this offering. A purchaser of the Series 9 Preferred Shares under this offering will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Series 9 Preferred Shares are purchased. See "Details of the Offering — Depository Services".

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## PRESENTATION OF INFORMATION

In this prospectus supplement, unless otherwise indicated or unless the context otherwise requires, all references to “MFC,” “we,” “us,” and “our” refer to Manulife Financial Corporation and its subsidiaries, and references to “MLI” refer to The Manufacturers Life Insurance Company, a wholly-owned subsidiary of MFC.

In this prospectus supplement, unless otherwise indicated, capitalized terms which are defined in the accompanying prospectus are used in this prospectus supplement with the meanings defined in the prospectus. All references in this prospectus supplement to “Canada” mean Canada, its provinces, its territories, its possessions and all areas subject to its jurisdiction. Unless otherwise indicated, all references to “\$” or “dollars” are to Canadian dollars and all references to US\$ are to U.S. dollars.

MFC adopted International Financial Reporting Standards, which we refer to as IFRS, effective for interim and annual periods commencing January 1, 2011, with comparative periods also presented under IFRS.

## CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the prospectus and the documents incorporated by reference in the prospectus and this prospectus supplement contain forward-looking statements within the meaning of the “safe harbour” provisions of Canadian provincial securities laws and the *U.S. Private Securities Litigation Reform Act of 1995*. The forward-looking statements in this document include, but are not limited to, statements with respect to MFC’s 2015 management objectives for earnings and return on equity, management objectives with respect to hedging equity markets and interest rate risks, potential future changes related to fixed income ultimate reinvestment rate assumptions if current low interest rates persist, the estimated impact of new equity calibration parameters for guaranteed variable annuity and segregated funds, the annual review of actuarial methods and assumptions, and the proposed redemption of the Manulife Financial Capital Trust securities. These forward-looking statements also relate to, among other things, MFC’s objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and can generally be identified by the use of words such as “may,” “will,” “could,” “should,” “would,” “likely,” “suspect,” “outlook,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “plan,” “forecast,” “objective,” “seek,” “aim,” “continue,” “goal,” “restore,” “embark” and “endeavour” (or the negative thereof) and words and expressions of similar import, and include statements concerning possible or assumed future results. Although MFC believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements and they should not be interpreted as confirming market or analysts’ expectations in any way. Certain material factors or assumptions are applied in making forward-looking statements, including in the case of MFC’s 2015 management objectives for earnings and return on equity, the assumptions described under “Key Planning Assumptions and Uncertainties” in the management’s discussion and analysis in our most recent annual report and actual results may differ materially from those expressed or implied in such statements.

Important factors that could cause actual results to differ materially from expectations include but are not limited to:

- the factors identified in “Key Planning Assumptions and Uncertainties” in the management’s discussion and analysis in our most recent annual report and under “Risk Management and Risk Factors Update” in the management’s discussion and analysis for our most recent interim financial report;
- general business and economic conditions (including but not limited to the performance, volatility and correlation of equity markets, interest rates, credit and swap spreads, currency rates, investment losses and defaults, market liquidity and creditworthiness of guarantors, reinsurers and counterparties);
- changes in laws and regulations;
- changes in accounting standards;
- our ability to execute strategic plans and changes to strategic plans;
- downgrades in our financial strength or credit ratings;
- our ability to maintain our reputation;
- impairments of goodwill or intangible assets or the establishment of valuation allowances against future tax assets;

- the accuracy of estimates relating to morbidity, mortality and policyholder behaviour;
- the accuracy of other estimates used in applying accounting policies and actuarial methods;
- our ability to implement effective hedging strategies and unforeseen consequences arising from such strategies;
- our ability to source appropriate assets to back our long dated liabilities;
- level of competition and consolidation;
- our ability to market and distribute products through current and future distribution channels;
- unforeseen liabilities or asset impairments arising from acquisitions and dispositions of businesses;
- the realization of losses arising from the sale of investments classified as available for sale;
- our liquidity, including the availability of financing to satisfy existing financial liabilities on their expected maturity dates when required;
- obligations to pledge additional collateral;
- the availability of letters of credit to provide capital management flexibility;
- accuracy of information received from counterparties and the ability of counterparties to meet their obligations;
- the availability, affordability and adequacy of reinsurance;
- legal and regulatory proceedings, including tax audits, tax litigation or similar proceedings;
- our ability to adapt products and services to the changing market;
- our ability to attract and retain key executives, employees and agents;
- the appropriate use and interpretation of complex models or deficiencies in models used;
- political, legal, operational and other risks associated with our non-North American operations;
- acquisitions and our ability to complete acquisitions including the availability of equity and debt financing for this purpose;
- the disruption of or changes to key elements of MFC's or public infrastructure systems;
- environmental concerns; and
- our ability to protect our intellectual property and exposure to claims of infringement.

Additional information about material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in this prospectus supplement and the prospectus under "Risk Factors" as well as under "Risk Factors" in our most recent annual information form, under "Risk Management and Risk Factors", "Risk Management and Risk Factors Update" and "Critical Accounting and Actuarial Policies" in the management's discussion and analysis in our most recent annual and interim reports, in the "Risk Management" note to the consolidated financial statements in our most recent annual and interim reports and elsewhere in our filings with Canadian and U.S. securities regulators. We do not undertake to update any forward-looking statement except as required by law.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Torys LLP and McCarthy Tétrault LLP, the Series 9 Preferred Shares, if issued on the date of this prospectus supplement, would be, on such date, a qualified investment under the *Income Tax Act* (Canada) and the regulations thereunder, which we collectively refer to as the Tax Act, for a trust governed by a registered retirement savings plan, which we refer to as a RRSP, a registered retirement income fund, which we refer to as a RRIF, a registered education savings plan, a registered disability savings plan, a deferred profit sharing plan and a tax-free savings account, which we refer to as a TFSA. The Series 9 Preferred Shares, if issued on the date of this prospectus supplement, would not be, on such date, “prohibited investments” for a TFSA or a RRSP or RRIF provided the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, deals at arm’s length with MFC for purposes of the Tax Act and does not have a significant interest (within the meaning of the Tax Act) in MFC or in any person or partnership with which MFC does not deal at arm’s length for purposes of the Tax Act. **Prospective purchasers should consult and rely on their own tax advisors in this regard.**

## DOCUMENTS INCORPORATED BY REFERENCE

This prospectus supplement is deemed to be incorporated by reference, as of the date hereof, in the accompanying prospectus solely for the purpose of this offering. The following documents, which have been filed by MFC with the securities regulatory authorities in Canada, are incorporated by reference in the prospectus and this prospectus supplement:

- annual information form dated March 23, 2012;
- audited annual consolidated financial statements and the notes thereto as at December 31, 2011 and 2010 and January 1, 2010 and for the years ended December 31, 2011 and 2010, together with the auditors’ report thereon;
- management’s discussion and analysis for the audited annual consolidated financial statements referred to in the preceding item;
- unaudited interim financial report and the notes thereto for the three month period ended March 31, 2012;
- management’s discussion and analysis for the unaudited interim financial report referred to in the preceding item;
- management proxy circular dated March 13, 2012 regarding our annual meeting of shareholders held on May 3, 2012; and
- material change report dated February 9, 2012 relating to Michael W. Bell, Chief Financial Officer of MFC, returning to Philadelphia, and his decision to remain with us to oversee our annual 2011 financial reports and to continue beyond that time to allow for an orderly transition.

Any documents of the type referred to above (excluding confidential material change reports, if any) and business acquisition reports that we file with the securities regulatory authorities in Canada after the date of this prospectus supplement and prior to the termination of the distribution of the Series 9 Preferred Shares shall be deemed to be incorporated by reference in the prospectus and this prospectus supplement.

**Any statement contained in this prospectus supplement, the prospectus or in a document incorporated or deemed to be incorporated by reference herein or therein shall be deemed to be modified or superseded, for the purposes of this prospectus supplement, or the prospectus, as the case may be, to the extent that a statement contained herein or therein, or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein or therein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the prospectus.**

## RECENT DEVELOPMENTS

On May 3, 2012, we announced the appointment of Steve Roder as incoming Senior Executive Vice President and Chief Financial Officer. His appointment is expected to become effective in the beginning of June, 2012, subject to immigration approvals.

On May 11, 2012, we announced that Manulife Financial Capital Trust intends to redeem at par, on June 30, 2012, all of its outstanding \$60 million principal amount of Manulife Financial Capital Securities-Series A and all of its outstanding \$940 million principal amount of Manulife Financial Capital Securities-Series B, which we refer to collectively as the MaCS.

## DETAILS OF THE OFFERING

### Certain Provisions of the Class 1 Shares as a Class

See “Share Structure — Certain Provisions of the Class 1 Shares as a Class” and “Share Structure — Certain Provisions Common to the Class A Shares, Class B Shares and Class 1 Shares” in the prospectus for a summary of the provisions attaching to the Class 1 Shares as a class.

The Board of Directors may from time to time issue Class 1 Shares in one or more series. Prior to issuing shares in a series, the Board of Directors is required to fix the number of shares in the series and determine the designation, rights, privileges, restrictions and conditions attaching to that series of Class 1 Shares.

The Series 9 Preferred Shares and the Series 10 Preferred Shares will each be issued as a series of Class 1 Shares.

### Certain Provisions of the Series 9 Preferred Shares as a Series

The following is a summary of certain provisions attaching to the Series 9 Preferred Shares as a series.

#### *Definition of Terms*

The following definitions are relevant to the Series 9 Preferred Shares.

“**Annual Fixed Dividend Rate**” means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 2.86%.

“**Bloomberg Screen GCAN5YR Page**” means the display designated as page “GCAN5YR<INDEX>” on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada bond yields.

“**Fixed Rate Calculation Date**” means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

“**Government of Canada Yield**” on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers selected by MFC, as being the yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

“**Initial Fixed Rate Period**” means the period commencing on the Closing Date and ending on and including September 19, 2017.

“**Subsequent Fixed Rate Period**” means for the initial Subsequent Fixed Rate Period, the period commencing on September 20, 2017 and ending on and including September 19, 2022 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including September 19 in the fifth year thereafter.



### ***Issue Price***

The Series 9 Preferred Shares will have an issue price of \$25.00 per share.

### ***Dividends***

During the Initial Fixed Rate Period, the holders of the Series 9 Preferred Shares will be entitled to receive fixed quarterly non-cumulative preferential cash dividends, as and when declared by the Board of Directors, subject to the provisions of the ICA, on the 19th day of March, June, September and December in each year, at an annual amount equal to \$1.10 per share (less any applicable withholding tax). The initial dividend, if declared, will be payable September 19, 2012 and will be \$0.355616 per share, based on the anticipated Closing Date of May 24, 2012.

During each Subsequent Fixed Rate Period, the holders of Series 9 Preferred Shares will be entitled to receive fixed non-cumulative preferential cash dividends, as and when declared by the Board of Directors, subject to the provisions of the ICA, payable quarterly on the 19th day of March, June, September and December in each year, in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$25.00 (less any applicable withholding tax).

The Annual Fixed Dividend Rate applicable to a Subsequent Fixed Rate Period will be determined by MFC on the Fixed Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon MFC and upon all holders of Series 9 Preferred Shares. MFC will, on the Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series 9 Preferred Shares.

If the Board of Directors does not declare the dividends, or any part thereof, on the Series 9 Preferred Shares on or before the dividend payment date for a particular quarter, then the entitlement of the holders of the Series 9 Preferred Shares to such dividends, or to any part thereof, for such quarter shall be forever extinguished. Payments of dividends and other amounts in respect of the Series 9 Preferred Shares will be made by MFC to CDS, or its nominee, as the case may be, as registered holder of the Series 9 Preferred Shares. As long as CDS, or its nominee, is the registered holder of the Series 9 Preferred Shares, CDS, or its nominee, as the case may be, will be considered the sole owner of the Series 9 Preferred Shares for the purposes of receiving payment on the Series 9 Preferred Shares. See “— Depository Services”.

### ***Redemption***

The Series 9 Preferred Shares will not be redeemable by MFC prior to September 19, 2017. On September 19, 2017 and on September 19 every five years thereafter, but subject to the provisions of the ICA, including the requirement of obtaining the prior consent of the Superintendent, and subject to certain other restrictions set out in “— Restrictions on Dividends and Retirement of Series 9 Preferred Shares”, MFC may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem all or from time to time any part of the outstanding Series 9 Preferred Shares by payment in cash of a per share sum equal to \$25.00, in each case with an amount equal to the Accrued Amount up to but excluding the date fixed for redemption (less any applicable withholding tax).

Notice of any redemption will be given by MFC at least 30 days and not more than 60 days prior to the date fixed for redemption. If less than all of the outstanding Series 9 Preferred Shares are to be redeemed, the shares to be redeemed shall be selected on a pro rata basis disregarding fractions or, if such shares are at such time listed on such exchange, with the consent of the TSX, in such manner as the Board of Directors in its sole discretion may, by resolution, determine.

The Series 9 Preferred Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series 9 Preferred Shares. See “Risk Factors”.

### ***Conversion of Series 9 Preferred Shares into Series 10 Preferred Shares***

Holders of Series 9 Preferred Shares will have the right, at their option, on September 19, 2017 and on September 19 every five years thereafter, which we refer to as a Series 9 Conversion Date, to convert, subject to the restrictions on conversion described below and the payment or delivery to MFC of evidence of payment of the tax (if any) payable, all or any of their Series 9 Preferred Shares registered in their name into Series 10 Preferred Shares on the basis of one Series 10 Preferred Share for each Series 9 Preferred Share. The conversion of Series 9 Preferred Shares may be effected upon written notice given by the registered holders of the Series 9 Preferred Shares not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series 9 Conversion Date.

MFC will, at least 30 days and not more than 60 days prior to the applicable Series 9 Conversion Date, give notice in writing to the then registered holders of Series 9 Preferred Shares of the above-mentioned conversion right. On the 30th day prior to each Series 9 Conversion Date, MFC will give notice in writing to the then registered holders of the Series 9 Preferred Shares of the Annual Fixed Dividend Rate for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series 10 Preferred Shares for the next succeeding Quarterly Floating Rate Period.

If MFC gives notice to the registered holders of the Series 9 Preferred Shares of the redemption on a Series 9 Conversion Date of all the Series 9 Preferred Shares, MFC will not be required to give notice as provided hereunder to the registered holders of the Series 9 Preferred Shares of an Annual Fixed Dividend Rate or of the conversion right of holders of Series 9 Preferred Shares and the right of any holder of Series 9 Preferred Shares to convert such Series 9 Preferred Shares will cease and terminate in that event.

Holders of Series 9 Preferred Shares will not be entitled to convert their shares into Series 10 Preferred Shares if MFC determines that there would remain outstanding on a Series 9 Conversion Date less than 1,000,000 Series 10 Preferred Shares, after having taken into account all Series 9 Preferred Shares tendered for conversion into Series 10 Preferred Shares and all Series 10 Preferred Shares tendered for conversion into Series 9 Preferred Shares. MFC will give notice in writing to all registered holders of Series 9 Preferred Shares of their inability to convert their Series 9 Preferred Shares at least seven days prior to the applicable Series 9 Conversion Date. Furthermore, if MFC determines that there would remain outstanding on a Series 9 Conversion Date less than 1,000,000 Series 9 Preferred Shares, after having taken into account all Series 9 Preferred Shares tendered for conversion into Series 10 Preferred Shares and all Series 10 Preferred Shares tendered for conversion into Series 9 Preferred Shares, then, all, but not part, of the remaining outstanding Series 9 Preferred Shares will automatically be converted into Series 10 Preferred Shares on the basis of one Series 10 Preferred Share for each Series 9 Preferred Share, on the applicable Series 9 Conversion Date and MFC will give notice in writing to this effect to the then registered holders of such remaining Series 9 Preferred Shares at least seven days prior to the Series 9 Conversion Date.

Upon exercise by a registered holder of its right to convert Series 9 Preferred Shares into Series 10 Preferred Shares (and upon an automatic conversion), MFC reserves the right not to deliver Series 10 Preferred Shares to (i) any person whose address is in, or who MFC or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require MFC to take any action to comply with the securities, insurance or analogous laws of such jurisdiction or (ii) any person who beneficially owns, or who would own as a result of the conversion, directly, or indirectly through entities controlled by such person or persons associated with or acting jointly or in concert with such person, Series 10 Preferred Shares in excess of 10% of the total number of outstanding Class 1 Shares.

In such circumstances the following procedures will apply: MFC or its agent will hold all or the relevant number of Series 9 Preferred Shares, as agent for such persons, and attempt to sell those Series 9 Preferred Shares (to parties other than MFC and its affiliates) on behalf of such person. Such sales, if any, will be made at such times, and at such prices, as MFC or its agent in its sole discretion may determine. MFC and its agent will not be subject to any liability for failing to sell Series 9 Preferred Shares on behalf of any such person at any particular price on any particular day. The net proceeds received by MFC or its agent from the sale of Series 9 Preferred Shares will be divided among such persons in proportion to the number of affected Series 9 Preferred Shares held by each one of them, after deducting the cost of sale and any applicable withholding taxes. MFC or its agent will make payment of the aggregate net proceeds to CDS (if the Series 9 Preferred Shares are held in the book-entry only system) or to the registrar and transfer agent (in all other cases) for distribution to such persons in accordance with the customary practice and procedures of CDS or the registrar and transfer agent, as applicable. See “Share Structure”.

#### ***Conversion of Series 9 Preferred Shares into Another Series of Class 1 Shares at the Option of the Holder***

MFC may, subject to the provisions of the ICA, including the requirement of any necessary consent of the Superintendent, and the New Preferred Shares (as defined below) being listed on a stock exchange, give holders of the Series 9 Preferred Shares notice that they thereafter will have the right, pursuant to the terms of the Series 9 Preferred Shares, at their option, to convert their Series 9 Preferred Shares on the date specified in the notice into fully-paid New Preferred Shares on a share for share basis. Notice shall be given by MFC in writing not more than 60 days and not less than 30 days prior to such conversion date. The holders may exercise their conversion right by delivering a conversion notice to MFC or as directed by MFC. If a holder of Series 9 Preferred Shares does not deliver such conversion notice, the holder shall be deemed not to have elected to convert their Series 9 Preferred Shares into New Preferred Shares.

“**New Preferred Shares**” means a further series of Class 1 Shares constituted by the Board of Directors having rights, privileges, restrictions and conditions attaching thereto which would qualify such New Preferred Shares as Tier 1 capital or equivalent of MFC under the then current capital adequacy guidelines established by the Superintendent.

Upon exercise by the holder of this right to convert Series 9 Preferred Shares into New Preferred Shares, MFC reserves the right not to deliver New Preferred Shares to (i) any person whose address is in, or who MFC or its transfer agent has reason to believe

is a resident of, any jurisdiction outside Canada, to the extent that such issue would require MFC to take any action to comply with the securities, insurance or analogous laws of such jurisdiction or (ii) any person who beneficially owns, or who would own as a result of the conversion, directly, or indirectly through entities controlled by such person or persons associated with or acting jointly or in concert with such person, New Preferred Shares in excess of 10% of the total number of outstanding Class 1 Shares.

In such circumstances the following procedures will apply: MFC or its agent will hold all or the relevant number of Series 9 Preferred Shares, as agent for such persons, and attempt to sell those Series 9 Preferred Shares (to parties other than MFC and its affiliates) on behalf of such person. Such sales, if any, will be made at such times, and at such prices, as MFC or its agent in its sole discretion may determine. MFC and its agent will not be subject to any liability for failing to sell Series 9 Preferred Shares on behalf of any such person at any particular price on any particular day. The net proceeds received by MFC or its agent from the sale of Series 9 Preferred Shares will be divided among such persons in proportion to the number of affected Series 9 Preferred Shares held by each one of them, after deducting the cost of sale and any applicable withholding taxes. MFC or its agent will make payment of the aggregate net proceeds to CDS (if the Series 9 Preferred Shares are held in the book entry only system) or to the registrar and transfer agent (in all other cases) for distribution to such persons in accordance with the customary practice and procedures of CDS or the registrar and transfer agent, as applicable. See “Share Structure”.

#### ***Purchase for Cancellation***

Subject to the provisions of the ICA, including the requirement of obtaining the prior consent of the Superintendent, and subject to certain other restrictions set out under “Share Structure” and “— Restrictions on Dividends and Retirement of Series 9 Preferred Shares”, MFC may at any time or times purchase for cancellation all or any number of the Series 9 Preferred Shares outstanding from time to time, by private contract or tender or in the open market, at any price.

#### ***Priority***

The Series 9 Preferred Shares shall rank on a parity with every other series of the Class 1 Shares with respect to dividends and return of capital. The Series 9 Preferred Shares shall rank equally with the Class A Shares and shall be entitled to a preference over the Class B Shares, the Common Shares and any other shares ranking junior to the Series 9 Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of any liquidation, dissolution or winding-up of MFC, whether voluntary or involuntary, or any other distribution of the assets of MFC for the purpose of winding-up its affairs.

#### ***Rights on Liquidation***

In the event of the liquidation, dissolution or winding-up of MFC, or any other distribution of assets of MFC for the purpose of winding up its affairs, the holders of Series 9 Preferred Shares will be entitled to receive \$25.00 for each Series 9 Preferred Share held by them, together with all declared and unpaid dividends to the date of payment, before any amounts are paid or any assets of MFC distributed to holders of any shares ranking junior to the Series 9 Preferred Shares. After payment of those amounts, the holders of Series 9 Preferred Shares will not be entitled to share in any further distribution of the property or assets of MFC.

#### ***Voting Rights***

Subject to applicable law, holders of the Series 9 Preferred Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of the shareholders of MFC unless and until the first time at which the rights of such holders to any undeclared dividends have been extinguished as described under “— Dividends”. In that event, subject to the provisions of the ICA, the holders of the Series 9 Preferred Shares will be entitled to receive notice of, and to attend, only meetings of shareholders of MFC at which directors are to be elected and will be entitled to one vote for each Series 9 Preferred Share held in the election of directors voting together with all other shareholders of MFC who are entitled to vote at such meetings, and the holders of the Series 9 Preferred Shares will not be entitled to vote in respect of any other business conducted at such meetings. The voting rights of the holders of the Series 9 Preferred Shares shall immediately cease upon payment by MFC of the whole amount of a dividend on the Series 9 Preferred Shares to which the holders are entitled subsequent to the time such voting rights first arose. At such time as the rights of such holders to any undeclared dividends on the Series 9 Preferred Shares have again been extinguished, such voting rights shall become effective again and so on from time to time.

#### ***Restrictions on Dividends and Retirement of Series 9 Preferred Shares***

So long as any of the Series 9 Preferred Shares are outstanding, MFC will not, without the approval of the holders of the Series 9 Preferred Shares given as specified under “— Shareholder Approvals”:

- declare, pay or set apart for payment any dividend on the Common Shares or any other shares ranking junior to the Series 9 Preferred Shares (other than stock dividends in any shares ranking junior to the Series 9 Preferred Shares);
- redeem, purchase or otherwise retire any Common Shares or any other shares ranking junior to the Series 9 Preferred Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series 9 Preferred Shares);
- redeem, purchase or otherwise retire less than all of the Series 9 Preferred Shares; or
- except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of Preferred Shares redeem, purchase or otherwise retire any other shares ranking *pari passu* with the Series 9 Preferred Shares;

unless, in each case, all dividends on each series of non-cumulative Class 1 Shares (including the Series 9 Preferred Shares) then issued and outstanding, up to and including those payable on the dividend payment date for the last completed period for which dividends shall be payable and in respect of which the rights of the holders thereof have not been extinguished, and all dividends then accrued on all other shares ranking prior to or *pari passu* with the Class 1 Shares, have been declared and paid or set apart for payment.

#### ***Issue of Additional Series of Class 1 Shares and Amendments to the Series 9 Preferred Shares***

Although the approval of the holders of the Class 1 Shares voting separately as a class or series is not required on a proposal to amend the by-laws of MFC to create a new class of shares equal to or superior to the Class 1 Shares, MFC will not create any such class of shares superior to the Class 1 Shares without the approval of the holders of the series of Class 1 Shares voting together as a class. MFC may issue other series of Class 1 Shares ranking *pari passu* with the Series 9 Preferred Shares without the approval of the holders of the Series 9 Preferred Shares. MFC will not without, but may from time to time with, the approval of the holders of the Series 9 Preferred Shares given as specified under “— Shareholder Approvals” and the prior consent of the Superintendent, add, delete or vary any rights, privileges, restrictions and conditions attaching to the Series 9 Preferred Shares.

#### ***Shareholder Approvals***

Any approval given by the holders of Series 9 Preferred Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution passed with the affirmative vote of not less than 66 2/3% of the votes cast at a meeting of the holders of the Series 9 Preferred Shares duly called and held, in accordance with the terms and conditions attaching to the Series 9 Preferred Shares and the Class 1 Shares as a class, as if such class provisions referred to authorization by holders of the Series 9 Preferred Shares.

#### ***Tax Election***

The Series 9 Preferred Shares will be “taxable preferred shares” as defined in the Tax Act. The terms of the Series 9 Preferred Shares require MFC to make the necessary election under Part VI.1 of the Tax Act so that corporate holders will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series 9 Preferred Shares. See “Canadian Federal Income Tax Considerations”.

#### ***Depository Services***

Except as otherwise provided below, the Series 9 Preferred Shares will be issued in “book-entry only” form and must be purchased, transferred, exchanged or redeemed through participants, which we refer to as Participants, in the depository service of CDS or its nominee. Each of the Underwriters is a Participant. On the closing of this offering, MFC will cause a global certificate or certificates representing the Series 9 Preferred Shares to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of Series 9 Preferred Shares will be entitled to a certificate or other instrument from MFC or CDS evidencing that purchaser’s ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Series 9 Preferred Shares will receive a customer confirmation of purchase from the registered dealer from which the Series 9 Preferred Shares are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Series 9 Preferred Shares. Reference in this prospectus supplement to a holder of Series 9 Preferred Shares means, unless the context otherwise requires, the owner of the beneficial interest in the Series 9 Preferred Shares.

Neither MFC nor the Underwriters will assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Series 9 Preferred Shares held by CDS or the payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Series 9 Preferred Shares; or (c) any advice or representation made by or with respect to CDS and those contained in this prospectus supplement and relating to the rules governing CDS or any action to be taken by CDS or at the direction of Participants. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS and persons, other than Participants, having an interest in the Series 9 Preferred Shares must look solely to Participants for payments made by or on behalf of MFC to CDS in respect of the Series 9 Preferred Shares.

If MFC determines, or CDS notifies MFC in writing, that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Series 9 Preferred Shares and MFC is unable to locate a qualified successor, or if MFC at its option elects, or is required by law, to withdraw the Series 9 Preferred Shares from the book-entry system, then Series 9 Preferred Shares will be issued in fully registered form to holders or their nominees.

### ***Business Days***

If any action is required to be taken by MFC on a day that is not a business day, then such action will be taken on the next succeeding day that is a business day.

### **Certain Provisions of the Series 10 Preferred Shares as a Series**

The following is a summary of certain provisions attaching to the Series 10 Preferred Shares as a series.

### ***Definition of Terms***

The following definitions are relevant to the Series 10 Preferred Shares.

“**Floating Quarterly Dividend Rate**” means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 2.86% (calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365).

“**Floating Rate Calculation Date**” means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

“**Quarterly Commencement Date**” means the 20th day of each of March, June, September and December in each year.

“**Quarterly Floating Rate Period**” means, for the initial Quarterly Floating Rate Period, the period commencing on September 20, 2017 and ending on and including December 19, 2017, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

“**T-Bill Rate**” means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

### ***Issue Price***

The Series 10 Preferred Shares will have an issue price of \$25.00 per share.

### ***Dividends***

The holders of the Series 10 Preferred Shares will be entitled to receive floating rate non-cumulative preferential cash dividends, as and when declared by the Board of Directors, subject to the provisions of the ICA, payable quarterly on the 19th day of March, June, September and December in each year, in a quarterly amount per share determined by multiplying the applicable Floating Quarterly Dividend Rate by \$25.00 (less any applicable withholding tax).

The Floating Quarterly Dividend Rate for each Quarterly Floating Rate Period will be determined by MFC on the 30th day prior to the first day of each Quarterly Floating Rate Period. Such determination will, in the absence of manifest error, be final and

binding upon MFC and upon all holders of Series 10 Preferred Shares. MFC will, on the Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series 10 Preferred Shares.

If the Board of Directors does not declare the dividends, or any part thereof, on the Series 10 Preferred Shares on or before the dividend payment date for a particular Quarterly Floating Rate Period, then the entitlement of the holders of the Series 10 Preferred Shares to such dividends, or to any part thereof, for such Quarterly Floating Rate Period shall be forever extinguished. Payments of dividends and other amounts in respect of the Series 10 Preferred Shares will be made by MFC to CDS, or its nominee, as the case may be, as registered holder of the Series 10 Preferred Shares. As long as CDS, or its nominee, is the registered holder of the Series 10 Preferred Shares, CDS, or its nominee, as the case may be, will be considered the sole owner of the Series 10 Preferred Shares for the purposes of receiving payment on the Series 10 Preferred Shares. See “— Depository Services”.

### ***Redemption***

Subject to the provisions of the ICA, including the requirement of obtaining the prior consent of the Superintendent, and subject to certain other restrictions set out in “— Restrictions on Dividends and Retirement of Series 10 Preferred Shares”, MFC may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem all or from time to time any part of the outstanding Series 10 Preferred Shares by payment in cash of a per share sum equal to (i) \$25.00 in the case of redemptions on September 19, 2022 and on September 19 every five years thereafter, or (ii) \$25.50 in the case of redemptions on any other date after September 19, 2017, in each case with an amount equal to the Accrued Amount up to but excluding the date fixed for redemption (less any applicable withholding tax).

Notice of any redemption will be given by MFC at least 30 days and not more than 60 days prior to the date fixed for redemption. If less than all of the outstanding Series 10 Preferred Shares are to be redeemed, the shares to be redeemed shall be selected on a pro rata basis disregarding fractions or, if such shares are at such time listed on such exchange, with the consent of the TSX, in such manner as the Board of Directors in its sole discretion may, by resolution, determine.

The Series 10 Preferred Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series 10 Preferred Shares. See “Risk Factors”.

### ***Conversion of Series 10 Preferred Shares into Series 9 Preferred Shares***

Holders of Series 10 Preferred Shares will have the right, at their option, on September 19, 2022 and on September 19 every five years thereafter, which we refer to as a Series 10 Conversion Date, to convert, subject to the restrictions on conversion described below and the payment or delivery to MFC of evidence of payment of the tax (if any) payable, all or any of their Series 10 Preferred Shares registered in their name into Series 9 Preferred Shares on the basis of one Series 9 Preferred Share for each Series 10 Preferred Share. The conversion of Series 10 Preferred Shares may be effected upon written notice given by the registered holders of the Series 10 Preferred Shares not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series 10 Conversion Date.

MFC will, at least 30 days and not more than 60 days prior to the applicable Series 10 Conversion Date, give notice in writing to the then registered holders of the Series 10 Preferred Shares of the above-mentioned conversion right. On the 30th day prior to each Series 10 Conversion Date, MFC will give notice in writing to the then registered holders of Series 10 Preferred Shares of the Floating Quarterly Dividend Rate for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series 9 Preferred Shares for the next succeeding Subsequent Fixed Rate Period.

If MFC gives notice to the registered holders of the Series 10 Preferred Shares of the redemption on a Series 10 Conversion Date of all the Series 10 Preferred Shares, MFC will not be required to give notice as provided hereunder to the registered holders of the Series 10 Preferred Shares of an Annual Fixed Dividend Rate or of the conversion right of holders of Series 10 Preferred Shares and the right of any holder of Series 10 Preferred Shares to convert such Series 10 Preferred Shares will cease and terminate in that event.

Holders of Series 10 Preferred Shares will not be entitled to convert their shares into Series 9 Preferred Shares if MFC determines that there would remain outstanding on a Series 10 Conversion Date less than 1,000,000 Series 9 Preferred Shares, after having taken into account all Series 10 Preferred Shares tendered for conversion into Series 9 Preferred Shares and all Series 9 Preferred Shares tendered for conversion into Series 10 Preferred Shares. MFC will give notice in writing to all registered holders of Series 10 Preferred Shares of their inability to convert their Series 10 Preferred Shares at least seven days prior to the applicable Series 10 Conversion Date. Furthermore, if MFC determines that there would remain outstanding on a Series 10 Conversion Date less than 1,000,000 Series 10 Preferred Shares, after having taken into account all Series 10 Preferred Shares tendered for conversion into Series 9 Preferred Shares and all Series 9 Preferred Shares tendered for conversion into Series 10 Preferred Shares, then, all,

but not part, of the remaining outstanding Series 10 Preferred Shares will automatically be converted into Series 9 Preferred Shares on the basis of one Series 9 Preferred Share for each Series 10 Preferred Share, on the applicable Series 10 Conversion Date and MFC will give notice in writing to this effect to the then registered holders of such remaining Series 10 Preferred Shares at least seven days prior to the Series 10 Conversion Date.

Upon exercise by a registered holder of its right to convert Series 10 Preferred Shares into Series 9 Preferred Shares (and upon an automatic conversion), MFC reserves the right not to deliver Series 9 Preferred Shares to (i) any person whose address is in, or who MFC or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require MFC to take any action to comply with the securities, insurance or analogous laws of such jurisdiction or (ii) any person who beneficially owns, or who would own as a result of the conversion, directly, or indirectly through entities controlled by such person or persons associated with or acting jointly or in concert with such person, Series 9 Preferred Shares in excess of 10% of the total number of outstanding Class 1 Shares.

In such circumstances the following procedures will apply: MFC or its agent will hold all or the relevant number of Series 10 Preferred Shares, as agent for such persons, and attempt to sell those Series 10 Preferred Shares (to parties other than MFC and its affiliates) on behalf of such person. Such sales, if any, will be made at such times, and at such prices, as MFC or its agent in its sole discretion may determine. MFC and its agent will not be subject to any liability for failing to sell Series 10 Preferred Shares on behalf of any such person at any particular price on any particular day. The net proceeds received by MFC or its agent from the sale of Series 10 Preferred Shares will be divided among such persons in proportion to the number of affected Series 10 Preferred Shares held by each one of them, after deducting the cost of sale and any applicable withholding taxes. MFC or its agent will make payment of the aggregate net proceeds to CDS (if the Series 10 Preferred Shares are held in the book-entry only system) or to the registrar and transfer agent (in all other cases) for distribution to such persons in accordance with the customary practice and procedures of CDS or the registrar and transfer agent, as applicable. See “Share Structure”.

#### ***Conversion of Series 10 Preferred Shares into Another Series of Class 1 Shares at the Option of the Holder***

MFC may, subject to the provisions of the ICA, including the requirement of any necessary consent of the Superintendent, and the New Preferred Shares (as defined below) being listed on a stock exchange, give holders of the Series 10 Preferred Shares notice that they thereafter will have the right, pursuant to the terms of the Series 10 Preferred Shares, at their option, to convert their Series 10 Preferred Shares on the date specified in the notice into fully paid New Preferred Shares on a share for share basis. Notice shall be given by MFC in writing not more than 60 days and not less than 30 days prior to such conversion date. The holders may exercise their conversion right by delivering a conversion notice to MFC or as directed by MFC. If a holder of Series 10 Preferred Shares does not deliver such conversion notice, the holder shall be deemed not to have elected to convert their Series 10 Preferred Shares into New Preferred Shares.

“**New Preferred Shares**” means a further series of Class 1 Shares constituted by the Board of Directors having rights, privileges, restrictions and conditions attaching thereto which would qualify such New Preferred Shares as Tier 1 capital or equivalent of MFC under the then current capital adequacy guidelines established by the Superintendent.

Upon exercise by the holder of this right to convert Series 10 Preferred Shares into New Preferred Shares, MFC reserves the right not to deliver New Preferred Shares to (i) any person whose address is in, or who MFC or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require MFC to take any action to comply with the securities, insurance or analogous laws of such jurisdiction or (ii) any person who beneficially owns, or who would own as a result of the conversion, directly, or indirectly through entities controlled by such person or persons associated with or acting jointly or in concert with such person, New Preferred Shares in excess of 10% of the total number of outstanding Class 1 Shares.

In such circumstances the following procedures will apply: MFC or its agent will hold all or the relevant number of Series 10 Preferred Shares that would otherwise be delivered to such persons, as agent for such persons, and attempt to sell those Series 10 Preferred Shares (to parties other than MFC and its affiliates) on behalf of such person. Such sales, if any, will be made at such times, and at such prices, as MFC or its agent in its sole discretion may determine. MFC and its agent will not be subject to any liability for failing to sell Series 10 Preferred Shares on behalf of any such person at any particular price on any particular day. The net proceeds received by MFC or its agent from the sale of Series 10 Preferred Shares will be divided among such persons in proportion to the number of affected Series 10 Preferred Shares held by each one of them, after deducting the cost of sale and any applicable withholding taxes. MFC or its agent will make payment of the aggregate net proceeds to CDS (if the Series 10 Preferred Shares are held in the book-entry only system) or to the registrar and transfer agent (in all other cases) for distribution to such persons in accordance with the customary practice and procedures of CDS or the registrar and transfer agent, as applicable. See “Share Structure”.

### ***Purchase for Cancellation***

Subject to the provisions of the ICA, including the requirement of obtaining the prior consent of the Superintendent, and subject to certain other restrictions set out under “Share Structure” and “— Restrictions on Dividends and Retirement of Series 10 Preferred Shares”, MFC may at any time or times purchase for cancellation all or any number of the Series 10 Preferred Shares outstanding from time to time, by private contract or tender or in the open market, at any price.

### ***Priority***

The Series 10 Preferred Shares shall rank on a parity with every other series of the Class 1 Shares with respect to dividends and return of capital. The Series 10 Preferred Shares shall rank equally with the Class A Shares and shall be entitled to a preference over the Class B Shares, the Common Shares and any other shares ranking junior to the Series 10 Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of any liquidation, dissolution or winding-up of MFC, whether voluntary or involuntary, or any other distribution of the assets of MFC for the purpose of winding-up its affairs.

### ***Rights on Liquidation***

In the event of the liquidation, dissolution or winding-up of MFC, or any other distribution of assets of MFC for the purpose of winding up its affairs, the holders of Series 10 Preferred Shares will be entitled to receive \$25.00 for each Series 10 Preferred Share held by them, together with all declared and unpaid dividends to the date of payment, before any amounts are paid or any assets of MFC distributed to holders of any shares ranking junior to the Series 10 Preferred Shares. After payment of those amounts, the holders of Series 10 Preferred Shares will not be entitled to share in any further distribution of the property or assets of MFC.

### ***Voting Rights***

Subject to applicable law, holders of the Series 10 Preferred Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of the shareholders of MFC unless and until the first time at which the rights of such holders to any undeclared dividends have been extinguished as described under “— Dividends”. In that event, subject to the provisions of the ICA, the holders of the Series 10 Preferred Shares will be entitled to receive notice of, and to attend, only meetings of shareholders of MFC at which directors are to be elected and will be entitled to one vote for each Series 10 Preferred Share held in the election of directors voting together with all other shareholders of MFC who are entitled to vote at such meetings, and the holders of the Series 10 Preferred Shares will not be entitled to vote in respect of any other business conducted at such meetings. The voting rights of the holders of the Series 10 Preferred Shares shall immediately cease upon payment by MFC of the whole amount of a dividend on the Series 10 Preferred Shares to which the holders are entitled subsequent to the time such voting rights first arose. At such time as the rights of such holders to any undeclared dividends on the Series 10 Preferred Shares have again been extinguished, such voting rights shall become effective again and so on from time to time.

### ***Restrictions on Dividends and Retirement of Series 10 Preferred Shares***

So long as any of the Series 10 Preferred Shares are outstanding, MFC will not, without the approval of the holders of the Series 10 Preferred Shares given as specified under “— Shareholder Approvals”:

- declare, pay or set apart for payment any dividend on the Common Shares or any other shares ranking junior to the Series 10 Preferred Shares (other than stock dividends in any shares ranking junior to the Series 10 Preferred Shares);
- redeem, purchase or otherwise retire any Common Shares or any other shares ranking junior to the Series 10 Preferred Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series 10 Preferred Shares);
- redeem, purchase or otherwise retire less than all of the Series 10 Preferred Shares; or
- except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of Preferred Shares redeem, purchase or otherwise retire any other shares ranking pari passu with the Series 10 Preferred Shares;

unless, in each case, all dividends on each series of non-cumulative Class 1 Shares (including the Series 10 Preferred Shares) then issued and outstanding, up to and including those payable on the dividend payment date for the last completed period for which dividends shall be payable and in respect of which the rights of the holders thereof have not been extinguished, and all dividends



then accrued on all other shares ranking prior to or pari passu with the Class 1 Shares, have been declared and paid or set apart for payment.

### ***Issue of Additional Series of Class 1 Shares and Amendments to the Series 10 Preferred Shares***

Although the approval of the holders of the Class 1 Shares voting separately as a class or series is not required on a proposal to amend the by-laws of MFC to create a new class of shares equal to or superior to the Class 1 Shares, MFC will not create any such class of shares superior to the Class 1 Shares without the approval of the holders of the series of Class 1 Shares voting together as a class. MFC may issue other series of Class 1 Shares ranking pari passu with the Series 10 Preferred Shares without the approval of the holders of the Series 10 Preferred Shares. MFC will not without, but may from time to time with, the approval of the holders of the Series 10 Preferred Shares given as specified under “— Shareholder Approvals” and the prior consent of the Superintendent, add, delete or vary any rights, privileges, restrictions and conditions attaching to the Series 10 Preferred Shares.

### ***Shareholder Approvals***

Any approval given by the holders of Series 10 Preferred Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution passed with the affirmative vote of not less than 66 2/3% of the votes cast at a meeting of the holders of the Series 10 Preferred Shares duly called and held, in accordance with the terms and conditions attaching to the Series 10 Preferred Shares and the Class 1 Shares as a class, as if such class provisions referred to authorization by holders of the Series 10 Preferred Shares.

### ***Tax Election***

The Series 10 Preferred Shares will be “taxable preferred shares” as defined in the Tax Act. The terms of the Series 10 Preferred Shares require MFC to make the necessary election under Part VI.1 of the Tax Act so that corporate holders will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series 10 Preferred Shares. See “Canadian Federal Income Tax Considerations”.

### ***Depository Services***

If issued, the Series 10 Preferred Shares will be in “book-entry only” form unless MFC elects otherwise and may be purchased, held and transferred in substantially the same manner as the Series 9 Preferred Shares. See “Details of the Offering — Certain Provisions of the Series 9 Preferred Shares as a Series — Depository Services”.

### ***Business Days***

If any action is required to be taken by MFC on a day that is not a business day, then such action will be taken on the next succeeding day that is a business day.

## **RATINGS**

The Series 9 Preferred Shares have been assigned a provisional rating of Pfd-2 (high) with a Stable trend by DBRS Limited, which we refer to as DBRS, and a preliminary rating of P-2 and BBB by Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc., which we refer to as S&P, using S&P’s Canadian preferred share scale and S&P’s global debt rating scale, respectively.

A Pfd-2 rating by DBRS is the second highest of three subcategories within the second highest of six categories used by DBRS for preferred shares. According to the DBRS rating system, preferred shares rated Pfd-2 are of satisfactory credit quality. Protection of dividends and principal is still substantial, but earnings, the balance sheet, and coverage ratios are not as strong as “Pfd-1” rated companies. Each category is denoted by the subcategories “high” and “low”. The absence of either a “high” or “low” designation indicates the rating is in the middle of the category. A rating trend, expressed as “Positive”, “Stable” or “Negative”, provides guidance in respect of DBRS’s opinion regarding the outlook for the rating.

A P-2 rating by S&P is the second highest of three subcategories within the second highest of eight categories used by S&P in its Canadian preferred share scale. Correspondingly, a BBB rating is the second highest of three subcategories within the fourth highest of ten categories used by S&P in its global debt rating scale. According to the S&P rating system, preferred shares rated P-2 exhibit adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. S&P Canadian preferred share scale ratings may be modified by the addition of “High” or “Low” to show relative standing within the major rating categories.

S&P global debt rating scale ratings may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. The credit ratings assigned to the Series 9 Preferred Shares may not reflect the potential impact of all risks on the value of the Series 9 Preferred Shares. A rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency. Prospective investors should consult the relevant rating organization with respect to the interpretation and implications of the ratings.

## CAPITALIZATION

The following table sets forth the share capital and consolidated indebtedness of MFC (a) as of March 31, 2012 and (b) as of March 31, 2012, after giving effect to the completion of the proposed offering and the proposed redemption of the MaCS. Other than the proposed offering, there have been no material changes to the share or loan capital of MFC on a consolidated basis since March 31, 2012. The table below should be read together with the detailed information and financial statements appearing in the documents incorporated by reference in the prospectus and this prospectus supplement.

	<b>(Unaudited)</b> <b>As of March 31, 2012</b> <b>(\$ in millions)</b>	
	<b>Actual</b>	<b>As Adjusted to Give Effect to the Proposed Offering and the Proposed Redemption of the MaCS</b>
Long term debt.....	\$5,472	\$5,472
Liabilities for preferred shares and capital instruments .....	4,501	3,501
Equity		
Non-controlling interest in subsidiaries.....	431	431
Participating policyholders' equity.....	264	264
Shareholders' equity		
Preferred shares.....	2,057	2,300
Common shares.....	19,644	19,644
Contributed surplus.....	253	253
Shareholders' retained earnings .....	3,448	3,448
Shareholder's accumulated other comprehensive income (loss).....	(273)	(273)
Total shareholders' equity.....	\$25,129	\$25,372
Total capitalization .....	\$35,797	\$35,040

## SHARE STRUCTURE

Our authorized share capital consists of an unlimited number of Common Shares, an unlimited number of Class A Shares, an unlimited number of Class B Shares and an unlimited number of Class 1 Shares. As of May 15, 2012, we had issued and outstanding approximately 1,807 million Common Shares; 14 million Class A Shares Series 1; 14 million Class A Shares Series 2; 12 million Class A Shares Series 3; 18 million Class A Shares Series 4; 14 million Class 1 Shares Series 1; 8 million Class 1 Shares Series 3; 8 million Class 1 Shares Series 5; and 10 million Class 1 Shares Series 7. We have authorized but not issued Class A Shares Series 5; Class 1 Shares Series 2; Class 1 Shares Series 4, Class 1 Shares Series 6 and Class 1 Shares Series 8.

The prospectus sets out a summary of the restrictions contained in the ICA concerning the purchase or other acquisition, issue, transfer and voting of any shares of MFC, including the Preferred Shares and the Common Shares. If a person contravenes any of these restrictions, the Minister of Finance may, by order, direct such person to dispose of all or any portion of those shares. See "Constraints on Shares" in the prospectus. The prospectus also sets out a summary of additional statutory and contractual restrictions concerning the declaration of dividends by MFC. See "ICA Restrictions and Approvals" and "Additional Restrictions on Declaration of Dividends" in the prospectus.

## PRIOR SALES

On February 22, 2012, we issued 10,000,000 Class 1 Shares Series 7 at a price of \$25.00 per Class 1 Share Series 7, and on December 6, 2011, we issued 8,000,000 Class 1 Shares Series 5 at a price of \$25.00 per Class 1 Share Series 5. We have not issued any other Class 1 Shares in the 12-month period before the date of this prospectus supplement.

## PRICE RANGE AND TRADING VOLUME OF LISTED SHARES

The Common Shares of MFC are listed on the TSX, and are quoted under the symbol “MFC”. The Class A Shares Series 1, Class A Shares Series 2, Class A Shares Series 3, Class A Shares Series 4, Class 1 Shares Series 1, Class 1 Shares Series 3, Class 1 Shares Series 5 and Class 1 Shares Series 7 are listed for trading on the TSX under the symbols “MFC.PR.A”, “MFC.PR.B”, “MFC.PR.C”, “MFC.PR.D”, “MFC.PR.E”, “MFC.PR.F”, “MFC.PR.G” and “MFC.PR.H.”, respectively. The following tables set forth, for the periods indicated, the market price ranges and trading volumes of the Common Shares, Class A Shares Series 1, Class A Shares Series 2, Class A Shares Series 3, Class A Shares Series 4, Class 1 Shares Series 1, Class 1 Shares Series 3, Class 1 Shares Series 5 and Class 1 Shares Series 7 on the TSX.

	Common Shares			Class A Shares Series 1			Class A Shares Series 2		
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
<b>2011</b>									
May	17.93	16.59	97,104,465	25.90	25.40	343,340	22.90	21.65	344,745
June	17.29	15.52	90,853,796	25.79	25.30	127,540	23.40	22.21	246,913
July	17.23	15.02	57,844,530	25.70	25.39	353,138	22.95	22.40	333,122
August	15.23	12.21	145,830,081	25.96	25.00	726,551	22.91	21.08	469,638
September	13.52	10.95	132,831,892	25.60	24.60	222,432	22.60	21.63	242,240
October	14.05	10.91	98,363,417	25.50	24.41	466,188	22.39	20.76	305,325
November	13.11	10.69	129,093,354	25.50	25.03	310,304	22.50	21.69	280,348
December	11.92	10.18	130,451,474	25.63	24.82	411,726	22.19	20.39	277,388
<b>2012</b>									
January	12.96	11.03	91,888,286	26.01	25.14	204,693	24.25	21.84	473,083
February	12.95	11.45	113,137,299	26.57	25.31	324,121	24.29	22.96	285,963
March	14.07	11.66	126,440,842	25.92	25.29	889,585	24.21	22.70	238,380
April	13.73	12.28	84,155,029	25.86	25.67	183,977	23.79	23.29	101,391
May 1-15	13.86	11.57	59,756,260	25.86	25.55	322,603	24.25	23.61	112,637
	Class A Shares Series 3			Class A Shares Series 4			Class 1 Shares Series 1		
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
<b>2011</b>									
May	22.49	21.10	352,827	27.61	27.06	590,903	27.06	26.37	210,089
June	23.16	22.03	292,933	27.50	27.00	328,181	26.93	26.32	179,645
July	22.37	21.69	291,075	27.54	27.12	516,113	27.03	26.30	120,359
August	22.64	20.75	574,607	27.47	26.75	695,844	26.99	25.76	156,719
September	22.25	21.25	157,025	27.25	26.34	320,267	26.62	25.60	155,275
October	21.81	20.40	222,886	26.95	25.47	288,806	26.28	25.00	367,012
November	21.68	21.00	298,895	27.25	26.30	259,145	26.47	25.51	173,065
December	21.84	20.01	253,268	27.04	26.30	323,064	26.19	25.10	379,287
<b>2012</b>									
January	23.65	21.23	371,520	27.71	26.79	388,563	26.99	26.10	148,423
February	24.20	22.42	267,162	27.50	26.40	726,275	27.00	25.71	196,829
March	23.99	23.03	222,498	27.00	26.28	308,124	26.47	25.76	122,588
April	23.45	23.05	140,171	27.14	26.82	207,630	26.43	26.00	121,685
May 1-15	23.92	23.45	116,895	27.12	26.60	134,666	26.59	26.10	102,170

	Class 1 Shares Series 3			Class 1 Shares Series 5 <sup>(1)</sup>			Class 1 Shares Series 7 <sup>(2)</sup>		
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
<b>2011</b>									
May	25.25	24.73	257,463						
June	25.25	24.60	212,643						
July	25.17	24.83	307,819						
August	25.10	23.62	354,980						
September	25.10	24.57	228,045						
October	25.00	23.82	195,463						
November	24.69	23.89	263,994						
December	24.29	22.76	218,063	24.56	23.51	1,548,909			
<b>2012</b>									
January	25.00	23.91	167,943	25.25	23.91	726,851			
February	25.19	23.71	127,154	26.10	24.75	537,490	25.25	24.90	1,054,875
March	24.58	23.79	230,680	25.25	24.76	200,644	25.54	25.10	443,696
April	25.10	24.50	120,866	25.80	25.05	160,067	25.99	25.30	418,544
May 1-15	25.00	24.53	68,251	25.72	25.18	282,214	26.00	25.55	113,490

(1) Issued December 6, 2011.

(2) Issued February 22, 2012.

#### PLAN OF DISTRIBUTION

Pursuant to the underwriting agreement between MFC and the Underwriters dated May 16, 2012, which we refer to as the Underwriting Agreement, we have agreed to sell and the Underwriters have severally agreed to purchase on May 24, 2012 or such later date as may be agreed upon, subject to the terms and conditions stated therein, all but not less than all of the 10,000,000 Series 9 Preferred Shares at a price of \$25.00 per Series 9 Preferred Share, which we refer to as the Offering Price, payable in cash to us against delivery of such Series 9 Preferred Shares. The offering price was determined by negotiation between MFC and the Underwriters. The obligations of the Underwriters under the Underwriting Agreement may be terminated if there should develop, occur or come into existence any occurrence of national or international consequence or any action, governmental law or regulation, inquiry or other occurrence of any nature whatsoever, or there will have been any attack on, outbreak or escalation of hostilities or acts of terrorism involving Canada or the United States, any declaration of war by Canada or the United States or any other substantial national or international calamity or emergency, which, in the reasonable opinion of the Underwriters, seriously adversely affects, or involves, or will seriously adversely affect, or involve, the financial markets or the business, operations or affairs of MFC and its subsidiaries taken as a whole and in the reasonable opinion of the Underwriters such event would reasonably be expected to have a significant adverse effect on the market price or value of the Series 9 Preferred Shares. The Underwriters may also terminate the Underwriting Agreement upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Series 9 Preferred Shares if any Series 9 Preferred Shares are purchased under the Underwriting Agreement.

The Underwriting Agreement provides that the Underwriters will be paid an Underwriters' fee per share equal to \$0.25 with respect to Series 9 Preferred Shares sold to certain institutions and \$0.75 with respect to all other Series 9 Preferred Shares. Assuming no Series 9 Preferred Shares are sold to such institutions, the Underwriters' fee would be \$7,500,000.

The Underwriters propose to offer the Series 9 Preferred Shares initially at the Offering Price. After a reasonable effort has been made to sell all of the Series 9 Preferred Shares at the Offering Price, the Underwriters may subsequently reduce and thereafter change, from time to time, the price at which the Series 9 Preferred Shares are offered to an amount not greater than the Offering Price. The compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Series 9 Preferred Shares is less than the gross proceeds paid by the Underwriters to MFC.

The Underwriters may not, throughout the period of distribution, bid for or purchase the Series 9 Preferred Shares. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the Series 9 Preferred Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. We have been advised that, in connection with this offering and subject to the foregoing, the Underwriters may over allot or effect transactions which stabilize or maintain the market price of the Series 9 Preferred Shares at a higher level than that which might exist in the open market. These transactions may be commenced, interrupted or discontinued at any time.

We have applied to list the Series 9 Preferred Shares and the Series 10 Preferred Shares on the TSX. Listing will be subject to our fulfilling all of the listing requirements of the TSX.

Manulife Securities Incorporated, one of the Underwriters, is a wholly-owned subsidiary of MFC. By virtue of such ownership, MFC is a related and connected issuer of Manulife Securities Incorporated under Canadian securities legislation.

The decision to distribute the Series 9 Preferred Shares and the determination of the terms of this offering were made through negotiations between MFC and the Underwriters. Manulife Securities Incorporated will not receive any benefit in connection with this offering, other than its share of the Underwriters' fee payable by MFC.

Under applicable Canadian securities legislation, Scotia Capital Inc., CIBC World Markets Inc. and RBC Dominion Securities Inc. are each independent underwriters acting as principals in connection with this offering and are not related or connected to MFC or to Manulife Securities Incorporated. In that capacity, Scotia Capital Inc., CIBC World Markets Inc. and RBC Dominion Securities Inc. have participated with all other Underwriters in due diligence meetings relating to this prospectus supplement with us and our representatives, have reviewed this prospectus supplement and have had the opportunity to propose such changes to this prospectus supplement as they considered appropriate. In addition, Scotia Capital Inc., CIBC World Markets Inc. and RBC Dominion Securities Inc. have participated, together with the other Underwriters, in the structuring and pricing of this offering.

Each of the Underwriters has represented and agreed that it will not solicit offers to purchase or sell the Series 9 Preferred Shares so as to require registration thereof or filing of a prospectus with respect thereto under the laws of any jurisdiction including, without limitation, the United States, except as set forth in the Underwriting Agreement.

Neither the Series 9 Preferred Shares nor the Series 10 Preferred Shares have been or will be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act), except in certain transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the Series 9 Preferred Shares or the Series 10 Preferred Shares in the United States. In addition, until 40 days after the commencement of this offering, an offer or sale of Series 9 Preferred Shares or the Series 10 Preferred Shares within the United States by any dealer (whether or not participating in this offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act.

#### **CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Torys LLP and McCarthy Tétrault LLP, the following is a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser of Series 9 Preferred Shares acquired pursuant to this prospectus supplement and Series 10 Preferred Shares acquired upon the conversion of the Series 9 Preferred Shares so acquired who at all relevant times, within the meaning of the Tax Act, is or is deemed to be resident in Canada, deals at arm's length with MFC, is not affiliated with MFC, holds the Series 9 Preferred Shares and any Series 10 Preferred Shares as capital property and is not exempt from tax under Part I of the Tax Act, which we refer to as a Purchaser. The Canadian federal income tax considerations generally applicable to a holder of New Preferred Shares acquired upon a conversion of Series 9 Preferred Shares or Series 10 Preferred Shares will depend on the terms of the New Preferred Shares, if constituted, and are not described herein.

Generally, the Series 9 Preferred Shares and the Series 10 Preferred Shares will be capital property to a Purchaser provided the Purchaser does not hold such shares in the course of carrying on a business and does not acquire them as part of an adventure or concern in the nature of a trade. Certain Purchasers who might not otherwise be considered to hold Series 9 Preferred Shares or Series 10 Preferred Shares as capital property may, in certain circumstances, be entitled to have them and every other "Canadian security" (as defined in the Tax Act) owned by such Purchaser in the taxation year of the election or any subsequent taxation year, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Purchaser: (i) that is a "financial institution" for the purposes of the "mark to market rules", (ii) an interest in which would be a "tax shelter investment" or (iii) that has elected to report its "Canadian tax results" in a "functional currency" (which does not include Canadian currency) in accordance with the provisions of the Tax Act, as each is defined in the Tax Act. Such Purchasers should consult their own tax advisers having regard to their particular circumstances. Furthermore, this summary is not applicable to a Purchaser that is a "specified financial institution" (as defined in the Tax Act) that receives or is deemed to receive, alone or together with persons with whom it does not deal at arm's length, in the aggregate dividends in respect of more than 10% of the Series 9 Preferred Shares or the Series 10 Preferred Shares, as the case may be, outstanding at the time the dividend is received. This summary also assumes that all issued and outstanding Series 9 Preferred

Shares or Series 10 Preferred Shares are listed on a “designated stock exchange” (which includes the TSX) in Canada (as defined in the Tax Act) at such times as dividends (including deemed dividends) are paid or received on such shares.

This summary is based upon the facts set out in this prospectus supplement and the prospectus, the current provisions of the Tax Act in force on the date of this prospectus supplement, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and counsel’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency, which we refer to as the CRA, published by the CRA prior to the date of this prospectus supplement. There can be no assurance that the proposed amendments will be implemented in their current form or at all. This summary is not exhaustive of all possible income tax considerations and, except for the proposed amendments, does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action, or changes in the administrative policies or assessing practices of the CRA, nor does it take into account other federal tax legislation or considerations or the tax legislation or considerations of any province, territory or foreign jurisdiction. The provisions of provincial income tax legislation vary from province to province in Canada and in some cases differ from federal income tax legislation.

***This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Purchaser, and no representations with respect to the income tax consequences to any particular Purchaser are made. Accordingly, prospective Purchasers are urged to consult their own tax advisers for advice with respect to the tax consequences to them of acquiring, holding and disposing of the Series 9 Preferred Shares and Series 10 Preferred Shares, including the application and effect of the income and other tax laws of any foreign jurisdiction or any province, territory or local tax authority.***

### ***Dividends***

Dividends (including deemed dividends) received on the Series 9 Preferred Shares or the Series 10 Preferred Shares by a Purchaser that is an individual (other than certain trusts) will be included in the individual’s income and generally will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received by individuals from taxable Canadian corporations, including the enhanced dividend gross-up and dividend tax credit rules applicable to any dividends designated by MFC as “eligible dividends” in accordance with the Tax Act.

Dividends (including deemed dividends) received on the Series 9 Preferred Shares and the Series 10 Preferred Shares received by a Purchaser that is a corporation will be included in computing the corporation’s income and will generally be deductible in computing the taxable income of the corporation.

The Series 9 Preferred Shares and the Series 10 Preferred Shares will be “taxable preferred shares” (as defined in the Tax Act). The terms of the Series 9 Preferred Shares and the Series 10 Preferred Shares require MFC to make the necessary election under Part VI.1 of the Tax Act so that Purchasers that are corporate shareholders will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series 9 Preferred Shares and the Series 10 Preferred Shares.

A “private corporation” (as defined in the Tax Act) or any other corporation controlled, whether by reason of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay a 33½% refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the Series 9 Preferred Shares and the Series 10 Preferred Shares to the extent such dividends are deductible in computing its taxable income. The refundable tax is refunded when such corporation pays taxable dividends at a rate of \$1.00 of refund for every \$3.00 of taxable dividends paid while it is a private corporation.

### ***Dispositions***

A Purchaser who disposes of or is deemed to dispose of the Series 9 Preferred Shares or the Series 10 Preferred Shares (including on redemption of the shares or other acquisition by MFC but not including a conversion) will generally realize a capital gain (or sustain a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares to such Purchaser. The amount of any deemed dividend arising on the redemption or acquisition by MFC of Series 9 Preferred Shares or the Series 10 Preferred Shares will generally not be included in computing the proceeds of disposition of a Purchaser for purposes of computing the capital gain or capital loss arising on the disposition of such shares. See “Redemption”. If the shareholder is a corporation, any such capital loss may in certain circumstances be reduced by the amount of any dividends, including deemed dividends, which have been received on such shares, or a share which has been converted into such share, to the extent and under the circumstances prescribed by the Tax Act. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

Generally, one-half of any capital gain (a “taxable capital gain”) will be included in computing the Purchaser’s income as a taxable capital gain. One-half of any capital loss (an “allowable capital loss”) realized in a taxation year must be deducted from

the Purchaser's taxable capital gains realized in that year in accordance with the rules contained in the Tax Act. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act. Taxable capital gains of a "Canadian controlled private corporation" (as defined in the Tax Act) may be subject to an additional refundable tax of 6%.

### ***Redemption***

If MFC redeems for cash or otherwise acquires the Series 9 Preferred Shares or the Series 10 Preferred Shares, other than by a purchase in the manner in which shares are normally purchased by a member of the public in the open market, the Purchaser will be deemed to have received a dividend equal to the amount, if any, paid by MFC, including any redemption premium, in excess of the paid-up capital of such shares at such time as computed for purposes of the Tax Act. See "Dividends". Generally, the proceeds of disposition for purposes of computing the capital gain or capital loss arising on the disposition of such share will be equal to the amount paid by MFC on redemption or acquisition of such share, including any redemption premium, less the amount of the deemed dividend, if any. See "Dispositions". In the case of a corporate shareholder, it is possible that in certain circumstances all or part of the amount so deemed to be a dividend may be treated as proceeds of disposition and not as a dividend.

### ***Conversion***

The conversion of a Series 9 Preferred Share into a Series 10 Preferred Share or a New Preferred Share and the conversion of a Series 10 Preferred Share into a Series 9 Preferred Share or a New Preferred Share will be deemed not to be a disposition of property and accordingly will not give rise to any capital gain or capital loss. The cost to a Purchaser of a Series 10 Preferred Share, a Series 9 Preferred Share or a New Preferred Share, as the case may be, received on the conversion will be deemed to be equal to the Purchaser's adjusted cost base of the converted Series 9 Preferred Share or Series 10 Preferred Share, as the case may be, immediately before the conversion. The adjusted cost base of all of the Series 9 Preferred Shares, Series 10 Preferred Shares or New Preferred Shares held by the Purchaser will be determined in accordance with the cost averaging rules in the Tax Act.

### ***Alternative Minimum Tax***

A capital gain realized, or a dividend received or deemed to be received, by a Purchaser that is an individual or a trust (other than certain specified trusts) may give rise to a liability for alternative minimum tax.



## EARNINGS COVERAGE RATIOS

*For the twelve months ended December 31, 2011:*

After giving effect to the proposed offering of Series 9 Preferred Shares and the offering of MFC Class 1 Shares Series 7 on February 22, 2012, MFC's dividend requirements on all of its outstanding Preferred Shares, which we refer to as the MFC Dividends, as adjusted to a before-tax equivalent using an effective income tax rate of (65.6)% for the 12 months ended December 31, 2011 would have amounted to \$74 million for the 12 months ended December 31, 2011.

After giving effect to the offering by MLI of \$500 million principal amount of 4.165% fixed/floating subordinated debentures on February 17, 2012, which we refer to as the 2012 MLI Subordinated Debentures, the interest requirements, which we refer to as the MFC Debt Interest, on the existing senior and subordinated long-term indebtedness of MFC and Manulife Finance (Delaware) LP, plus capital leases, which we refer to as the MFC Debt, net of related currency and interest rate swaps for the 12 months ended December 31, 2011 would have amounted to \$348 million. After giving effect to the offering of 2012 MLI Subordinated Debentures and the proposed redemption of the MaCS on June 30, 2012, the MFC Aggregate Debt Interest, defined as the sum of (a) the MFC Debt Interest, and (b) interest requirements on the liabilities for capital instruments related to the Manulife Financial Capital Trust II Notes – Series 1, which we refer to as MaCS II, for the 12 months ended December 31, 2011 would have amounted to \$423 million. The MFC Debt and the liabilities for capital instruments related to the MaCS II are referred to as MFC Aggregate Debt.

After giving effect to the offering of 2012 MLI Subordinated Debentures and the proposed redemption of the MaCS, the MFC Total Debt Interest, defined as the sum of (a) the interest requirements on other outstanding indebtedness, and (b) MFC Aggregate Debt Interest, for the 12 months ended December 31, 2011 would have amounted to \$579 million. From MFC's perspective, the other outstanding indebtedness represents operational leverage, not financial leverage. The other outstanding indebtedness and the MFC Aggregate Debt are referred to as MFC Total Debt.

The consolidated earnings of MFC before the deduction of MFC Aggregate Debt Interest, dividend requirements on the Class A Shares Series 1 accounted for as interest expense and income taxes for the 12 months ended December 31, 2011 amounted to \$631 million. This amount is approximately 1.5 times the MFC Debt Interest and MFC Dividends, and approximately 1.3 times the MFC Aggregate Debt Interest and MFC Dividends for the same period.

The consolidated earnings of MFC before the deduction of MFC Total Debt Interest, dividend requirements on the Class A Shares Series 1 accounted for as interest expense and income taxes for the 12 months ended December 31, 2011 amounted to \$788 million. This amount is approximately 1.2 times the MFC Total Debt Interest and MFC Dividends for the same period.

*For the twelve months ended March 31, 2012:*

After giving effect to the proposed offering of Series 9 Preferred Shares, the MFC Dividends, as adjusted to a before-tax equivalent using an effective income tax rate of (242.3)% for the 12 months ended March 31, 2012 would have amounted to \$34 million for the 12 months ended March 31, 2012.

The MFC Debt Interest net of related currency and interest rate swaps for the 12 months ended March 31, 2012 would have amounted to \$328 million.

After giving effect to the proposed redemption of the MaCS, the MFC Aggregate Debt Interest for the 12 months ended March 31, 2012 would have amounted to \$402 million.

After giving effect to the proposed redemption of the MaCS, the MFC Total Debt Interest for the 12 months ended March 31, 2012 would have amounted to \$559 million.

The consolidated earnings of MFC before the deduction of MFC Aggregate Debt Interest, dividend requirements on the Class A Shares Series 1 accounted for as interest expense and income taxes for the 12 months ended March 31, 2012 amounted to \$626 million. This amount is approximately 1.7 times the MFC Debt Interest and MFC Dividends, and approximately 1.4 times the MFC Aggregate Debt Interest and MFC Dividends for the same period.

The consolidated earnings of MFC before the deduction of MFC Total Debt Interest, dividend requirements on the Class A Shares Series 1 accounted for as interest expense and income taxes for the 12 months ended March 31, 2012 amounted to \$782 million. This amount is approximately 1.3 times the MFC Total Debt Interest and MFC Dividends for the same period.

## USE OF PROCEEDS

The net proceeds from the sale of the Series 9 Preferred Shares offered by this prospectus supplement will amount to approximately \$242.2 million after deducting the Underwriters' fee and estimated expenses of the issue. The Underwriters' fee and the expenses of the issue will be paid out of the proceeds of this offering. MFC intends to use the net proceeds for investments in subsidiaries to partially fund the proposed redemption of the MaCS on June 30, 2012. This issue will increase MFC's Tier 1 capital determined in accordance with the capital adequacy standards established by the Superintendent. However, this increase in MFC's Tier 1 capital will be offset by the proposed redemption of the MaCS.

## RISK FACTORS

You should carefully consider the risks and the other information in this prospectus supplement, the prospectus and the documents incorporated by reference in this prospectus supplement and the prospectus before investing in Series 9 Preferred Shares. The risks and uncertainties described below, in the prospectus and in the documents incorporated by reference are not the only ones we may face. Additional risks and uncertainties that we are unaware of, or that we currently deem to be immaterial, may also become important factors that affect us. If any of these risks actually occurs, our business, financial condition or results of operations could be materially adversely affected, with the result that the trading price of the Series 9 Preferred Shares and Series 10 Preferred Shares could decline and you could lose all or part of your investment.

***The value of the Series 9 Preferred Shares and the Series 10 Preferred Shares will be affected by our general creditworthiness.***

The value of the Series 9 Preferred Shares and the Series 10 Preferred Shares will be affected by our general creditworthiness. Real or anticipated changes in credit ratings on the Series 9 Preferred Shares or the Series 10 Preferred Shares may affect the market value of the Series 9 Preferred Shares and the Series 10 Preferred Shares, respectively. No assurance can be given that any credit ratings assigned to the Series 9 Preferred Shares or the Series 10 Preferred Shares will not be lowered or withdrawn entirely by the relevant rating agency. In addition, real or anticipated changes in credit ratings could adversely impact the marketability of the insurance and wealth management products offered by us and could affect the cost at which we obtain funding, thereby affecting our liquidity, business, financial condition or results of operations.

During 2011, the financial strength and credit ratings of our insurance operating companies were affirmed by S&P, Fitch Ratings Ltd., which we refer to as Fitch, A.M. Best Company, which we refer to as A.M. Best and DBRS. There were no rating actions undertaken by Moody's Investors Service, a subsidiary of Moody's Corporation, which we refer to as Moody's. Our insurance operating companies are currently rated AA- by S&P, A1 by Moody's, AA- by Fitch Ratings, A+ (Superior) by A.M. Best and IC-1 by DBRS for financial strength. Furthermore, A.M. Best revised their outlook from negative to stable. At December 31, 2011, all five rating agencies had a stable outlook on the ratings of our insurance operating companies. In February 2012, Fitch affirmed the financial strength ratings of our insurance operating companies and credit ratings and revised the outlook from stable to negative. Credit rating agencies remain concerned with: our reduced financial flexibility associated with increased financial leverage and weak earnings coverage metrics; capital and net earnings volatility associated with fair-value accounting; net exposures to equity markets and lower interest rates; potential failure to complete the hedging program targets; lower prospective earnings contribution from the U.S. operations and challenges associated with long term care and universal life products. There can be no guarantee that downgrades will not occur.

***The Series 9 Preferred Shares and Series 10 Preferred Shares are non-cumulative and there is a risk we will be unable to pay dividends on the shares.***

The Series 9 Preferred Shares and the Series 10 Preferred Shares are non-cumulative and dividends are payable at the discretion of the Board of Directors. See "Earnings Coverage Ratios" and "Share Structure" which are relevant to an assessment of the risk that MFC will be unable to pay dividends on the Series 9 Preferred Shares or the Series 10 Preferred Shares.

MFC has covenanted for the benefit of holders of the outstanding MaCS, that, if a distribution is not paid when due on any outstanding MaCS, MFC will not declare or pay cash dividends on its Preferred Shares, which would include the Series 9 Preferred Shares and the Series 10 Preferred Shares, until the twelfth month following the failure to pay the required distribution in full, unless the required distribution is paid to the holders of MaCS.

MFC has also covenanted for the benefit of holders of the outstanding MaCS II — Series 1, that, if an "Other Deferral Event" as defined in the applicable agreement occurs, MFC will not declare or pay cash dividends on its Preferred Shares, which would include the Series 9 Preferred Shares and the Series 10 Preferred Shares, until the sixth month following the relevant Other Deferral Event date. An Other Deferral Event will occur if interest is not paid in full in cash on the MaCS II — Series 1 on any interest payment date or if MLI elects that holders of MaCS II — Series 1 invest interest payable on the MaCS II — Series 1 on any interest payment date in a new series of MLI Class 1 Shares.

***Our holding company structure may adversely affect the ability of the holders of Series 9 Preferred Shares and Series 10 Preferred Shares to receive payments on the shares.***

MFC is a holding company and we rely on dividends and interest payments from our insurance and other subsidiaries as the principal source of cash flow to meet our obligations with respect to the Series 9 Preferred Shares and the Series 10 Preferred Shares. As a result, MFC's cash flows and ability to service its obligations, including the Series 9 Preferred Shares and the Series 10 Preferred Shares, are dependent upon the earnings of its subsidiaries, distributions of those earnings to it and other payments or distributions of funds by its subsidiaries to it. Substantially all of MFC's business is currently conducted through its subsidiaries, and MFC expects this to continue.

The ability of MFC's insurance subsidiaries to pay dividends to MFC in the future will depend on their earnings and regulatory restrictions. The payment of dividends to MFC by MLI, MFC's principal subsidiary, is subject to regulatory restrictions set out in the ICA. The ICA prohibits the declaration or payment of any dividend on shares of an insurance company if there are reasonable grounds for believing (i) the company does not have adequate capital and adequate and appropriate forms of liquidity, or (ii) the declaration or the payment of the dividend would cause the company to be in contravention of any regulation made under the ICA respecting the maintenance of adequate capital and adequate and appropriate forms of liquidity, or any direction made to the company by the Superintendent. As a result of the restructuring of our subsidiaries on December 31, 2009, all of our U.S. operating life companies are now subsidiaries of MLI. Accordingly, a restriction on dividends from MLI would prevent MFC from obtaining dividends from its U.S. insurance business.

Certain of MFC's U.S. insurance subsidiaries also are subject to insurance laws in Michigan, New York, Massachusetts, and Vermont, the jurisdictions in which these subsidiaries are domiciled, which impose general limitations on the payment of dividends and other upstream distributions by these subsidiaries to MLI. In addition, our Asian insurance subsidiaries are also subject to restrictions which could affect their ability to pay dividends to MLI in certain circumstances. In addition, the payment of other upstream distributions by our insurance subsidiaries is limited under the insurance laws in the jurisdictions where those subsidiaries are domiciled and in which they conduct operations.

***The Series 9 Preferred Shares and Series 10 Preferred Shares will be structurally subordinated to all existing and future liabilities of our subsidiaries.***

The Series 9 Preferred Shares and the Series 10 Preferred Shares are equity capital of MFC which rank equally with other Class 1 Shares, and every series of Class A Shares, in the event of an insolvency or winding-up of MFC. If MFC becomes insolvent or is wound-up, its assets must be used to satisfy outstanding indebtedness and other liabilities of MFC, including subordinated indebtedness of MFC, before payment may be made on the Series 9 Preferred Shares or the Series 10 Preferred Shares.

Our subsidiaries have no obligation to pay any amounts due on the Series 9 Preferred Shares and the Series 10 Preferred Shares. Furthermore, except to the extent MFC has a priority or equal claim against its subsidiaries as a creditor, the Series 9 Preferred Shares and the Series 10 Preferred Shares will be effectively subordinated to debt and preferred shares at the subsidiary level because, as the common shareholder of its subsidiaries, MFC will be subject to the prior claims of creditors of its subsidiaries. As a result, a holder of Series 9 Preferred Shares or Series 10 Preferred Shares will not have any claim as a creditor against our subsidiaries. Accordingly, the Series 9 Preferred Shares and the Series 10 Preferred Shares are effectively subordinated to all liabilities of any of MFC's subsidiaries. Therefore, holders of Series 9 Preferred Shares or Series 10 Preferred Shares should rely only on MFC's assets for payments on the shares.

***The market value of the Series 9 Preferred Shares and the Series 10 Preferred Shares may fluctuate.***

Prevailing yields on similar securities will affect the market value of the Series 9 Preferred Shares and the Series 10 Preferred Shares. Assuming all other factors remain unchanged, the market value of the Series 9 Preferred Shares and the Series 10 Preferred Shares would be expected to decline as prevailing yields for similar securities rise, and would be expected to increase as prevailing yields for similar securities decline. Spreads over the Government of Canada Yield, T-Bill Rate and comparable benchmark rates of interest for similar securities will also affect the market value of the Series 9 Preferred Shares and the Series 10 Preferred Shares in an analogous manner.

From time to time, the financial markets experience significant price and volume volatility that may affect the market price of the Series 9 Preferred Shares and the Series 10 Preferred Shares for reasons unrelated to our performance. The continuing volatility in financial markets may adversely affect us and the market price of the Series 9 Preferred Shares and the Series 10 Preferred Shares. Also, the financial markets are generally characterized by extensive interconnections among financial institutions. As such, defaults by other financial institutions in Canada, the United States or other countries could adversely affect us and the market price of the Series 9 Preferred Shares and the Series 10 Preferred Shares. Additionally, the value of the Series 9 Preferred Shares and the Series 10 Preferred Shares are subject to market value fluctuations based upon factors which influence our operations, such as legislative or regulatory developments, competition, technological change and global capital market activity.

***We are subject to an extensive regulatory regime that is designed to protect policy holders and beneficiaries first and foremost, not shareholders.***

We are subject to extensive regulatory oversight in the jurisdictions in which we do business. These regulations are primarily intended to protect policyholders and beneficiaries first and foremost, not shareholders. Our business could be adversely affected by changes in applicable law or regulation or the interpretation or enforcement thereof.

The redemption or purchase by MFC of the Series 9 Preferred Shares and the Series 10 Preferred Shares is subject to the consent of the Superintendent and other restrictions contained in the ICA. See “Share Structure”.

***There is no existing public market for the Series 9 Preferred Shares or the Series 10 Preferred Shares, a market may not develop and you may have to hold your shares indefinitely.***

There is currently no market through which the Series 9 Preferred Shares and the Series 10 Preferred Shares may be sold. No assurance can be given as to whether an active trading market will develop or be maintained for the Series 9 Preferred Shares and the Series 10 Preferred Shares. To the extent that an active trading market for the Series 9 Preferred Shares and the Series 10 Preferred Shares does not develop, the liquidity and trading prices for the Series 9 Preferred Shares and the Series 10 Preferred Shares may be adversely affected. If the Series 9 Preferred Shares and the Series 10 Preferred Shares are traded after their initial issuance, they may trade at a discount from their initial price depending on prevailing interest rates, the market for similar securities, our performance and other factors.

***Other Risk Factors Specific to the Series 9 Preferred Shares and the Series 10 Preferred Shares.***

Neither Series 9 Preferred Shares nor the Series 10 Preferred Shares have a fixed maturity date and are not redeemable at the option of the holders of Series 9 Preferred Shares or Series 10 Preferred Shares, as applicable. The ability of a holder to liquidate its holdings of Series 9 Preferred Shares or Series 10 Preferred Shares, as applicable, may be limited.

We may choose to redeem the Series 9 Preferred Shares and the Series 10 Preferred Shares from time to time, in accordance with our rights described under “Details of the Offering — Certain Provisions of the Series 9 Preferred Shares as a Series — Redemption” and “Details of the Offering — Certain Provisions of the Series 10 Preferred Shares as a Series — Redemption”, including when prevailing interest rates are lower than yield borne by the Series 9 Preferred Shares and the Series 10 Preferred Shares. If prevailing rates are lower at the time of redemption, a purchaser would not be able to reinvest the redemption proceeds in a comparable security at an effective yield as high as the yield on the Series 9 Preferred Shares or the Series 10 Preferred Shares being redeemed. Our redemption right also may adversely impact a purchaser’s ability to sell Series 9 Preferred Shares and Series 10 Preferred Shares as the optional redemption date or period approaches.

The dividend rate in respect of the Series 9 Preferred Shares will reset on September 19, 2017 and on September 19 every five years thereafter. The dividend rate in respect of the Series 10 Preferred Shares will reset quarterly. In each case, the new dividend rate is unlikely to be the same as, and may be lower than, the dividend rate for the applicable preceding dividend period.

Investments in the Series 10 Preferred Shares, given their floating interest component, entail significant risks not associated with investments in the Series 9 Preferred Shares. The resetting of the applicable rate on a Series 10 Preferred Share may result in a lower yield compared to fixed rate Series 9 Preferred Shares. The applicable rate on a Series 10 Preferred Share will fluctuate in accordance with fluctuations in the T-Bill Rate on which the applicable rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which we have no control.

An investment in the Series 9 Preferred Shares, or in the Series 10 Preferred Shares, as the case may be, may become an investment in Series 10 Preferred Shares, or in Series 9 Preferred Shares, respectively, without the consent of the holder in the event of an automatic conversion in the circumstances described under “Details of the Offering — Certain Provisions of the Series 9 Preferred Shares as a Series — Conversion of Series 9 Preferred Shares into Series 10 Preferred Shares” and “Details of the Offering — Certain Provisions of the Series 10 Preferred Shares as a Series — Conversion of Series 10 Preferred Shares into Series 9 Preferred Shares”. Upon the automatic conversion of the Series 9 Preferred Shares into Series 10 Preferred Shares, the dividend rate on the Series 10 Preferred Shares will be a floating rate that is adjusted quarterly by reference to the T-Bill Rate which may vary from time to time while, upon the automatic conversion of the Series 10 Preferred Shares into Series 9 Preferred Shares, the dividend rate on the Series 9 Preferred Shares will be, for each five-year period, a fixed rate that is determined by reference to the Government of Canada Yield on the 30th day prior to the first day of each such five-year period. In addition, holders may be prevented from converting their Series 9 Preferred Shares into Series 10 Preferred Shares, and vice versa, in certain circumstances. See “Details of the Offering – Certain Provisions of the Series 9 Preferred Shares as a Series — Conversion of Series 9 Preferred Shares into Series 10 Preferred Shares”, “— Issue of Additional Series of Class 1 Shares and Amendments to the Series 9 Preferred Shares”, “Details of the Offering — Certain Provisions of the Series 10 Preferred Shares

as a Series — Conversion of Series 10 Preferred Shares into Series 9 Preferred Shares” and “— Issue of Additional Series of Class 1 Shares and Amendments to the Series 10 Preferred Shares”.

#### **LEGAL MATTERS**

In connection with the issue and sale of the Series 9 Preferred Shares, certain legal matters will be passed upon, on behalf of MFC, by Torys LLP and, on behalf of the Underwriters, by McCarthy Tétrault LLP. As of the date hereof, partners and associates of Torys LLP and McCarthy Tétrault LLP, respectively, as a group, beneficially own, directly or indirectly, less than one percent of any securities of MFC or any associates or affiliates of MFC.

#### **TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar for the Series 9 Preferred Shares and the Series 10 Preferred Shares will be CIBC Mellon Trust Company at its principal office in Toronto.

#### **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus or any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights or consult with a legal adviser.

## AUDITORS' CONSENT

We have read the short form base shelf prospectus of Manulife Financial Corporation ("MFC") dated September 3, 2010, as supplemented by the prospectus supplement of MFC dated May 16, 2012 relating to the issue and sale of Non-cumulative Rate Reset Class 1 Shares Series 9 of MFC (collectively, the "Prospectus"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the Prospectus, of our report to the shareholders of MFC on the consolidated statements of financial position of MFC as at December 31, 2011 and 2010, and January 1, 2010, and the consolidated statements of income (loss), comprehensive income (loss), changes in equity and cash flows for the years ended December 31, 2011 and 2010. Our report is dated March 16, 2012.

Toronto, Canada  
May 16, 2012

(signed) Ernst & Young LLP  
Chartered Accountants  
Licensed Public Accountants

## CERTIFICATE OF THE UNDERWRITERS

Dated: May 16, 2012

To the best of our knowledge, information and belief, the short form prospectus dated September 3, 2010, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of all provinces and territories of Canada.

SCOTIA CAPITAL INC.

By: (Signed) David J. Skurka

CIBC WORLD MARKETS INC.

By: (Signed) Shannan M. Levere

RBC DOMINION SECURITIES INC.

By: (Signed) Rajiv Bahl

BMO NESBITT BURNS INC.

By: (Signed) Bradley J. Hardie

TD SECURITIES INC.

By: (Signed) Jonathan Broer

NATIONAL BANK FINANCIAL INC.

By: (Signed) Darin E. Deschamps

DESJARDINS SECURITIES INC.

By: (Signed) A. Thomas Little

HSBC SECURITIES (CANADA) INC.

By: (Signed) Gabriella King

CANACCORD GENUITY CORP.

By: (Signed) Daniel Daviau

LAURENTIAN BANK SECURITIES  
INC.

By: (Signed) Michel Richard

MANULIFE SECURITIES  
INCORPORATED

By: (Signed) David Macleod