



First Quarter 2016 Financial & Operating Results

May 5, 2016



Caution regarding forward-looking statements

From time to time, MFC makes written and/or oral forward-looking statements, including in this presentation. In addition, our representatives may make forward-looking statements orally to analysts, investors, the media and others. All such statements are made pursuant to 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 presentation relate to, among other things, our 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 we believe 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 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: 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 applicable in any of the territories in which we operate; changes in regulatory capital requirements applicable in any of the territories in which we operate; 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 provisions 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, actuarial methods and embedded value 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, including through our collaboration arrangements with Standard Life plc, bancassurance partnership with DBS Bank Ltd and distribution agreement with Standard Chartered; unforeseen liabilities or asset impairments arising from acquisitions and dispositions of businesses, including with respect to the acquisitions of Standard Life, New York Life’s Retirement Plan Services business, and Standard Chartered’s MPF and ORSO 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 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 failure to realize some or all of the expected benefits of the acquisitions of Standard Life, New York Life’s Retirement Plan Services business, and Standard Chartered’s MPF and ORSO businesses; the disruption of or changes to key elements of the Company’s system or public infrastructure systems; environmental concerns; our ability to protect our intellectual property and exposure to claims of infringement; and our inability to withdraw cash from subsidiaries.

Additional information about material risk 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 under “Risk Management and Risk Factors Update” and “Critical Accounting and Actuarial Policies” in our most recent interim report, under “Risk Factors” in our most recent Annual Information Form, under “Risk Management”, “Risk Factors” and “Critical Accounting and Actuarial Policies” in the Management’s Discussion and Analysis in our most recent annual report, in the “Risk Management” note to consolidated financial statements in our most recent annual and interim reports and elsewhere in our filings with Canadian and U.S. securities regulators.

The forward-looking statements in this presentation are, unless otherwise indicated, stated as of the date hereof and are presented for the purpose of assisting investors and others in understanding our financial position and results of operations, our future operations, as well as our objectives and strategic priorities, and may not be appropriate for other purposes. We do not undertake to update any forward-looking statements, except as required by law.

Conference Call Participants

Donald Guloien

President & Chief Executive Officer

Steve Roder

SEVP & Chief Financial Officer

Paul Rooney

SEVP & Chief Operating Officer

Roy Gori

SEVP & General Manager, Asia

Marianne Harrison

SEVP & General Manager, Canada

Craig Bromley

SEVP & General Manager, U.S. Division

Warren Thomson

SEVP & Chief Investment Officer

Scott Hartz

EVP, General Account Investments

Kai Sotorp

EVP, Global Head of Wealth and Asset Management

Rahim Hirji

EVP & Chief Risk Officer

Steve Finch

EVP & Chief Actuary

CEO's remarks



Donald Guloien

President & Chief Executive Officer

1Q16 highlights

Strong operating performance from our operations around the world:

- Insurance sales up 14% vs. 1Q15
- New business value up 70% vs. 1Q15
- Wealth and asset management net flows of \$1.7 billion, and gross flows up 15% vs. 1Q15
- Core earnings of \$905 million, up 14% vs. 1Q15
- Net income attributed to shareholders of \$1,045 million
- MLI's MCCR¹ of 233%

¹ Minimum Continuing Capital and Surplus Requirements (MCCR) of The Manufacturers Life Insurance Company (MLI).

Performance and strategic highlights

Asia Division

- Delivered record annualized premium equivalent sales and new business value
- Maintained solid gross flows in our wealth and asset management businesses despite challenging market conditions
- Successfully launched the DBS partnership in four markets and initial performance exceeded expectations
- Continued to grow bank distribution through new partnerships in Cambodia and Japan
- Expanded the ManulifeMOVE wellness program to the Philippines and added new reward partners

Canada Division

- Generated solid growth in individual insurance sales driven by product enhancements
- Delivered robust mutual fund gross flows despite challenging market conditions
- Achieved our 26th consecutive quarter of Wealth and Asset Management net inflows into our pension business
- Announced an agreement with The Vitality Group to reward customers for healthy living

U.S. Division

- Delivered strong mutual fund gross flows
- Achieved solid gross flows in our Retirement Plan Services business
- Launched five new exchange traded funds, bringing our total offering to 11
- Named best new exchange traded fund manager by ETF.com

Wealth and Asset Management (WAM) businesses

- Reported \$488 billion in AUMA
- Delivered our 25th consecutive quarter of positive net flows
- Reported core EBITDA of \$285 million

Please refer to the 1Q16 Press Release and MD&A for more information.

CFO's remarks



Steve Roder

SEVP & Chief Financial Officer

1Q16 financial summary

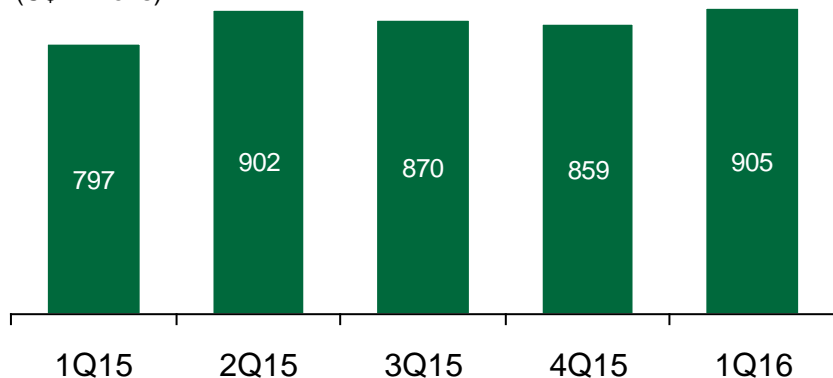
	(C\$ millions, unless noted)	1Q15	1Q16	Change
Profitability	Net Income Attributed to Shareholders	723	1,045	▲ 45%
	Core Earnings	797	905	▲ 14%
	Diluted core earnings per share	\$0.39	\$0.44	▲ 13%
	Core return on equity (annualized)	9.3%	9.3%	n/c
	Return on equity (annualized)	8.4%	10.8%	▲ 240 bps
Growth	Insurance sales	779	954	▲ 14%
	WAM net flows (C\$ billions)	6.6	1.7	▼ 76%
	WAM gross flows (C\$ billions)	22.8	28.2	▲ 15%
	Other wealth sales (C\$ billions)	1.8	2.4	▲ 29%
	New business value	169	287	▲ 70%
	Total assets under management and administration (AUMA) (C\$ billions)	821	904	▲ 8%
	Wealth and asset management AUMA (C\$ billions)	394	488	▲ 22%
Financial Strength	MLI's MCCR Ratio ¹	245%	233%	▼ 12 pts
	Financial leverage ratio	26.6%	27.9%	▲ 130 bps

¹ Minimum Continuing Capital and Surplus Requirements (MCCR) of The Manufacturers Life Insurance Company (MLI).

Strong growth in core earnings driven by Asia and Canada

Core Earnings

(C\$ millions)

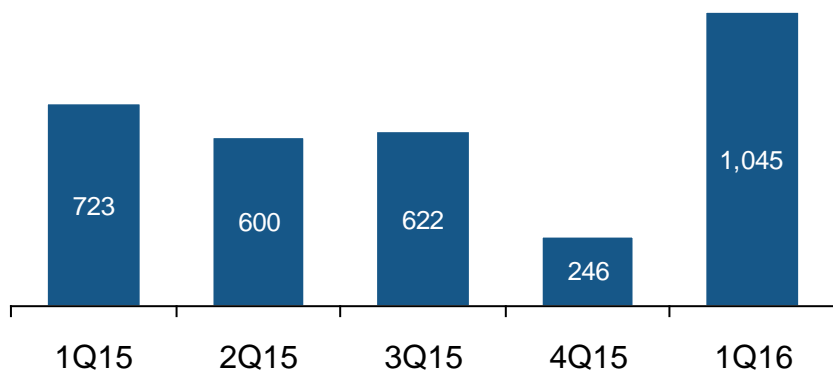


1Q16 core earnings of \$905 million, up 14% vs. 1Q15:

- + Higher sales and improved product margins in Asia
- + Changes in foreign currency rates
- Higher expected macro hedging costs

Net Income attributed to shareholders

(C\$ millions)



1Q16 net income attributed to shareholders of \$1,045 million, impacted by:

- + Favourable direct impact of markets and realized gains on AFS bonds
- Lower than expected returns on alternative long-duration assets

Market-related gains more than offset depressed oil and gas prices

Earnings reconciliation for the first quarter of 2016

In C\$ millions except on a per share amount	Pre-tax	Post-tax	Per Share
Core earnings¹	\$1,053	\$905	\$0.44
Investment-related experience outside of core earnings	(470)	(340)	(0.17)
Core earnings and investment-related experience¹	\$583	\$565	\$0.27
Impact of the following items excluded from core earnings:			
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	750	474	0.24
Changes in actuarial methods and assumptions	35	12	0.02
Net impact of acquisitions and divestitures	(18)	(14)	(0.01)
Tax rate changes and Other	(7)	8	(0.01)
Net Income attributed to shareholders¹	\$1,343	\$1,045	\$0.51

Please refer to section B1 of the 1Q16 MD&A for more information

¹ Per common share

Expected profit growth and improvement in the impact of new business

Source of Earnings¹

(C\$ millions)

	1Q15	1Q16
Expected Profit on In-Force	1,062	1,255
Impact of New Business	(80)	(2)
Experience Gains/(Losses)	(64)	(293)
Mgmt Actions & Chgs in Assumptions	(148)	228
Earnings on Surplus Funds	109	173
Other	(40)	(18)
Income Before Taxes	839	1,343
Income Taxes	(116)	(298)
Net Income	723	1,045
Preferred Dividends	(29)	(29)
Common Shareholders' Net Income	694	1,016
<i>Currency Adjusted Expected Profit on In-force</i>	<i>1,193</i>	<i>1,255</i>

- **Expected Profit on In-Force** increased 5%² primarily due to lower variable annuity DAC amortization and a number of smaller positive items including normal business growth
- **Impact of New Business** improved due to higher insurance and other wealth sales volumes and improved product margins in Asia, partially offset by higher non-deferrable acquisition costs in WAM businesses
- **Experience Gains/(Losses)** reflect lower than expected returns on alternative long-duration assets, the direct impact of equity markets and variable annuity guarantee liabilities, and unfavourable policyholder experience of \$68 million pre-tax, partially offset by the positive impact of interest rates
- **Management Actions & Changes in Assumptions** includes gains from available-for-sale bonds partially offset by the expected costs of our macro hedging program
- **Earnings on Surplus Funds** increased primarily due to interest rate related mark-to-market gains

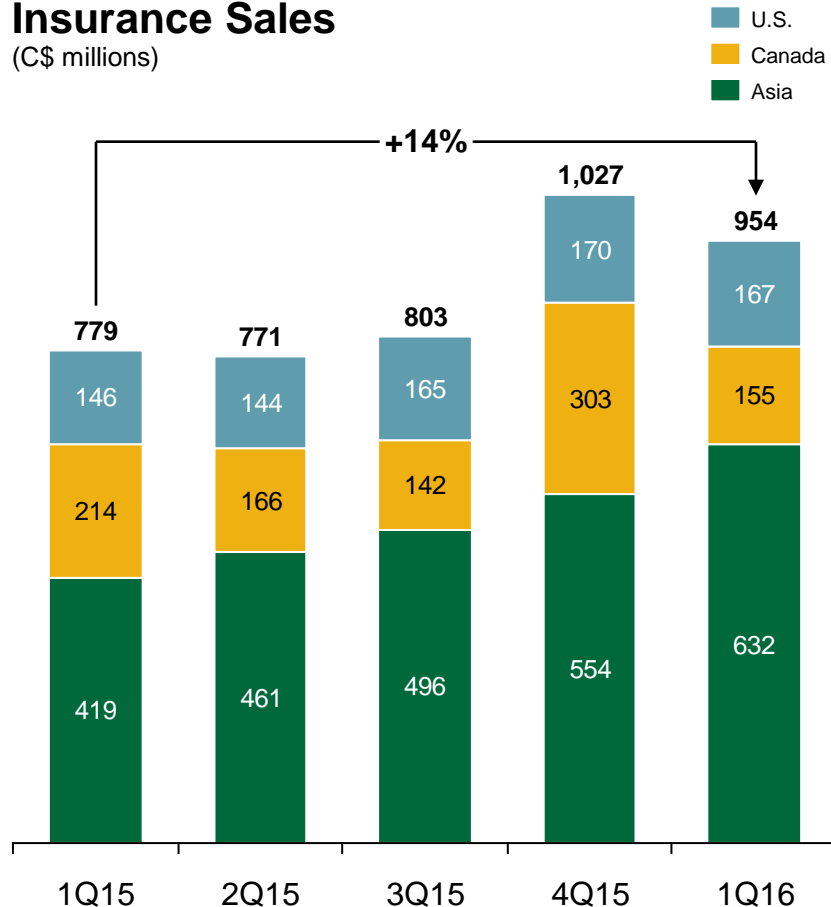
¹ The Source of Earnings (SOE) analysis is prepared following OSFI regulatory guidelines and draft guidelines of the Canadian Institute of Actuaries. The SOE is used to identify the primary sources of gains or losses in each reporting period. Per OSFI instructions, Expected Profit on In-Force denominated in foreign currencies is translated at the prior quarter's balance sheet exchange rates, with the difference between those rates and the average rates used in the Statement of Income being included in Experience gains (losses).

² Expected Profit on In-Force increase (decrease) is on a constant currency basis.

Strong Insurance sales growth continues to be driven by success in Asia

Insurance Sales

(C\$ millions)



1Q16 insurance sales of \$954 million, up 14% vs. 1Q15:

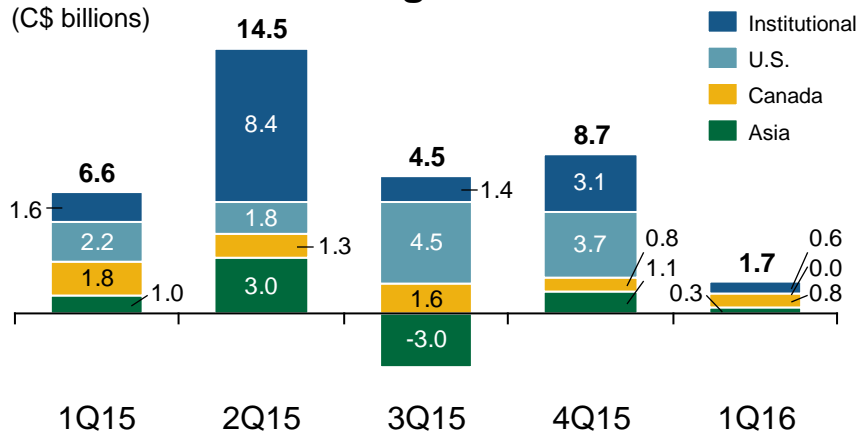
- + Record sales in Asia, up 36%, driven by double digit growth in most territories
- ± Higher retail sales in Canada were more than offset by normal variability in Group Benefit sales
- + U.S. insurance sales up 4%

Note: Order of the vertical bars on the chart correspond to the order in the legend.

25th consecutive quarter of positive net flows in our Wealth and Asset Management businesses

Wealth & Asset Management Net flows

(C\$ billions)

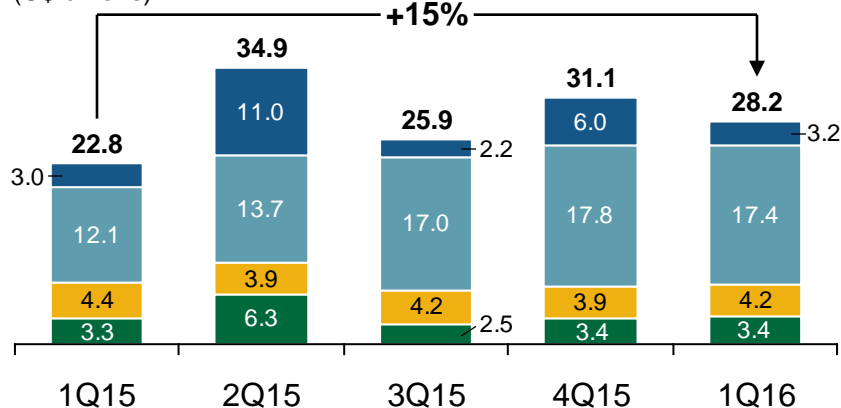


1Q16 Wealth & Asset Management (WAM) net flows of \$1.7 billion, down \$4.9 billion vs. 1Q15:

- + Strong gross flows, particularly in U.S.
- Increased mutual fund redemptions from market uncertainty in Asia and Canada
- Large pension termination in the U.S.

Wealth & Asset Management Gross flows

(C\$ billions)



1Q16 WAM gross flows of \$28.2 billion, up 15% vs. 1Q15:

- + Strong gross flows in the U.S., up 31%
- ± Institutional gross flows in-line with the prior year
- Solid gross flows in Asia and Canada, but both down 5% amidst challenging market conditions

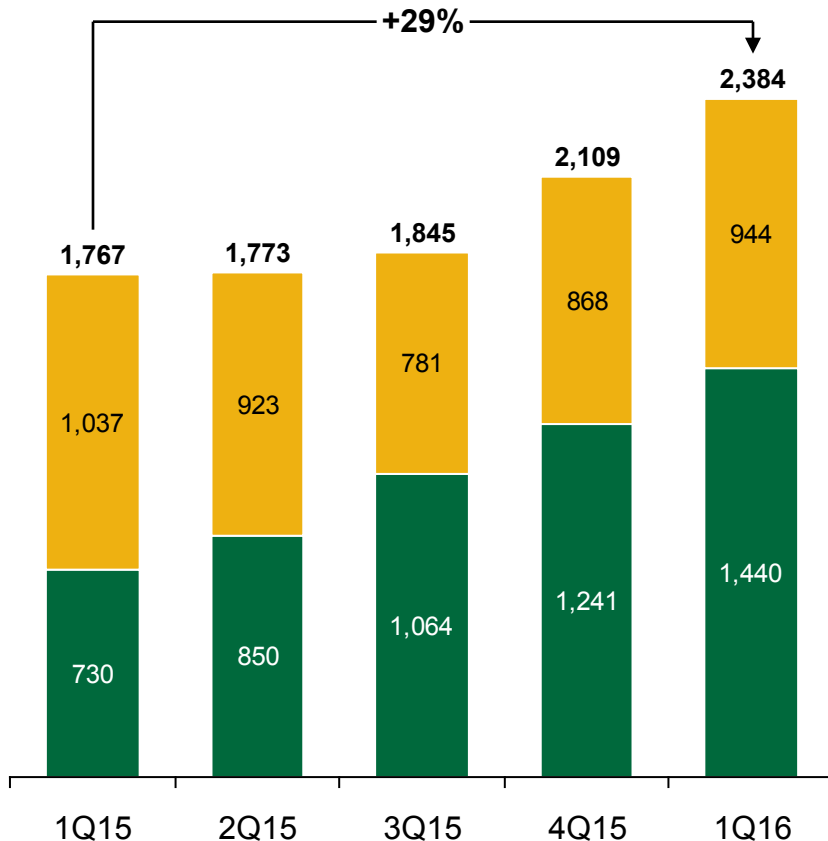
Note: Order of the vertical bars on the chart correspond to the order in the legend.

Strong growth in wealth accumulation products in Japan and Singapore

Other Wealth sales

(C\$ millions)

Canada
Asia



1Q16 Other Wealth sales of \$2.4 billion, up 29% vs. 1Q15:

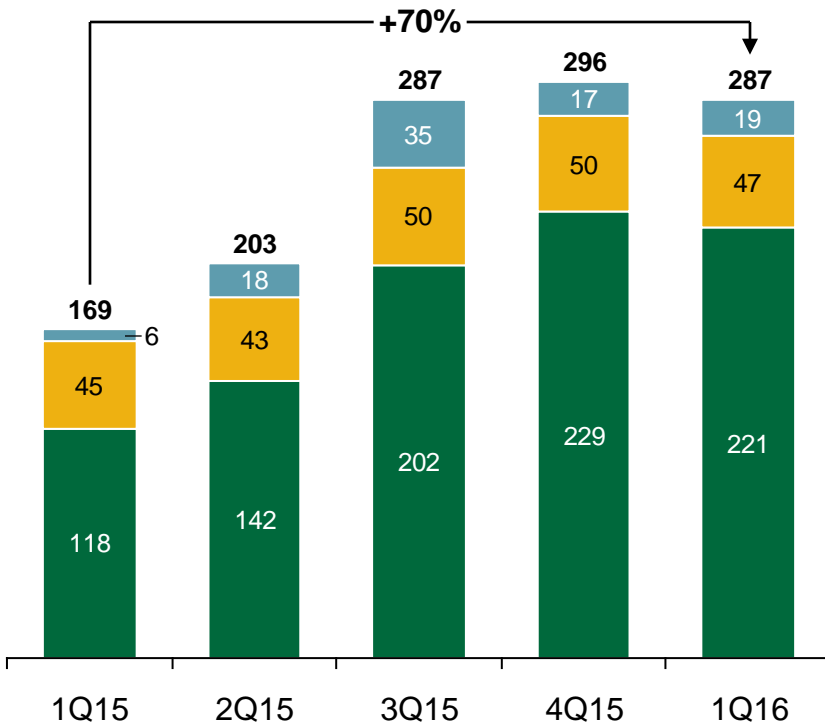
- + Asia sales up 76%, driven by new product launches and expanded distribution in Japan and Singapore
- Canada sales down 9% due to challenging market conditions

Note: Order of the vertical bars on the chart correspond to the order in the legend.

Strong growth in new business value driven by higher volumes and improved margins in Asia

New Business Value (NBV)¹

(C\$ millions)



1Q16 New Business Value of \$287 million, up 70% vs. 1Q15:

- + Volumes and product margins in Japan and Asia Other
- + Improved product margins in U.S. life insurance

Asia New Business Value Margins¹ were 28.8% in 1Q16, up from 25.4% in 1Q15:

- + Higher volumes, product margins and improved business mix in Japan
- + Higher volumes in Asia Other
- Business mix in Hong Kong

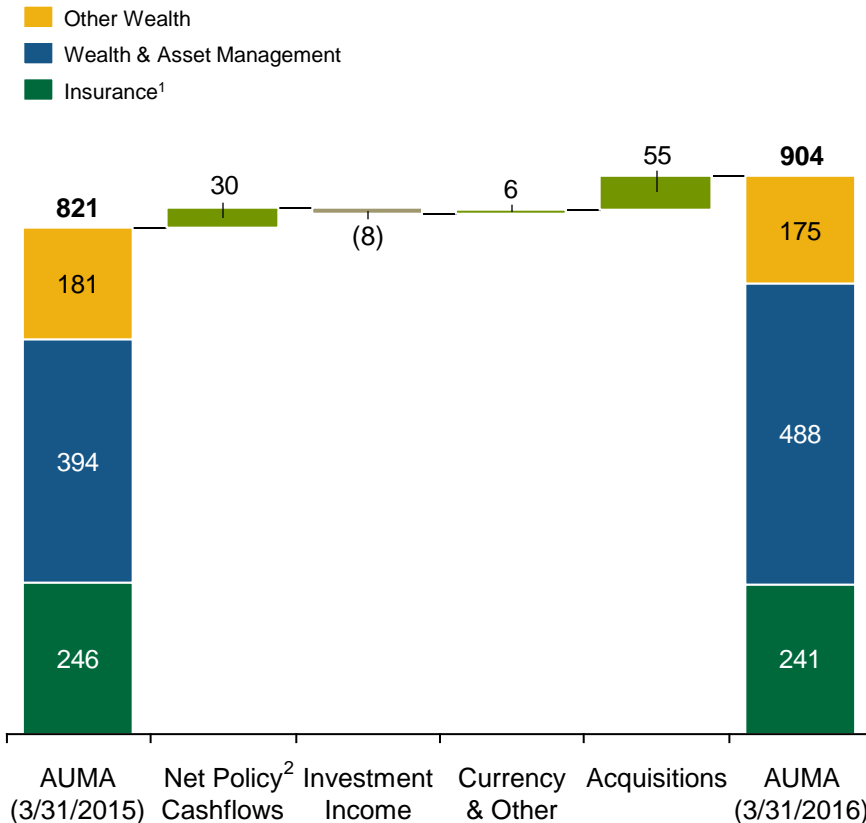
¹ Excludes Wealth and Asset Management businesses, the Bank and P&C reinsurance business.

Note: Order of the vertical bars on the chart correspond to the order in the legend.

Reported \$904 billion in assets under management and administration

Assets under management and administration

(C\$ billions)



1Q16 Assets under management and administration (AUMA) of \$904 billion, up \$83 billion from 1Q15:

- + Recent acquisition
- + Customer inflows
- + Currency

1Q16 WAM AUMA of \$488 billion, up \$94 billion from 1Q15:

- + Recent acquisition
- + Net flows
- + Currency

¹ Includes Corporate & Other assets not related to wealth & asset management businesses.

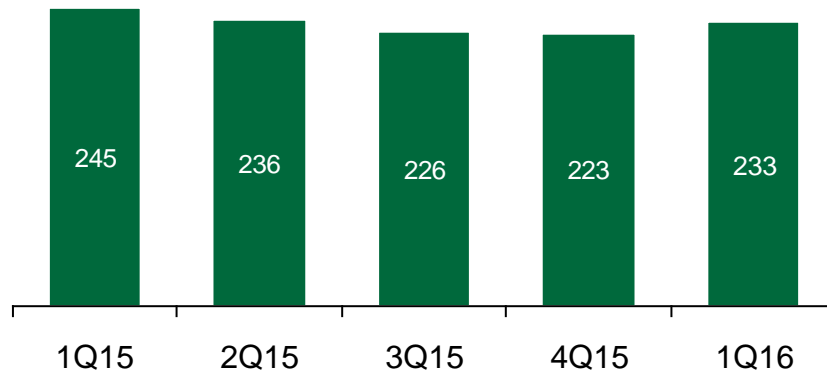
² Excludes Administrative Services Only premium equivalents and Group Benefits ceded premiums.

Note: Order of the vertical bars on the chart correspond to the order in the legend.

Strengthened capital position and expanded funding sources with U.S. debt issuance

MLI's MCCR Ratio¹

(%)



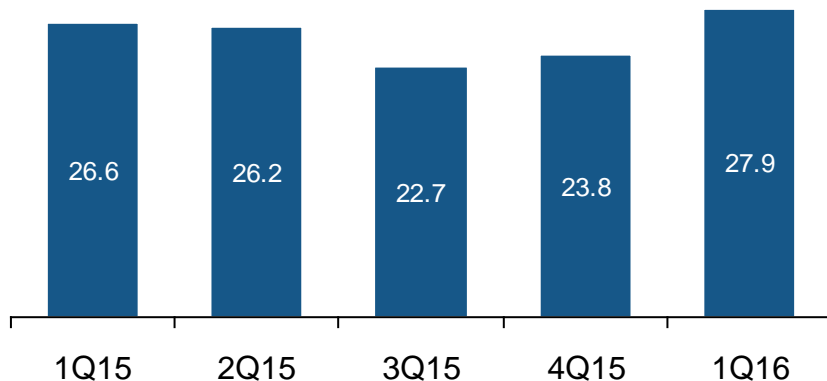
MLI ended 1Q16 with an MCCR ratio of 233%, up from 223% in 4Q15

- + Senior debt issuance of US\$1.75 billion
- + Preferred share issuance of \$425 million
- Initial payment under the DBS transaction

MFC ended 1Q16 with an MCCR ratio of 210%

Financial Leverage Ratio

(%)



Financial Leverage Ratio of 27.9%, up 410 bps from 4Q15, reflecting:

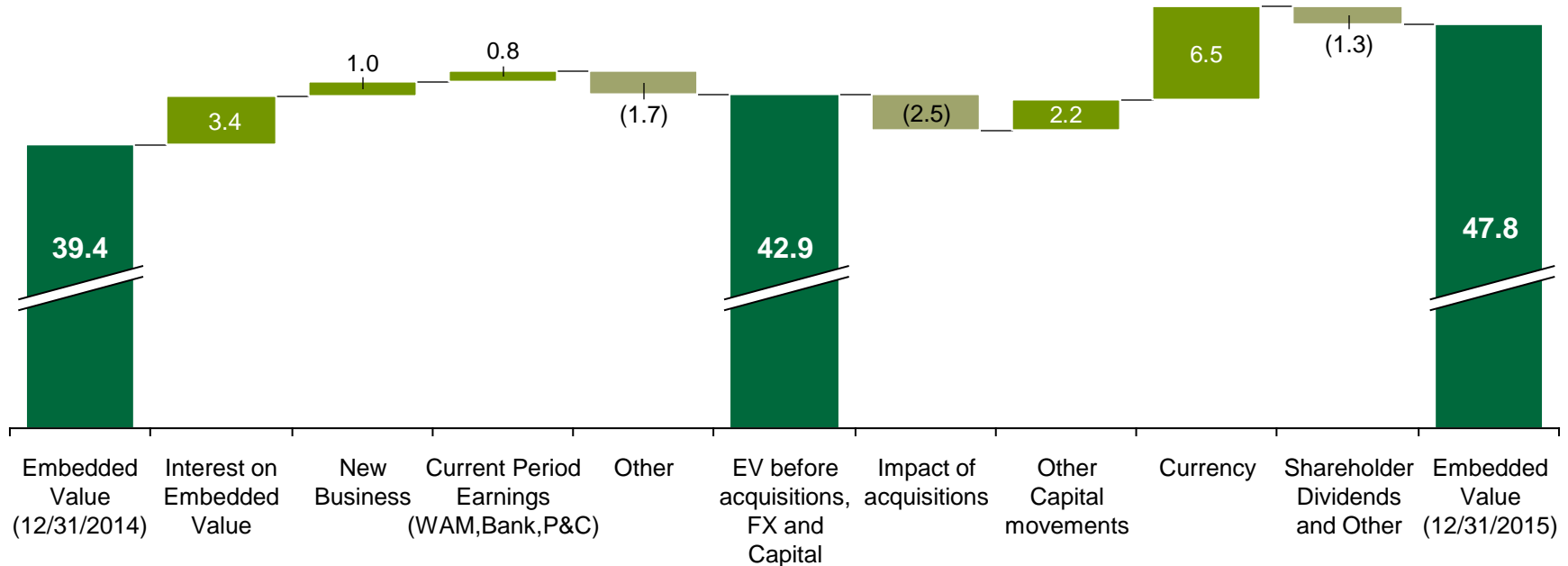
- Senior debt issuance of US\$1.75 billion
- Preferred share issuance of \$425 million
- Changes in foreign currency rates

¹ Minimum Continuing Capital and Surplus Requirements (MCCR) ratio of The Manufacturers Life Insurance Company (MLI).

Embedded Value growth reflects new business written at solid margins and the benefit of currency

Embedded Value¹

(C\$ billions)

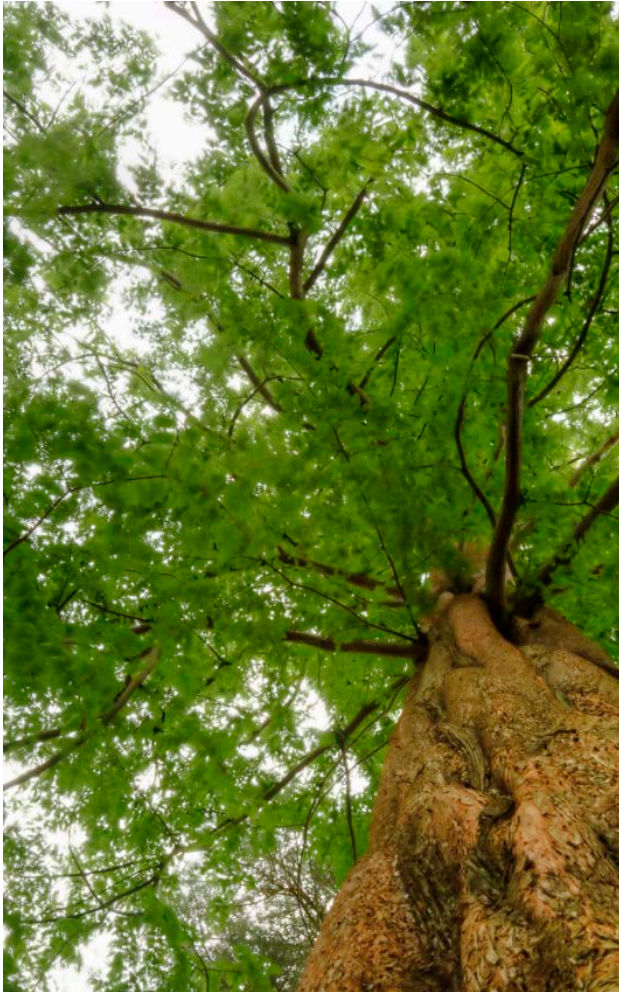


Embedded value (“EV”) of \$47.8 billion (or \$24.22/share) for our insurance and Other Wealth businesses, up 21% from the prior year:

- + Just under half of the growth in EV relates to the contributions from inforce and new business
- + Currency movements accounted for the majority of the remaining increase

¹ Embedded value does not include any value of in-force related to our Wealth and Asset Management businesses, the Bank or P&C reinsurance business.

Operating performance by division/Wealth & Asset Management



- Asia Division
- Canadian Division
- U.S. Division (John Hancock)
- Wealth & Asset Management

Asia: Achieved record APE sales, solid gross flows and significant growth in core earnings

Core Earnings

(US\$ millions)

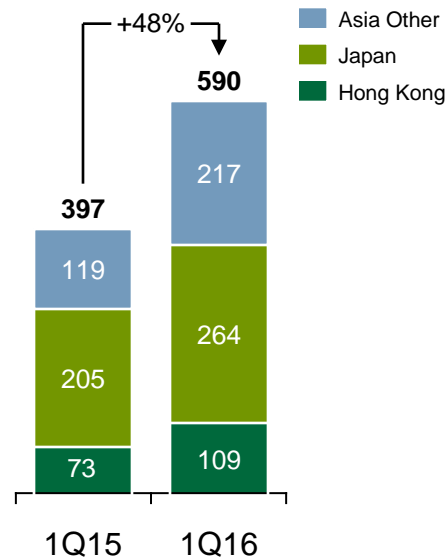


1Q16 **core earnings** of US\$270 million, up 19% vs. 1Q15

- + Improved new business volumes and product margins
- + Favourable policyholder experience
- + Reinsurance gains

APE Sales¹

(US\$ millions)

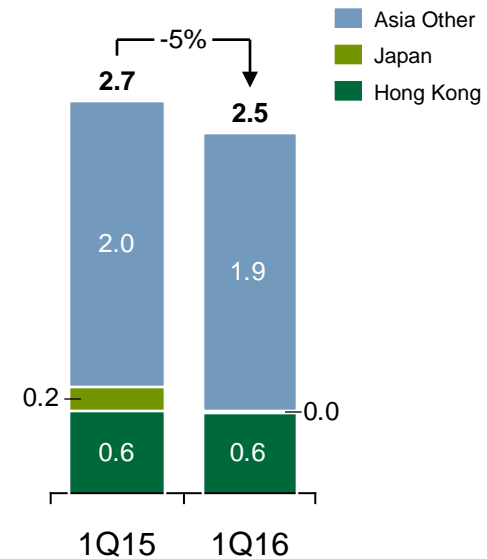


Record 1Q16 **APE sales** of US\$590 million, up 48% vs. 1Q15

- + Record Asia Other sales driven by successful start to DBS partnership
- + Record sales in Japan driven by distribution expansion

WAM gross flows

(US\$ billions)



1Q16 **WAM gross flows** of US\$2.5 billion, down 5% vs. 1Q15

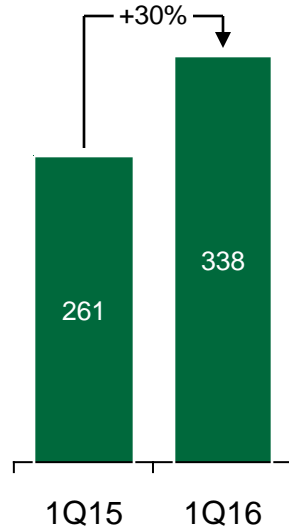
- Impact of challenging market conditions
- + Strong mutual fund sales in mainland China

¹ Total annualized premium equivalent (APE) is comprised of Insurance sales plus weighted Other Wealth sales.
Note: Order of the vertical bars on the chart correspond to the order in the legend.

Canada: Generated strong core earnings growth and solid momentum in retail insurance sales

Core Earnings

(C\$ millions)

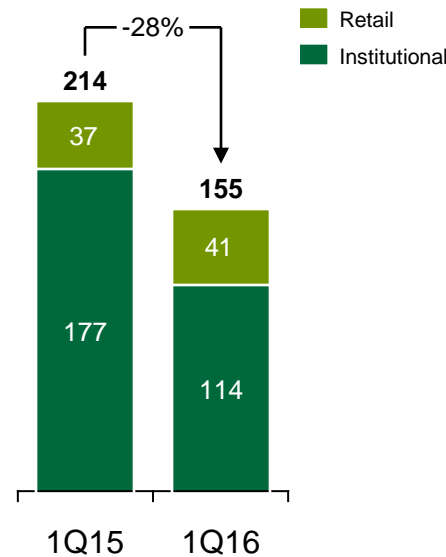


1Q16 **core earnings** of \$338 million, up 30% vs. 1Q15

- + Improved policyholder experience
- + Higher fee income on WAM businesses
- + Full quarter of earnings from Standard Life acquisition

Insurance Sales

(C\$ millions)

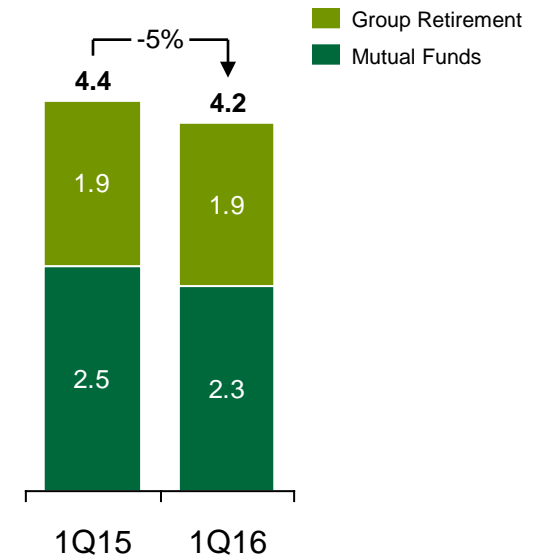


1Q16 **insurance sales** of \$155 million, down 28% vs. 1Q15

- Normal variability in Group Benefits
- + Retail Insurance product enhancements

WAM gross flows

(C\$ billions)



1Q16 **WAM gross flows** of \$4.2 billion, down 5% vs. 1Q15

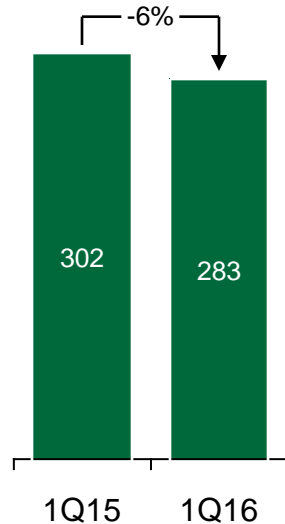
- Impact of challenging market conditions on mutual funds
- ± Pension gross flows in-line with prior year

Note: Order of the vertical bars on the chart correspond to the order in the legend.

U.S.: Delivered strong growth in Wealth and Asset Management gross flows

Core Earnings

(US\$ millions)

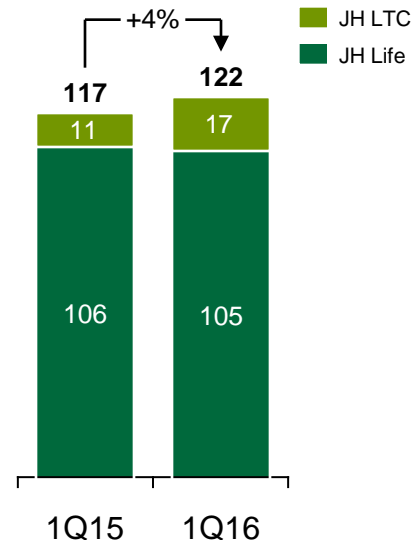


1Q16 **core earnings** of US\$283 million, down 6% vs. 1Q15

- Unfavourable policyholder experience, primarily due to Long-Term Care

Insurance Sales

(US\$ millions)

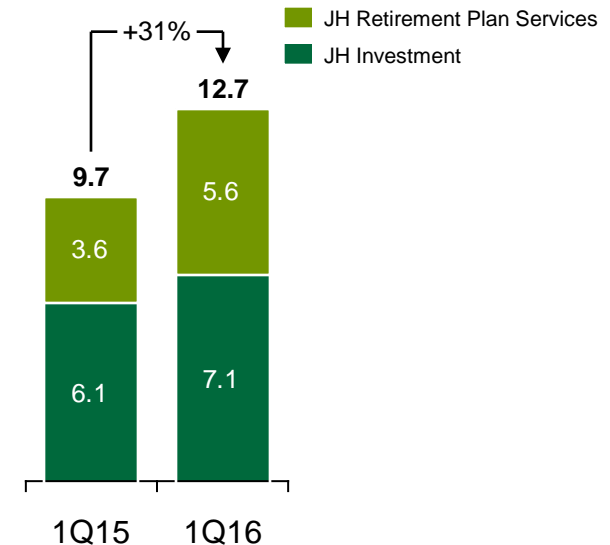


1Q16 **insurance sales** of US\$122 million, up 4% vs. 1Q15

- + Biennial inflation purchases in Federal LTC program
- ± Life insurance sales in-line

WAM gross flows

(US\$ billions)



1Q16 **WAM gross flows** of US\$12.7 billion, up 31% vs. 1Q15

- + Strong mutual fund flows driven by institutional allocations and continued success across retail channels
- + Acquired pension business

Note: Order of the vertical bars on the chart correspond to the order in the legend.

Asset Management businesses showed resilience in face of challenging market conditions

WAM Core Earnings

(C\$ millions)

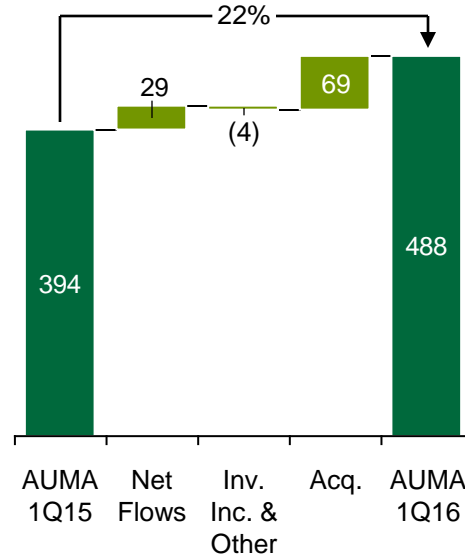


1Q16 **core earnings** of \$140 million, down 5% vs. 1Q15:

- Higher non-deferrable acquisition costs from higher sales
- + Strengthening of the U.S. dollar

WAM AUMA

(C\$ billions)

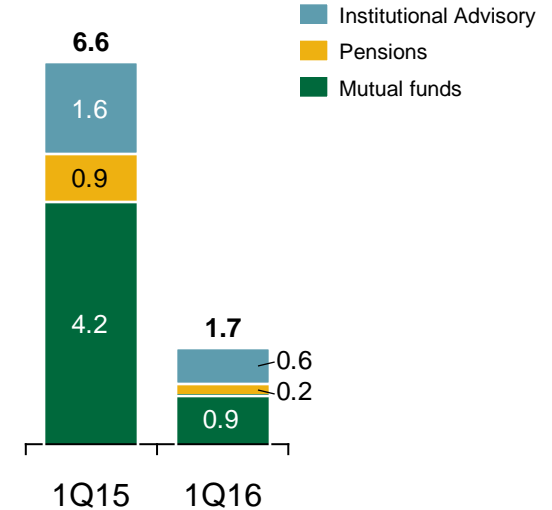


AUMA of \$488 billion in 1Q16, up \$94 billion vs. 1Q15:

- + U.S. pension acquisition
- + Net Flows
- + Currency movement

WAM net flows

(C\$ billions)



1Q16 **net flows** of \$1.7 billion, down \$4.9 billion vs. 1Q15

- Increased mutual fund redemptions
- Pension client loss
- + Strong gross flows

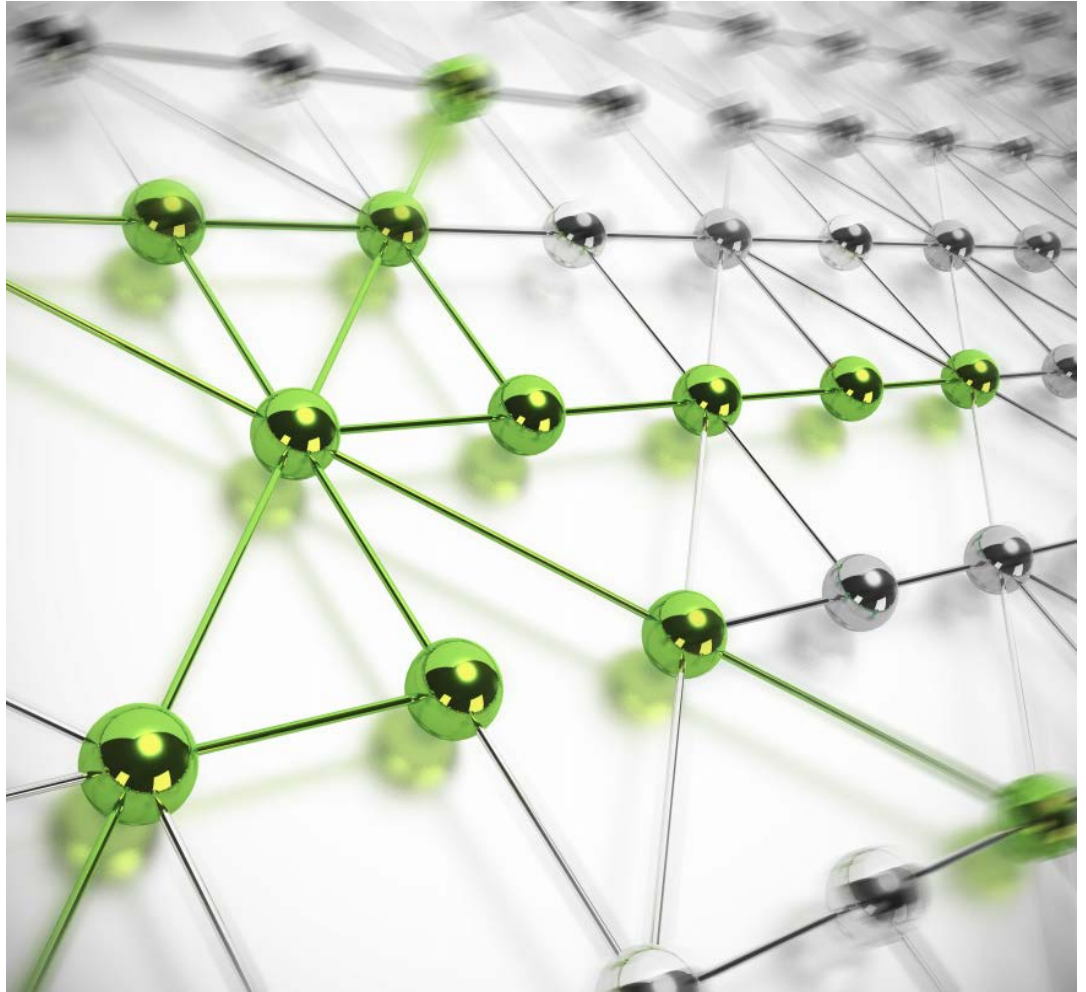
Note: Order of the vertical bars on the chart correspond to the order in the legend.

Summary

In 1Q16, Manulife:

- Delivered strong core earnings growth
- Reported net income over \$1 billion
- Achieved solid double digit growth in insurance sales and gross flows
- Generated strong growth in new business value
- Delivered positive net inflows in all of our divisions despite challenging market conditions

Question & Answer session



Appendix

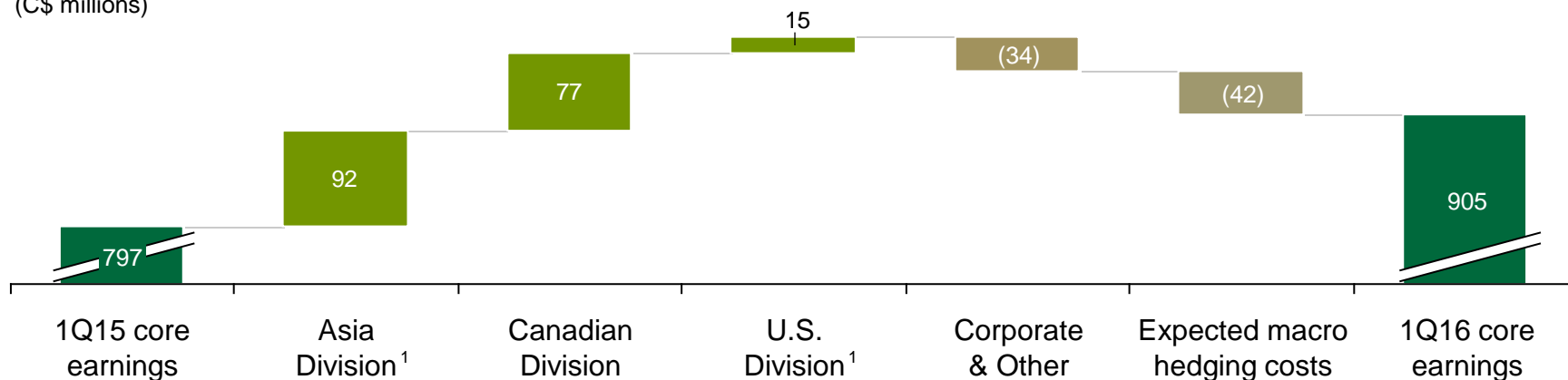


- Core Earnings Change
- Invested Asset Mix & Credit Experience
- Earnings Sensitivities & Equity Exposure by Market

Core earnings reconciliation by division

Core Earnings

(C\$ millions)



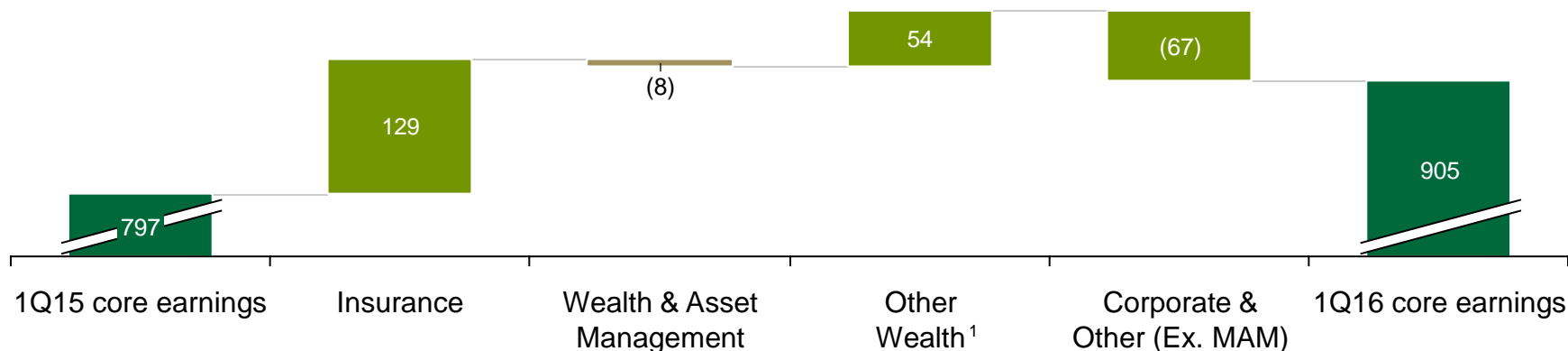
- **Asia Division** core earnings increased reflecting improved new business volumes and product margins, the strengthening U.S. dollar, and reinsurance gains.
- **Canadian Division** core earnings increased due to improved policyholder experience, higher fee income on Wealth and Asset Management businesses and the inclusion of a full quarter of earnings from the Standard Life transaction.
- **U.S. Division** core earnings increased as the strengthening of the U.S. dollar was only partially offset by unfavourable policyholder experience, primarily in Long-Term Care.
- **Corporate & Other** core earnings declined due to increased spend on strategic initiatives and currency.
- **Expected macro hedge costs** increased due to higher hedging activity in volatile markets.

¹ Core earnings changes for Asia Division and the U.S. Division are presented on a Canadian dollar basis.

Core earnings reconciliation by business line

Core Earnings

(C\$ millions)



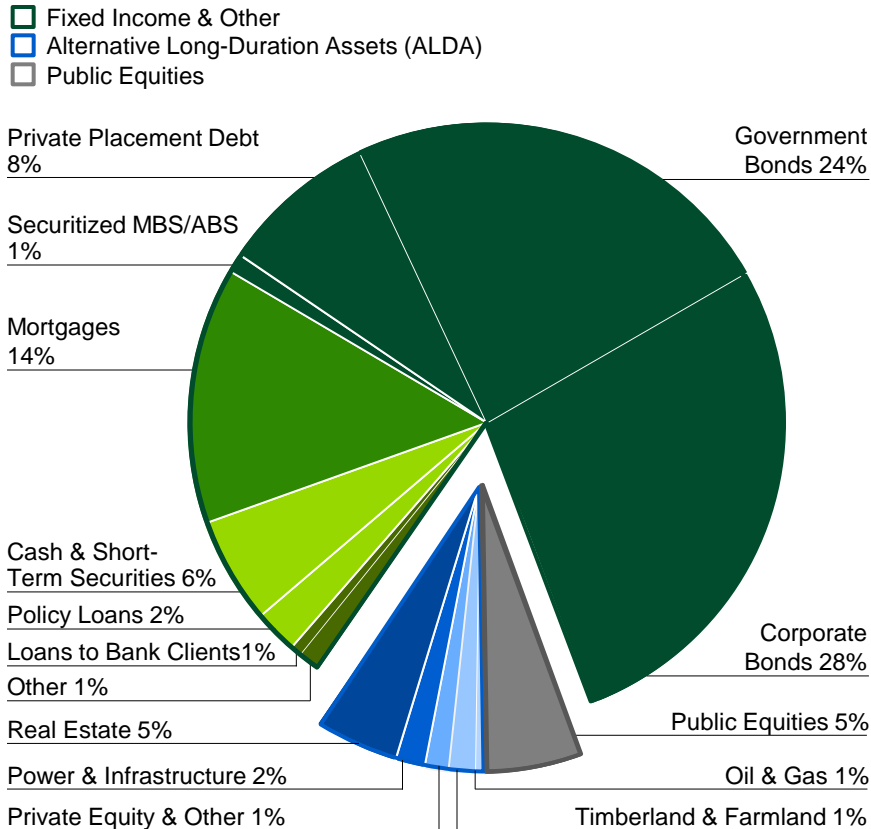
- **Insurance** core earnings increased due to strong sales in Asia and the strengthening of the U.S. dollar.
- **Wealth & Asset Management** core earnings declined as increased fee income from higher average assets was more than offset by higher non-deferrable acquisition costs from increased sales.
- **Other Wealth** core earnings improved due to lower variable annuity DAC amortization, the strengthening of the U.S. dollar and the impact of higher volumes and product margins in Asia.
- **Corporate & Other** core earnings declined due to higher macro hedge expected costs, increased spend on strategic initiatives and currency.

¹ Manulife Asset Management is included in Wealth & Asset Management for business line reporting purposes.

Diversified high quality asset mix avoids risk concentrations

Total Invested Assets

(C\$308 billion, Carrying values as of March 31, 2016)



Fixed Income & Other¹

- 85% of the total portfolio
- Total debt securities and private placements are 97% Investment Grade
- Energy holdings represent 7% of total debt securities and private placements, of which 95% are Investment Grade

Alternative Long-Duration Assets

- Diversified by asset class and geography
- Historically generated enhanced yields without having to pursue riskier fixed income strategies
- Oil & Gas ALDA holdings represent less than 0.6% of our total invested asset portfolio

Public Equities

- Diversified by industry and geography
- Primarily backing participating or pass-through liabilities

Note: Alternative Long-Duration Assets and public equities have been called out from the pie chart.

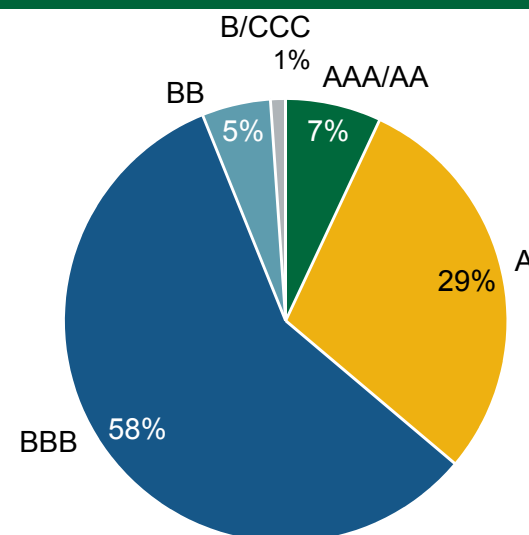
¹ Includes debt securities (government bonds, corporate bonds and securitized MBS/ABS), private placement debt, mortgages, cash & short-term securities, policy loans, loans to bank clients, and other.

Oil and Gas Exposure

Oil & Gas Fixed Income Exposure

(Market values as of March 31, 2016)

	C\$ Billions	%
Refining	0.9	8%
Midstream	5.1	40%
Major/Integrated	2.1	16%
Offshore Drilling	0.2	1%
Exploration/Production	3.2	25%
Oilfield Services	0.7	6%
Other	0.5	4%
Total	12.7	100%



ALDA Oil & Gas Direct Exposure

(Market values as of March 31, 2016)

	C\$ Billions	%
NAL Resources	0.8	51%
Private Equity	0.8	49%
Total	1.6	100%

Indirect Oil & Gas Exposure

(Market values as of March 31, 2016)

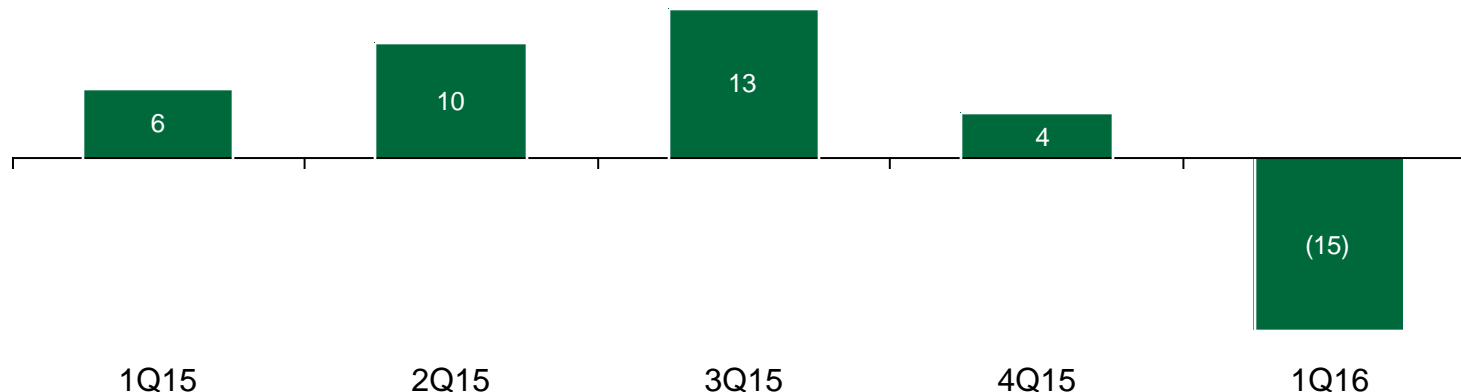
		C\$ Billions	%
Commercial Mortgages	Alberta	1.7	31%
	Texas	0.5	10%
Manulife Bank Mortgages ¹	Alberta	2.5	47%
Real Estate	Alberta	0.7	12%
Total		5.4	100%

¹ C\$1.4 billion or 55% of Manulife Bank mortgages are insured, primarily by Canadian Mortgage and Housing Corporation.

Credit experience impacted by downgrades in the oil & gas sector

Net Credit Experience

(C\$ millions)



Impact on Earnings

(C\$ millions, post-tax)	1Q15	2Q15	3Q15	4Q15	1Q16
Credit (impairments) / recoveries	\$(7)	\$(3)	\$0	\$(21)	\$(25)
Credit (downgrades) / upgrades	(21)	(21)	(24)	(13)	(29)
Total Credit Impacts	\$(28)	\$(24)	\$(24)	\$(34)	\$(54)
Assumed in policy liabilities	34	34	37	38	39
Net Credit Experience Gain	\$6	\$10	\$13	\$4	\$(15)

Interest rate related sensitivities remain well within our risk appetite limits

Potential Impact¹ of an immediate parallel change in “all rates”: (C\$ millions)	4Q15		1Q16	
	-50 bps	+50 bps	-50 bps	+50 bps
Excluding change in market value of AFS bonds held in surplus	\$ (100)	\$ 100	\$ -	\$ -
From fair value changes in AFS bonds held in surplus, if realized ²	\$ 600	\$ (600)	\$ 700	\$ (600)

MCCSR Ratio Impact:				
- Excluding change in market value of AFS bonds held in surplus	(6) pts	4 pts	(7) pts	4 pts
- From fair value changes in AFS bonds held in surplus, if realized	3 pts	(3) pts	4 pts	(4) pts

Potential Impact¹ of a parallel change in corporate bond spreads: (C\$ millions)	4Q15		1Q16	
	-50 bps	+50 bps	-50 bps	+50 bps
Corporate Spreads	\$ (700)	\$ 700	\$ (800)	\$ 700

Potential Impact¹ of a parallel change in swap spreads: (C\$ millions)	4Q15		1Q16	
	-20 bps	+20 bps	-20 bps	+20 bps
Swap Spreads	\$ 500	\$ (500)	\$ 500	\$ (500)

¹ All estimated sensitivities are approximate and based on a single parameter. No simple formula can accurately estimate ultimate future impact. Please refer to “Caution related to sensitivities” in section E3 of the first quarter 2016 press release.

² The amount of gain or loss that can be realized on AFS fixed income assets held in the surplus segment depends on the aggregate amount of unrealized gain or loss.

Equity exposure by market

Potential impact on net income attributed to shareholders arising from a 10% decline in public equity returns^{1,2}

(C\$ millions)	4Q15	1Q16
S&P	(60)	(100)
TSX	(20)	(20)
TOPIX	(40)	(50)
EAFE (Europe, Australasia & Asia ex. Japan) ³	(140)	(130)
Net income impact assuming full hedge offset	(260)	(300)
Assumed partial hedge offset	(290)	(260)
Net income impact assuming partial hedge offset	(550)	(560)

¹ All estimated sensitivities are approximate and based on a single parameter. No simple formula can accurately estimate ultimate future impact.

² Please note the Company's disclosures which describe risk factors for hedging and reinsurance strategies.

³ EAFE ex Japan exposure is mainly to Hong Kong and Singapore markets.

Note to users - Performance and Non-GAAP Measures

We use a number of non-GAAP financial measures to measure overall performance and to assess each of our businesses. A financial measure is considered a non-GAAP measure for Canadian securities law purposes if it is presented other than in accordance with generally accepted accounting principles used for the Company's audited financial statements. Non-GAAP measures referenced in this presentation include: Core Earnings; Core ROE, Diluted Core Earnings Per Share; EBITDA; Constant Currency Basis; Assets under Management and Administration (AUMA); Net Flows; Gross Flows; Embedded Value; New Business Value; New Business Value Margin; APE Sales and Sales. Non-GAAP financial measures are not defined terms under GAAP and, therefore, are unlikely to be comparable to similar terms used by other issuers. Therefore, they should not be considered in isolation or as a substitute for any other financial information prepared in accordance with GAAP. For more information on non-GAAP financial measures, including those referred to above, see "Performance and Non-GAAP Measures" in the Management's Discussion and Analysis in our most recent annual and interim reports.

Thank you



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We operate as John Hancock in the United States and Manulife in other parts of the world.