



Fourth Quarter and Full Year 2016 **Financial & Operating Results**

February 9, 2017



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 Factors” in our most recent Annual Information Form, under “Risk Management”, “Risk Factors” and “Critical Accounting and Actuarial Policies” in our most recent Management’s Discussion and Analysis, in the “Risk Management” note to our most recent consolidated financial statements 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

Linda Mantia

SEVP & Chief Operating Officer

Roy Gori

SEVP & General Manager, Asia

Marianne Harrison

SEVP & General Manager, Canada

Craig Bromley

SEVP & General Manager, U.S.

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

2016 highlights

- Net income attributed to shareholders of \$2.9 billion
 - Increase of 34% over the prior year
 - Impacted by market movements in the fourth quarter
- Strong operating results in 2016 with core earnings of \$4.0 billion
 - Increase of 17% from the prior year
 - Achieved 2016 core earnings target
- Generated strong top line growth in Asia sales and new business value
- Continued to generate positive net flows in our wealth and asset management business
- Delivered record AUMA
- Increased the dividend by 11% to 20.5¢ per share, third consecutive year of increases

CFO's remarks



Steve Roder

SEVP & Chief Financial Officer

4Q16 and full year 2016 financial summary

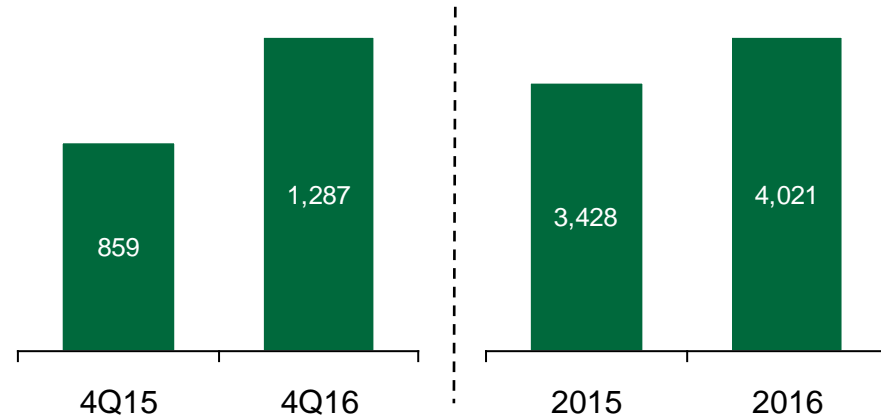
	(C\$ millions, unless noted)	Fourth Quarter			Full Year		
		4Q15	4Q16	Change	2015	2016	Change
Profitability	Net income attributed to shareholders	246	63	▼ 74%	2,191	2,929	▲ 34%
	Core earnings	859	1,287	▲ 50%	3,428	4,021	▲ 17%
	Diluted core earnings per share	\$0.42	\$0.63	▲ 50%	\$1.68	\$1.96	▲ 17%
	Core return on equity (annualized)	8.7%	12.9%	▲ 4.2 pps	9.2%	10.1%	▲ 0.9 pps
	Return on equity (annualized)	2.3%	0.3%	▼ 2.0 pps	5.8%	7.3%	▲ 1.5 pps
Growth	Insurance sales	1,027	1,074	▲ 3%	3,380	3,952	▲ 11%
	WAM net flows (C\$ billions)	8.7	6.1	▼ 30%	34.4	15.3	▼ 56%
	WAM gross flows (C\$ billions)	31.1	38.2	▲ 23%	114.7	120.5	▲ 3%
	Other wealth sales (C\$ billions)	2.1	1.7	▼ 22%	7.5	8.2	▲ 3%
	New business value	296	367	▲ 20%	955	1,226	▲ 22%
	Total assets under management and administration (AUMA) (C\$ billions)				935	977	▲ 6%
	Wealth and asset management AUMA (C\$ billions)				510	544	▲ 8%
Financial Strength	MLI's MCCR Ratio ¹				223%	230%	▲ 7 pps
	Financial leverage ratio				23.8%	29.5%	▲ 5.7 pps
	Remittances (C\$ billions)				2.2	1.8	▼ 18%

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

Achieved \$4 billion of core earnings in 2016, up 17% from 2015 and achieving target set in 2012

Core Earnings

(C\$ millions)



4Q16 core earnings of \$1,287 million, up 50% vs. 4Q15:

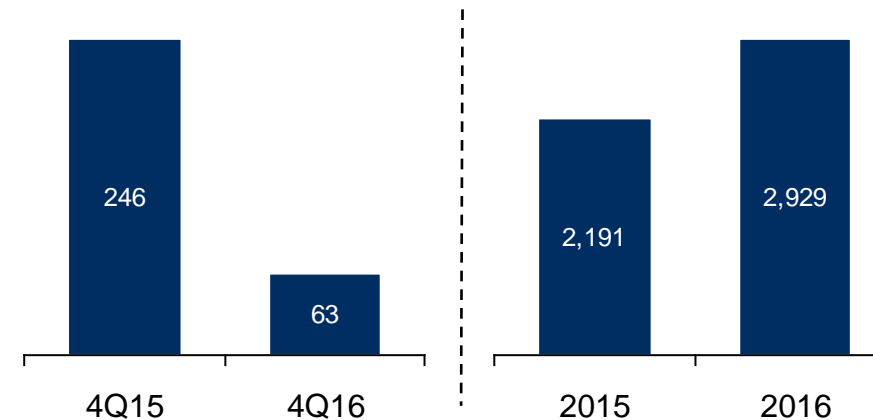
- + Core investment gains
- + Tax-related items
- + New business and in-force growth in Asia
- + Lower expected macro hedge costs

2016 core earnings of \$4.0 billion, up 17% vs. 2015:

- + Core investment gains
- + New business and in-force growth in Asia
- + Tax-related items
- + Strengthening of the U.S. dollar and Japanese Yen
- Higher hedging costs and interest expense on recent debt issuances

Net Income attributed to shareholders

(C\$ millions)



4Q16 net income of \$63 million, down 74% vs. 4Q15:

- Market related impacts
- + Investment-related experience
- + Growth in core earnings

2016 net income of \$2.9 billion, up 34% vs. 2015:

- + Growth in core earnings
- + Investment-related experience
- Market related impacts

Net income impacted by market-related charges

Earnings reconciliation for the fourth quarter of 2016

In C\$ millions except on a per share amount	Pre-tax	Post-tax	Per Share
Core earnings	\$1,460	\$1,287	\$0.63¹
Investment-related experience outside of core earnings	-	-	-
Core earnings and investment-related experience	\$1,460	\$1,287	\$0.63¹
Impact of the following items excluded from core earnings:			
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities ²	(1,827)	(1,202)	(0.61)
Change in actuarial methods and assumptions	(8)	(10)	(0.01)
Integration and acquisition costs	(50)	(25)	(0.01)
Tax and other items	38	13	0.01
Net Income attributed to shareholders²	\$(387)	\$63	\$0.01¹

¹ Per common share

² Please refer to "Financial Performance" in the 2016 MD&A for more information

Growth in expected profit

Source of Earnings¹

(C\$ millions)

	4Q15	4Q16
Expected Profit on In-Force	1,262	1,288
Impact of New Business	(8)	23
Experience Gains/(Losses)	(813)	(1,529)
Mgmt Actions & Chgs in Assumptions	(421)	(203)
Earnings on Surplus Funds	153	4
Other	(3)	30
Income Before Taxes	170	(387)
Income Taxes	76	450
Net Income	246	63
Preferred Dividends	(29)	(33)
Common Shareholders' Net Income	217	30
<i>Currency Adjusted Expected Profit on In-force</i>	<i>1,254</i>	<i>1,288</i>

- **Expected Profit on In-Force** increased by 3%² driven by in-force growth in Asia, partially offset by the steep decline in period start interest rates and the movement from macro to dynamic hedging in Asia
- **Impact of New Business** reflects higher sales in Hong Kong and Other Asia, partially offset by lower sales in Japan
- **Experience Gains/(Losses)** include charges related to interest rates and equity markets, and unfavourable policyholder experience of \$65 million pre-tax (\$43 million post-tax), partially offset by favourable investment-related experience
- **Management Actions & Changes in Assumptions** includes realized losses on available-for-sale bonds and the expected cost of macro hedging
- **Earnings on Surplus Funds** reflects \$140 million in charges excluded from core earnings, largely related to interest rate movements. Higher interest expense on debt also lowered earnings on surplus compared to the prior year level
- **Income Taxes** reflect income earned in low tax jurisdictions, losses incurred in higher tax jurisdictions, and \$142 million in favourable tax items

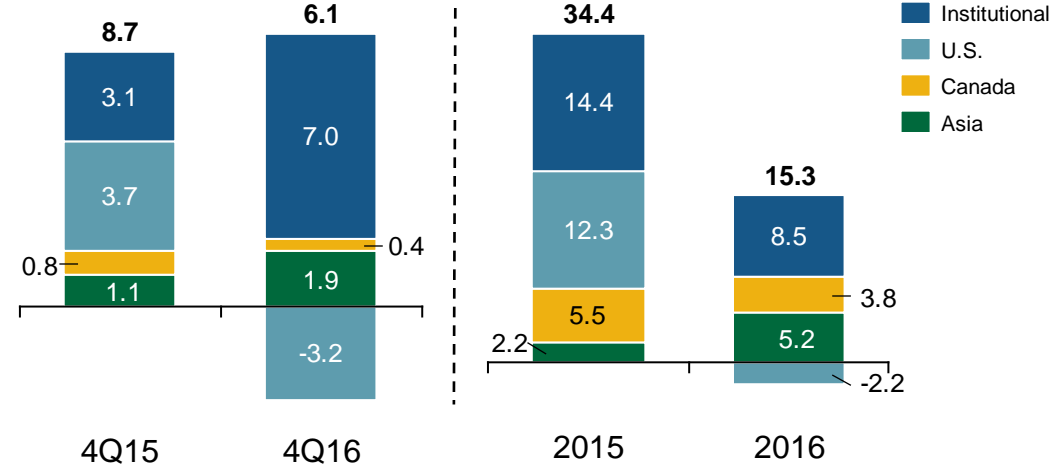
¹ The Source of Earnings (SOE) analysis is prepared following OSFI regulatory guidelines and draft guidelines of the Canadian Institute of Actuaries. The SOE is used to identify the primary sources of gains or losses in each reporting period. Per OSFI instructions, Expected Profit on In-Force denominated 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.

28th consecutive quarter of positive net flows in our Wealth and Asset Management businesses

Wealth & Asset Management Net Flows

(C\$ billions)



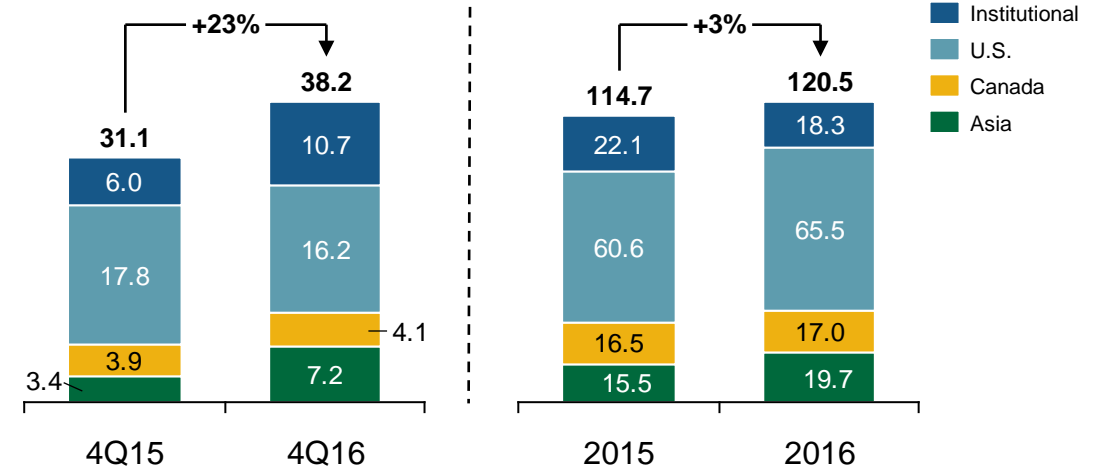
4Q16 WAM net flows of \$6.1 billion:

- + Funding of institutional advisory mandates for clients in Asia and Canada
- + Strong mutual fund net flows in Asia and Canada
- Outflows in North American pension businesses and U.S. mutual funds

2016 WAM net flows of \$15.3 billion

Wealth & Asset Management Gross Flows

(C\$ billions)



4Q16 gross flows of \$38.2 billion, up 23% vs. 4Q15:

- + Funding of institutional advisory mandates for clients in Asia and Canada
- + Strong mutual fund sales in Mainland China, notably money market flows and new fund launches, and record pension flows in Hong Kong
- Non-recurrence of large U.S. pension sale in prior year and challenging sales environment for U.S. mutual funds

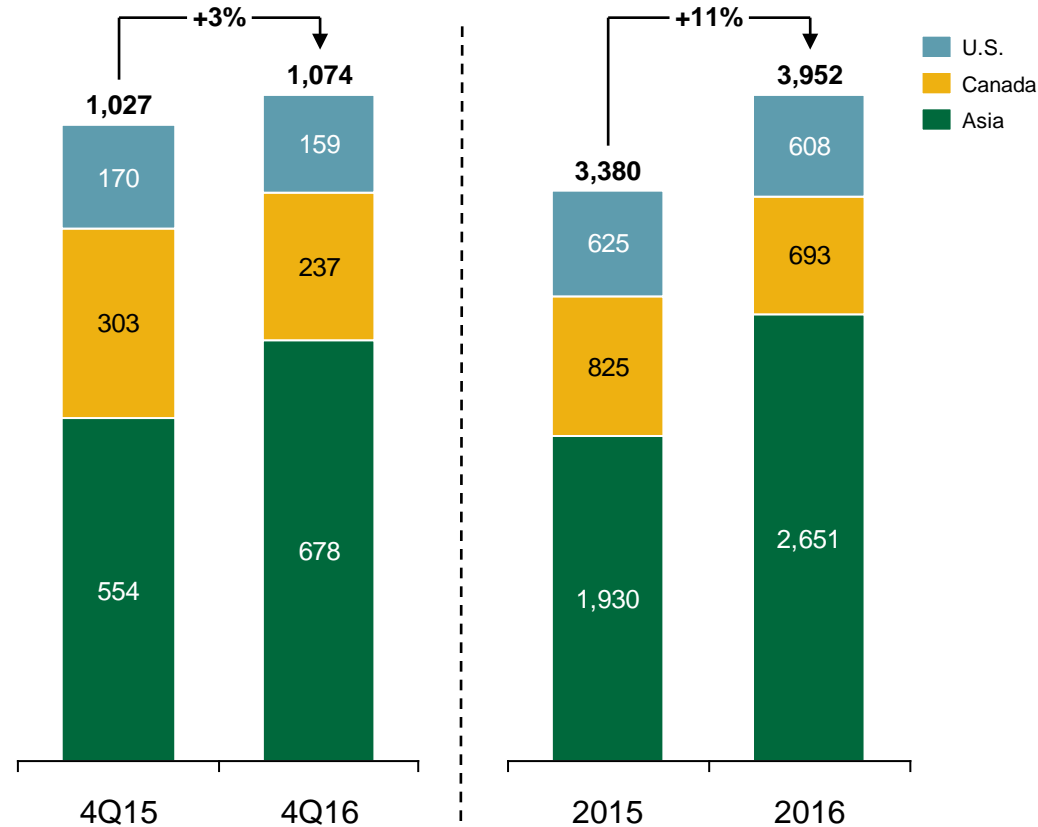
2016 WAM gross flows of \$120.5 billion, up 3% vs. 2015

Note: Order of the vertical bars on the chart correspond to the order in the legend with the exception of the 4Q16 and 2016 Wealth & Asset Management Net Flows, which as the result of outflows in our U.S. business, are stated in the following order: Institutional, Canada, Asia and the U.S.

Continued strong growth in Asia insurance sales, driven by emerging markets

Insurance Sales

(C\$ millions)



4Q16 insurance sales of \$1.1 billion, up 3% vs. 4Q15:

- + Strong growth in mainland China, Singapore, Vietnam and the Philippines, partially offset by pricing actions in response to the decline in interest rates in Japan
- Exceptionally large group benefits sale in Canada in 4Q15 that was not repeated
- Competitive pressure in U.S. life insurance market

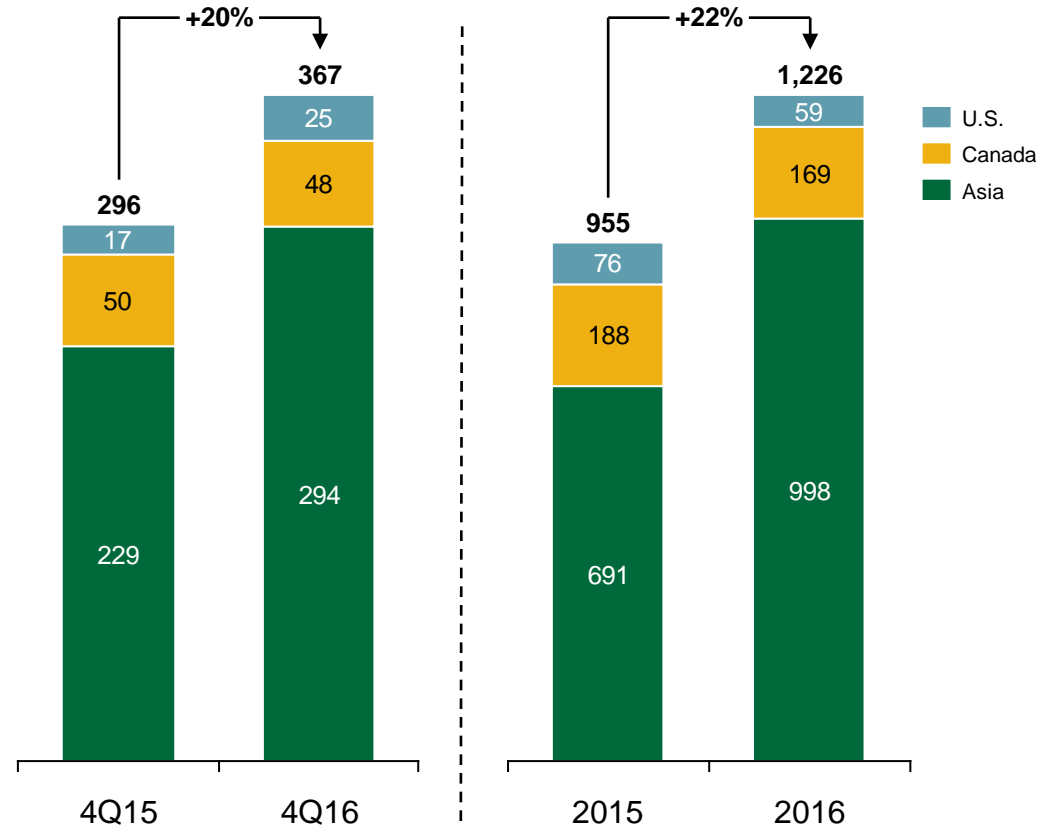
2016 insurance sales of \$4.0 billion, up 11% vs. 2015

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

New business value driven by value creation in Asia

New Business Value (NBV)¹

(C\$ millions)



4Q16 new business value¹ of \$367 million, up 20% vs. 4Q15:

- + Strong APE sales growth in Hong Kong and Other Asia, partially offset by lower sales in Japan
- + Repricing activities and higher interest rates in the U.S.

2016 new business value of \$1.2 billion, up 22% vs. 2015

Asia new business value margins¹ were 37.5% in 4Q16, up 3.8 percentage points from 4Q15:

- + Improved scale from strong APE sales growth in Hong Kong and Other Asia

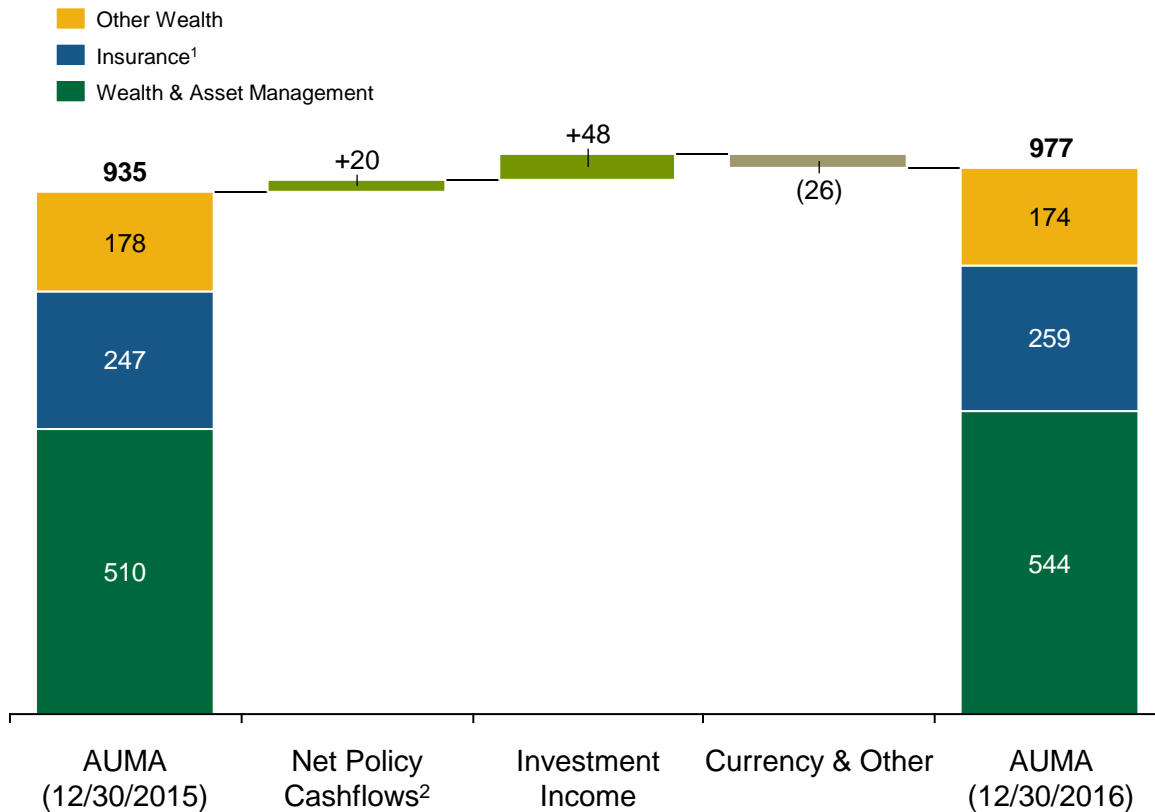
2016 new business value margins were 31.7% in 2016, up 1.5 percentage points from 2015

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.

Strong investment returns and cashflows from customers drive record asset levels

Assets under management and administration (AUMA)

(C\$ billions)



4Q16 assets under management and administration of \$977 billion, up \$42 billion or 6% from 4Q15:

- + Investment returns
- + Customer inflows

4Q16 assets under management and administration in our Wealth & Asset Management businesses of \$544 billion, up \$34 billion or 8% from 4Q15:

- + Investment returns
- + Net inflows

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.

Summary

In 2016, Manulife:

- Achieved \$4 billion in core earnings, up 17% from 2015 and achieving our target set in 2012
- Delivered \$2.9 billion in net income, up 34% from 2015
- Achieved solid top line growth in insurance sales
- Continued to generate positive net flows in our wealth and asset management business
- Raised the dividend for the third consecutive year

CIO's remarks

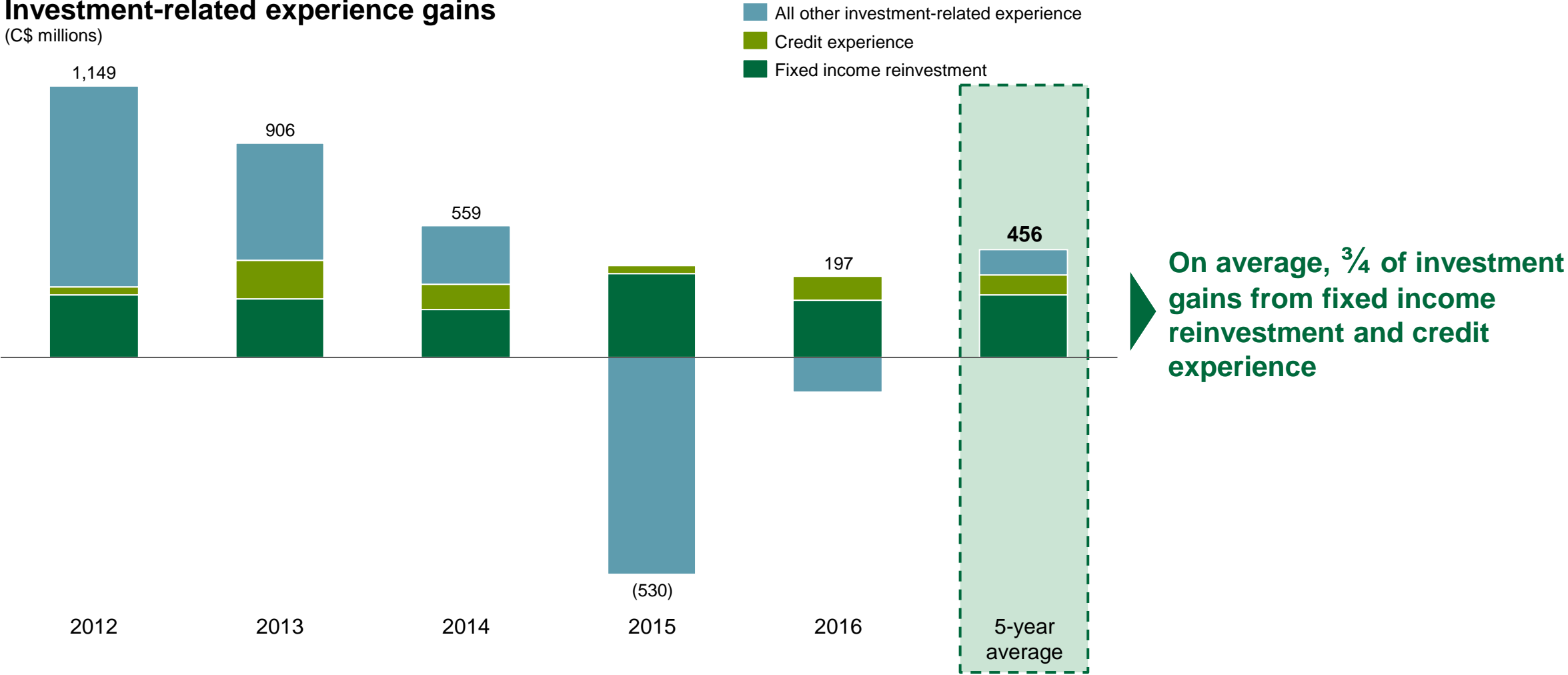


Warren Thomson

SEVP & Chief Investment Officer

Strong and steady contribution from fixed income reinvestment and credit experience

Investment-related experience gains
(C\$ millions)



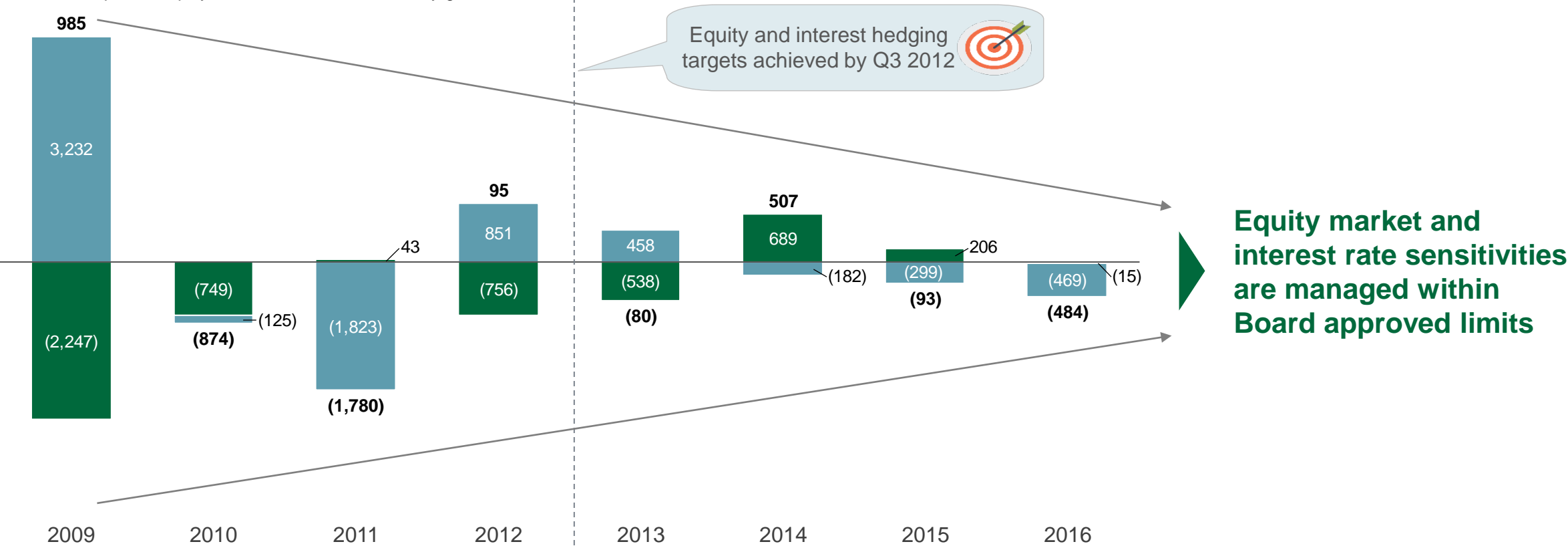
Significantly reduced market volatility since the financial crisis

Direct impact of equity markets and interest rates and variable annuity guarantee liabilities

(C\$ millions)

■ Direct impact of interest rates on fixed income reinvestment rates assumed in the valuation of policy liabilities ¹

■ Direct impact of equity markets and variable annuity guarantee liabilities

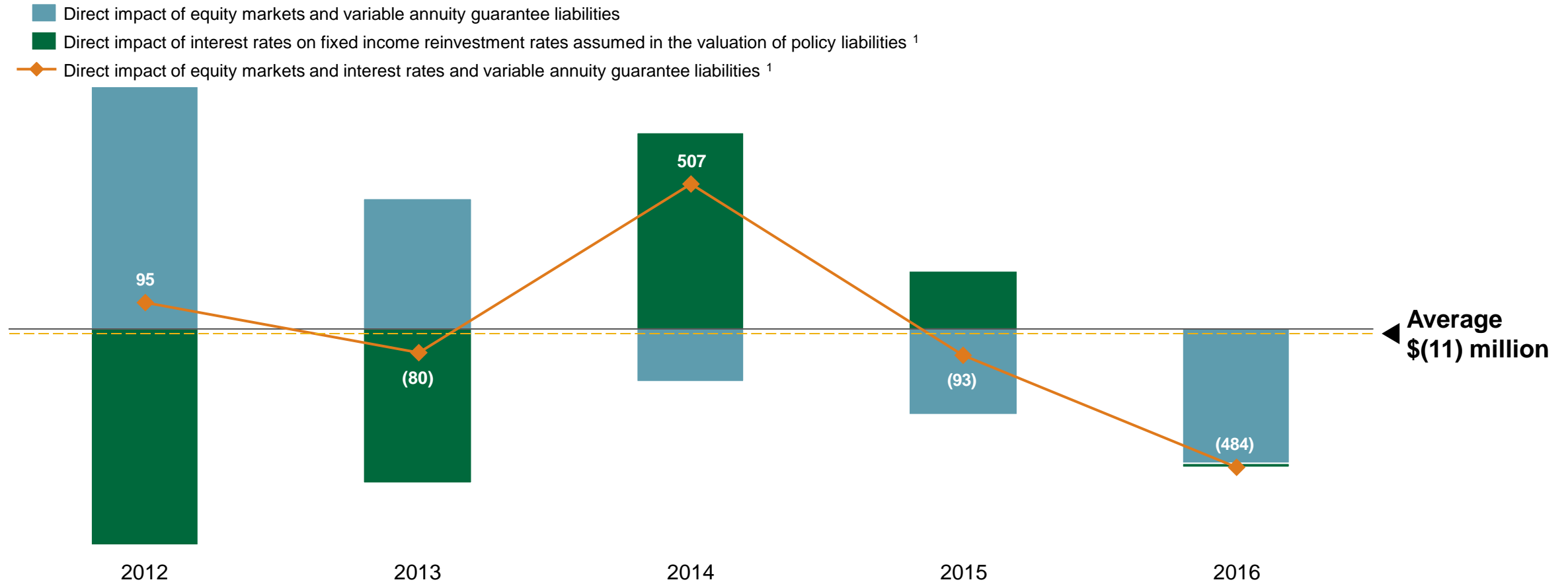


¹ Excludes charges related to Ultimate Reinvestment Rate (URR) which were previously included in the direct market impacts.

Since hedging targets were achieved, direct equity market and interest rate impacts have mostly offset

Direct impact of equity markets and interest rates and variable annuity guarantee liabilities

(C\$ millions)



¹ Excludes charges related to Ultimate Reinvestment Rate (URR) which were previously included in the direct market impacts.

There is no particular trend in any individual factor driving direct market impacts

(C\$ millions, post-tax)	2012	2013	2014	2015	2016	5-year average
Direct impact of equity markets and variable annuity guarantee liabilities	851	458	(182)	(299)	(364)	93
Fixed income reinvestment rates assumed in the valuation of policy liabilities ¹	(740)	(276)	729	201	(335)	(84)
Sale of AFS bonds and related derivative positions in the Corporate & Other segment	(16)	(262)	(40)	5	370	11
Risk reduction related items					(155)	(21)
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities¹	95	(80)	507	(93)	(484)	(11)

¹ Excludes charges related to Ultimate Reinvestment Rate (URR) which were previously included in the direct market impacts.

Changes in interest rates and equity markets adversely impacted 4Q16 net income, reversing gains achieved earlier in 2016

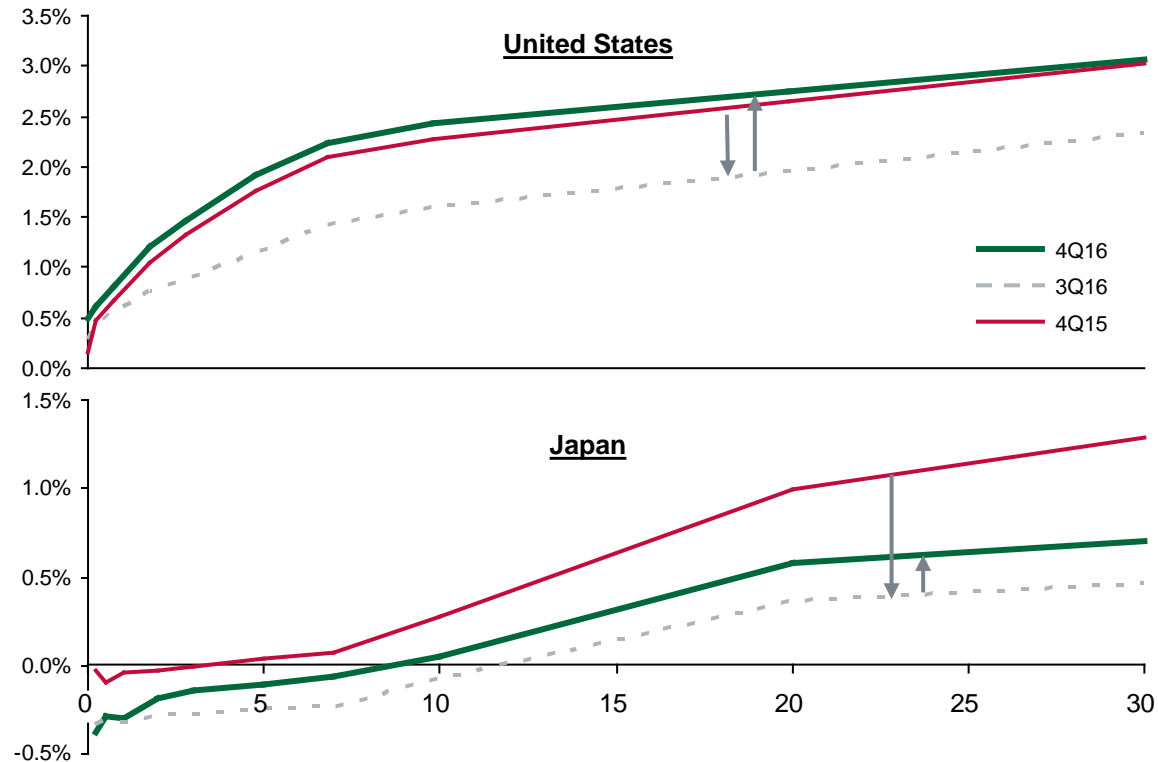
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities

(C\$ millions)

	2016	4Q16
Direct impact of interest rates on fixed income reinvestment rates assumed in the valuation of policy liabilities related to:		
changes in risk free rates	\$ (53)	\$ (330)
decrease in corporate spreads	(553)	(275)
decrease (increase) in swap spreads	271	(242)
	(335)	(847)
Gains (charges) on sale of AFS bonds and derivative positions in the Corporate and Other segment	370	(142)
Direct impact of equity markets and variable annuity guarantee liabilities	(364)	(213)
Risk reduction items	(155)	-
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	\$ (484)	\$(1,202)

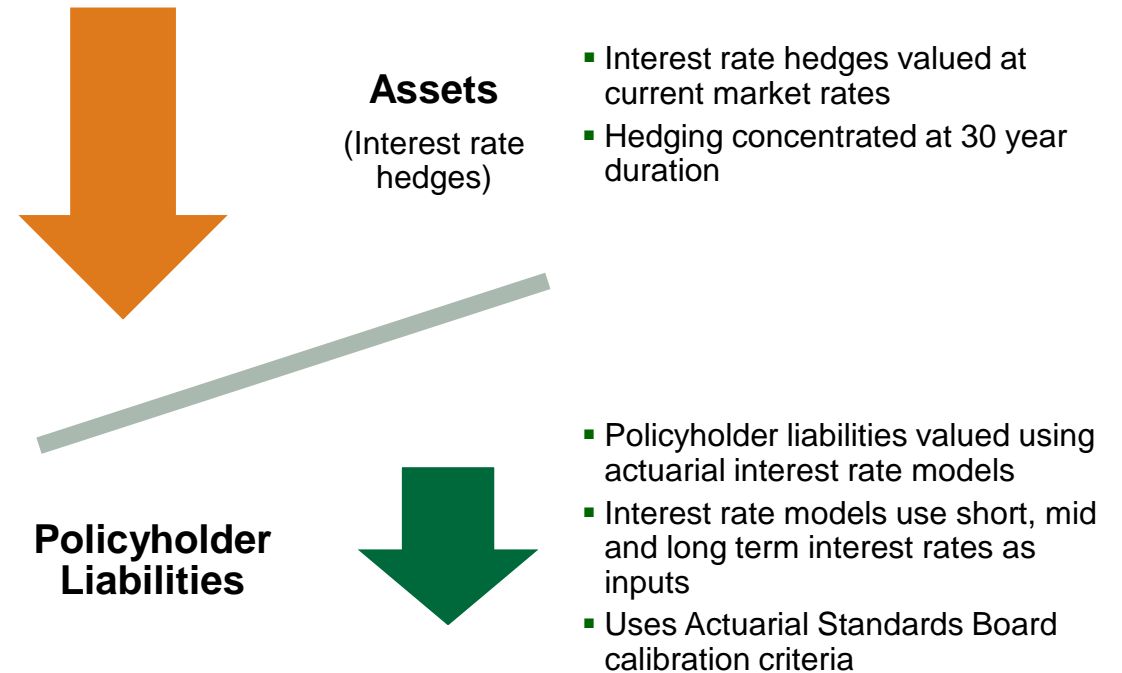
While the yield curve ended the year largely unchanged, a steepening of the curve in 4Q16 led to a charge in the quarter

Government Bond Yields



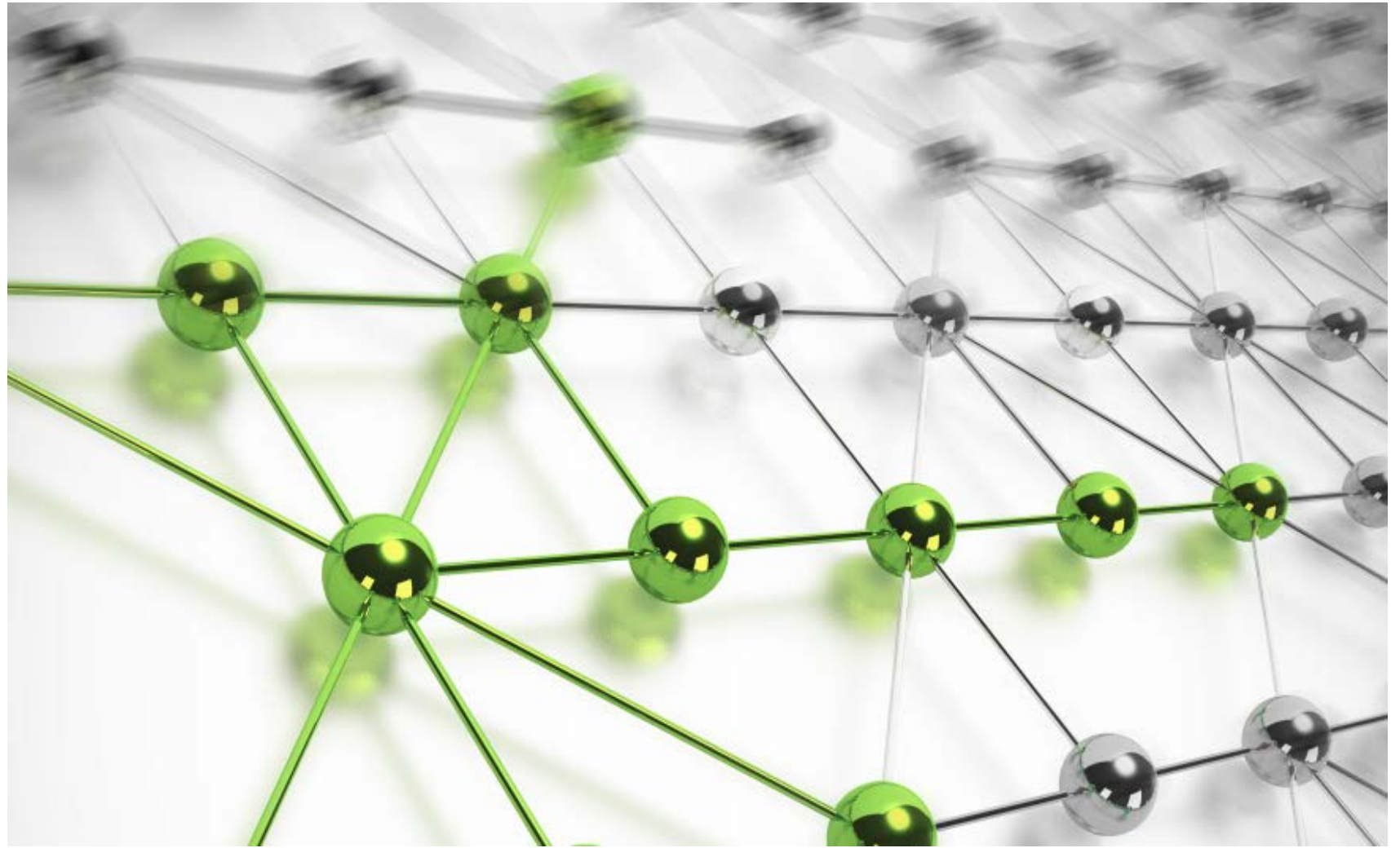
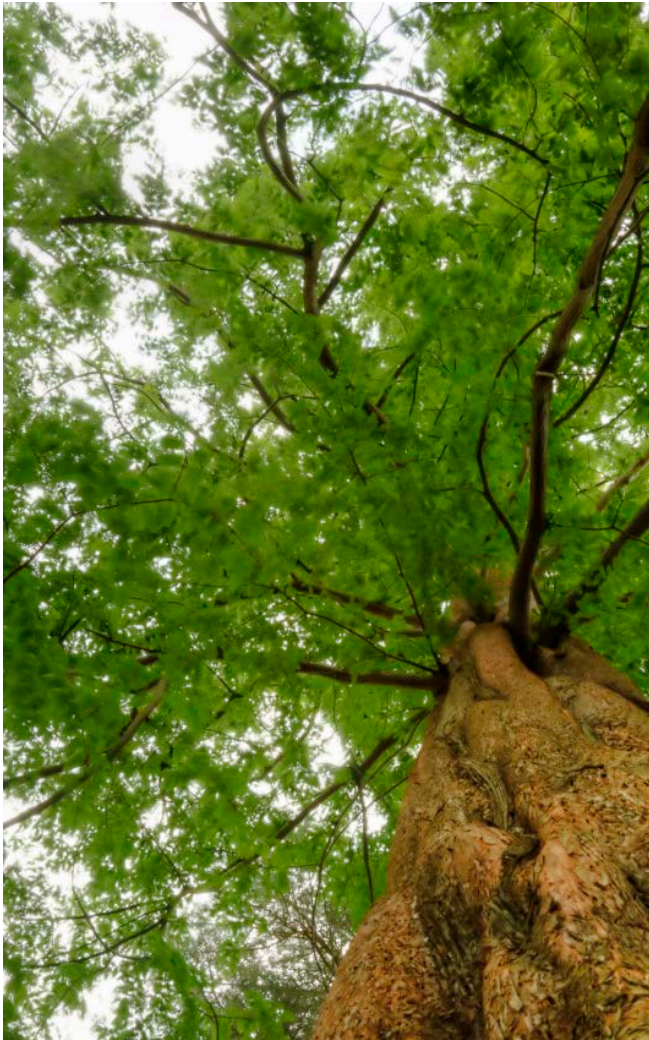
- North American rates rose in 4Q16 reversing the drop in the first three quarters of 2016
- Japanese rates rose in 4Q16, partially reversing the drop in the first three quarters of 2016

Impact of Steepening yield curve



Steepening yield curve resulted in a reduction in both assets & policy liabilities, however accounting mismatch resulted in a greater decline in the value of interest rate hedges (assets) and a charge to net income

Question & Answer session



Appendix

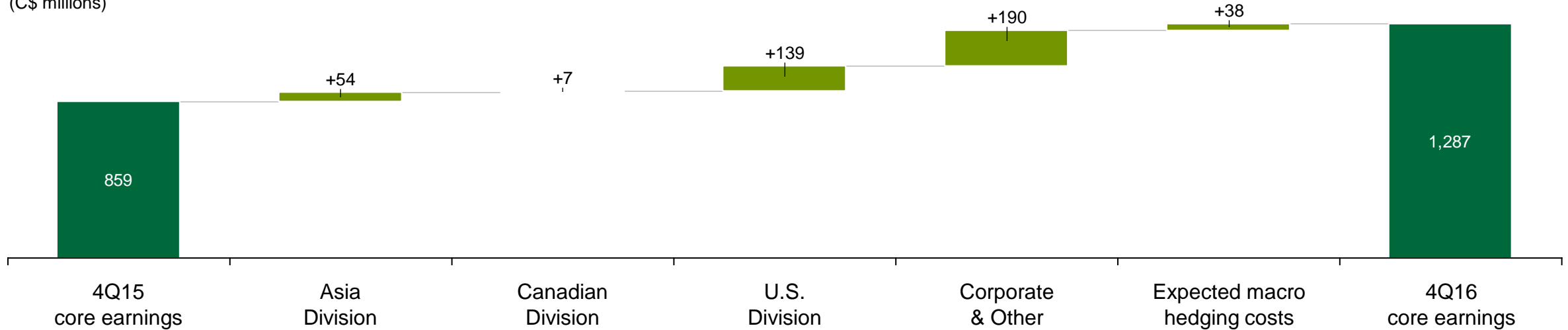


- Core Earnings Change by Division
- Core Earnings Change by Business Line
- Other Wealth Sales
- Operating Performance by Division/Wealth & Asset Management
- Capital and Leverage
- Invested Asset Mix & Credit Experience
- Earnings Sensitivities & Equity Exposure by Market

Core earnings reconciliation by division

Core Earnings

(C\$ millions)



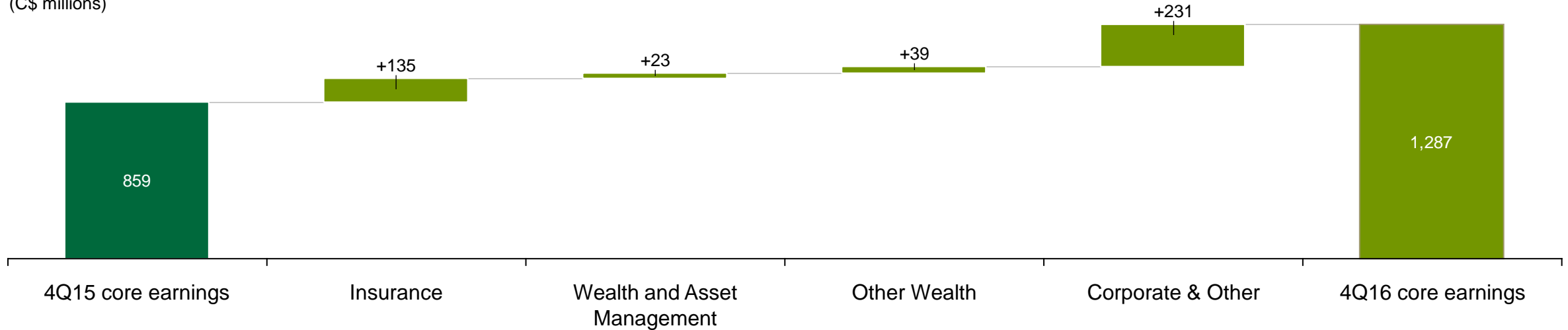
- **Asia Division** core earnings increased reflecting growth in in-force business and continued strong new business volumes, partially offset by the shift from macro hedging to dynamic hedging, less favourable policyholder experience, and the impact of declining interest rates.
- **Canadian Division** core earnings increased reflecting gains from reinsurance recaptures, partially offset by one-time charges.
- **U.S. Division** core earnings increased reflecting favourable tax items, improved policyholder experience and lower amortization of deferred acquisition costs in our VA business, partially offset by lower fee income in our WAM businesses from changes in business mix and fee compression in U.S. pensions.
- **Corporate & Other** core loss improved primarily due core investment gains and favorable tax items, partially offset by higher expenses due to severance costs, higher interest expense on recent debt issuances and strategic investments in Manulife Asset Management.
- **Expected macro hedging costs** declined reflecting the transfer of hedging to the dynamic program and lower notionals largely driven by the unwinding of hedges and actions taken to reduce our equity market sensitivities.

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

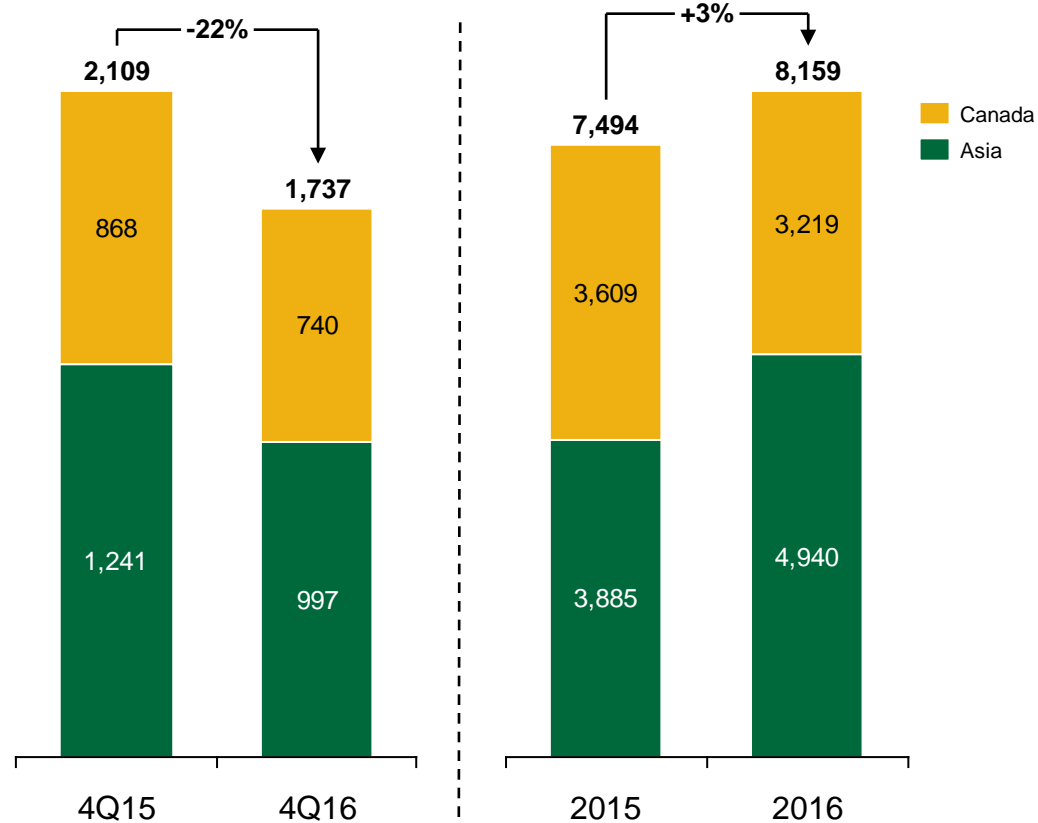
(C\$ millions)



- **Insurance** core earnings increased reflecting in-force and new business growth in Asia and improved policyholder experience.
- **Wealth & Asset Management** core earnings increased reflecting contribution from higher fee income on higher asset levels as well as higher tax benefits in the U.S., partially offset by changes in business mix, fee compression in the U.S. pension business, and strategic investments to optimize our operational infrastructure and to expand our distribution reach in Europe and Asia.
- **Other Wealth** core earnings increased due to the U.S., reflecting favourable tax items and lower variable annuity DAC amortization. This was partially offset by the transfer of macro hedging in the Corporate segment to dynamic hedging in Asia.
- **Corporate & Other** core loss improved primarily due to core investment gains, favorable tax items and lower expected macro hedging costs, partially offset by higher expenses due to severance costs and higher interest expense on recent debt issuances.

Other Wealth sales down from strong prior year

Other Wealth sales (C\$ millions)



4Q16 Other Wealth sales of \$1.7 billion, down 22% vs. 4Q15:

- Asia sales down 26% due to the non-recurrence of strong sales in 4Q15 arising from product launches
- Canada sales down 15% due to product actions on our higher risk segregated fund business

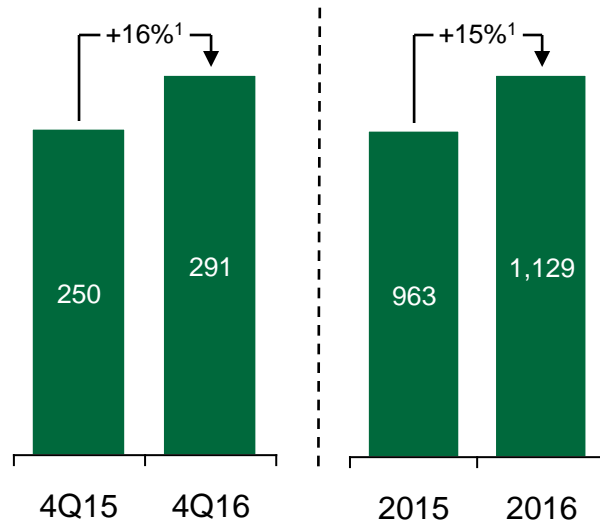
2016 Other Wealth sales of \$8.2 billion, up 3% vs. 2015

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

Asia

Core Earnings

(US\$ millions)



4Q16 **core earnings** of US\$291 million, up 16%¹ adjusting for dynamic hedging

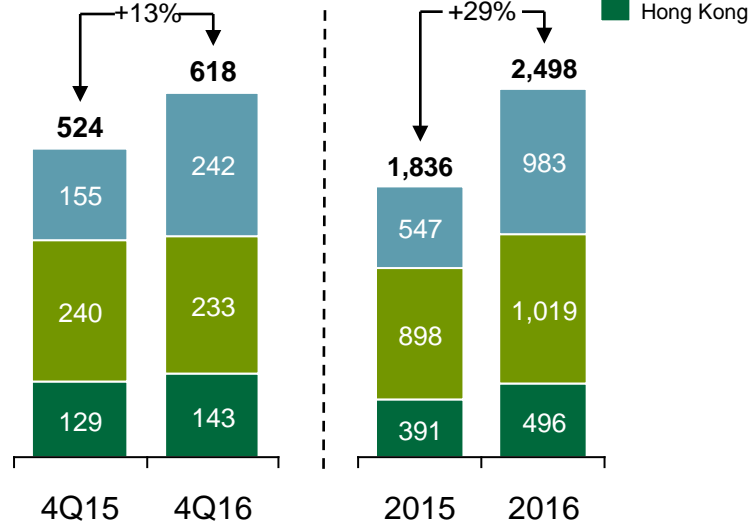
- + Solid growth of in-force business
- + Strong new business volumes
- Less favourable policyholder experience
- Impact of declining interest rates

2016 core earnings of US\$1.1 billion, up 15%¹ vs. 2015

¹ Core earnings percent increase is adjusted for currency and for costs arising from the expansion of our dynamic hedging program in 3Q16 (there is a corresponding decrease in macro hedging costs in the Corporate & Other segment).
Note: Order of the vertical bars on the chart correspond to the order in the legend.

APE Sales

(US\$ millions)



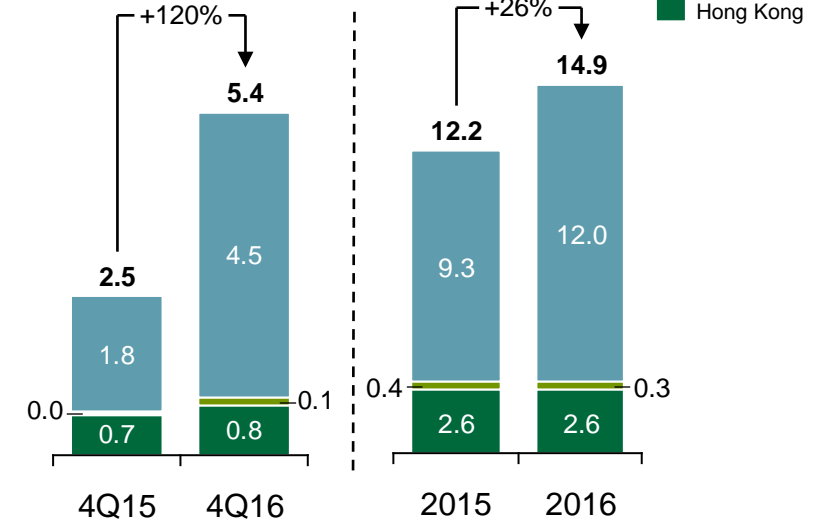
4Q16 **APE sales** of US\$618 million, up 13% vs. 4Q15

- + Strong growth in Asia Other, in particular mainland China, Singapore, Vietnam and the Philippines
- + Expanded distribution in Hong Kong
- Pricing actions in Japan, and successful product launches in 4Q15

Record 2016 APE sales of US\$2.5 billion, up 29% vs. 2015

WAM gross flows

(US\$ billions)



4Q16 **WAM gross flows** of US\$5.4 billion, up 120% vs. 4Q15

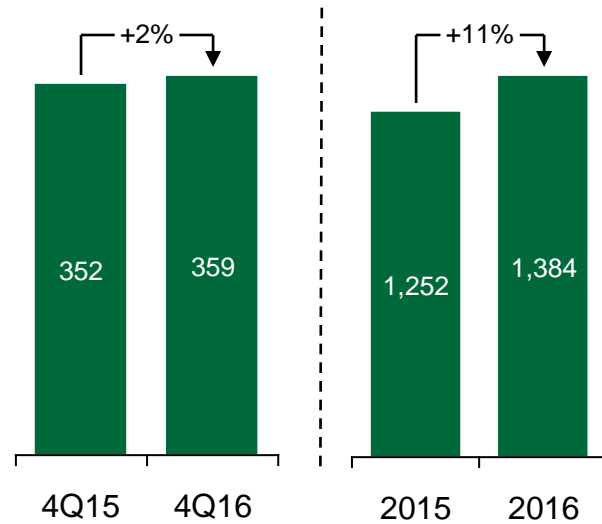
- + Strong mutual fund sales in mainland China, notably driven by money market flows and new fund launches
- + Record pension flows in Hong Kong

Record 2016 WAM gross flows of US\$14.9 billion, up 26% vs. 2015

Canada

Core Earnings

(C\$ millions)



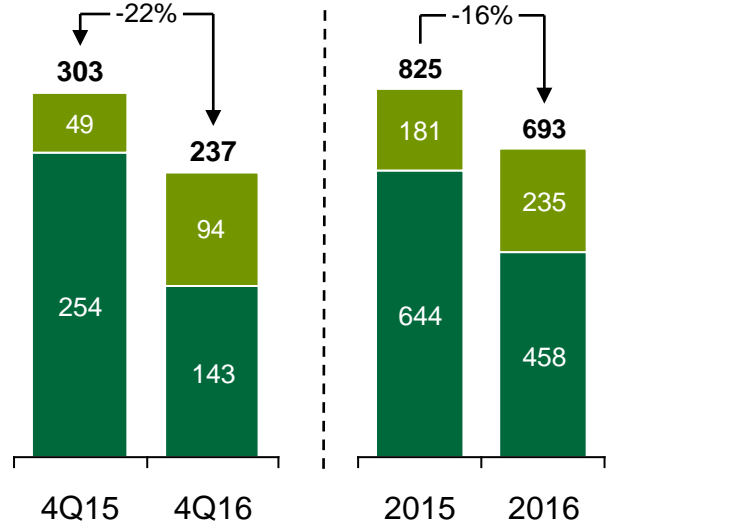
4Q16 **core earnings** of \$359 million, up 2% vs. 4Q15:

- + Reinsurance recaptures
- One-time charges

2016 core earnings of \$1.4 billion, up 11% vs. 2015

Insurance Sales

(C\$ millions)



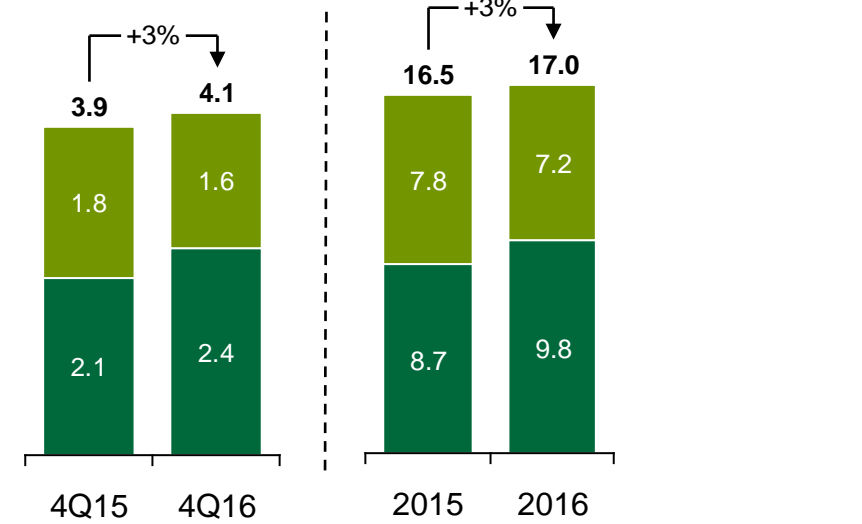
4Q16 **insurance sales** of \$237 million, down 22% vs 4Q15:

- Exceptionally large group benefits sale in 4Q15 that was not repeated
- + Higher universal life sales in anticipation of regulatory changes

2016 insurance sales of \$693 million, down 16% vs. 2015

WAM gross flows

(C\$ billions)



4Q16 **WAM gross flows** of \$4.1 billion, up 3% vs. 4Q15:

- + Continued strong mutual fund sales
- Lower large case group retirement sales

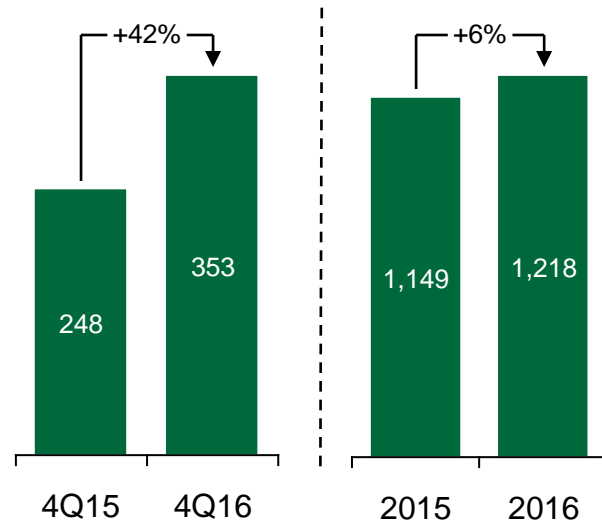
Record 2016 WAM gross flows of \$17.0 billion, up 3% vs. 2015

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

U.S.

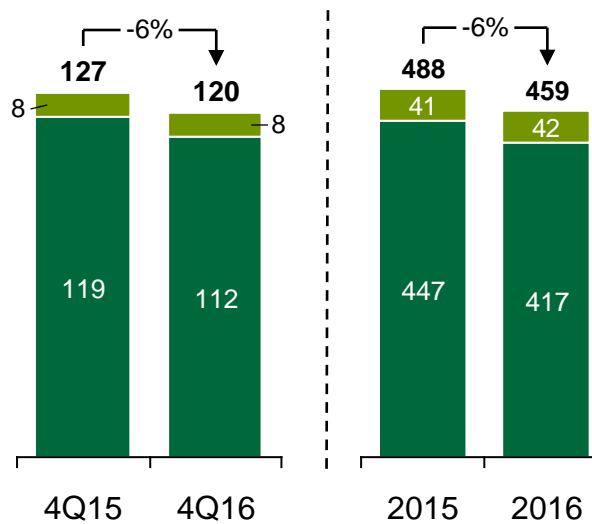
Core Earnings

(US\$ millions)



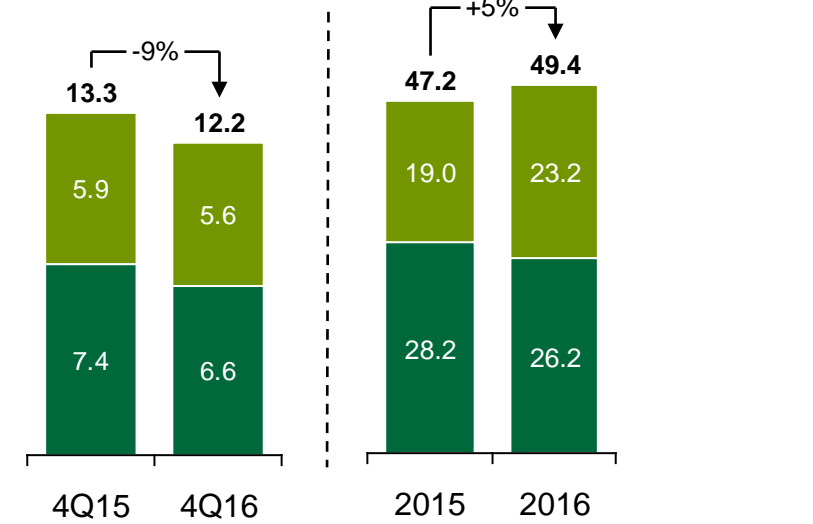
Insurance Sales

(US\$ millions)



WAM gross flows

(US\$ billions)

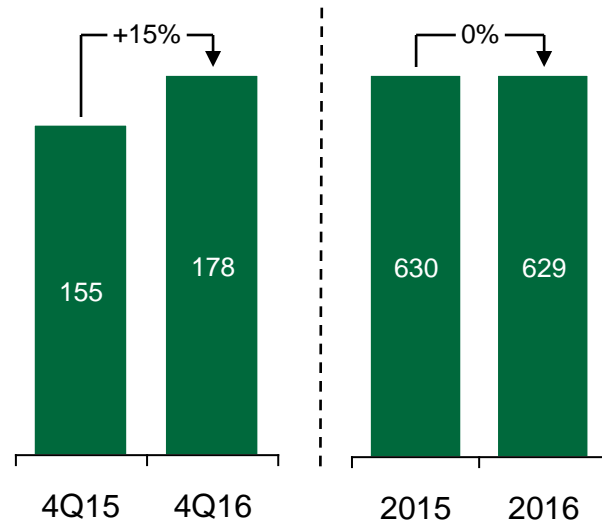


Note: Order of the vertical bars on the chart correspond to the order in the legend.

Wealth and Asset Management

WAM Core Earnings

(C\$ millions)



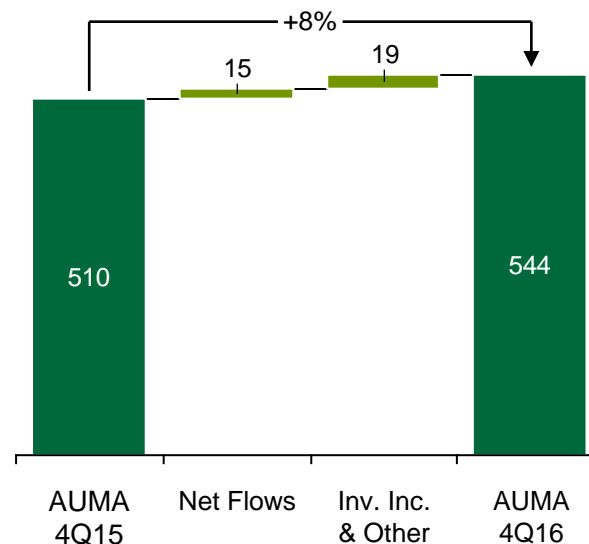
4Q16 **core earnings** of \$178 million, up 15% vs. 4Q15:

- + Higher fee income from higher AUMA in Canada and Asia
- + Tax-related items
- Fee compression in U.S. pensions, and changes in business mix
- Strategic investments

2016 **core earnings** of \$629 million, in-line with 2015

WAM AUMA

(US\$ millions)

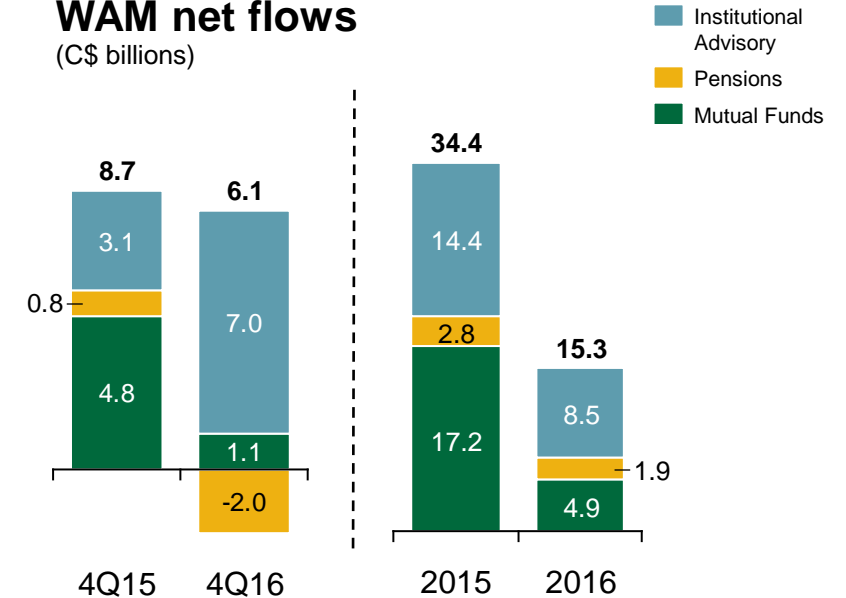


Record 4Q16 **AUMA** of \$544 billion, up \$34 billion vs. 4Q15:

- + Strong investment returns
- + Net flows

WAM net flows

(C\$ billions)



4Q16 **WAM net flows** of \$6.1 billion:

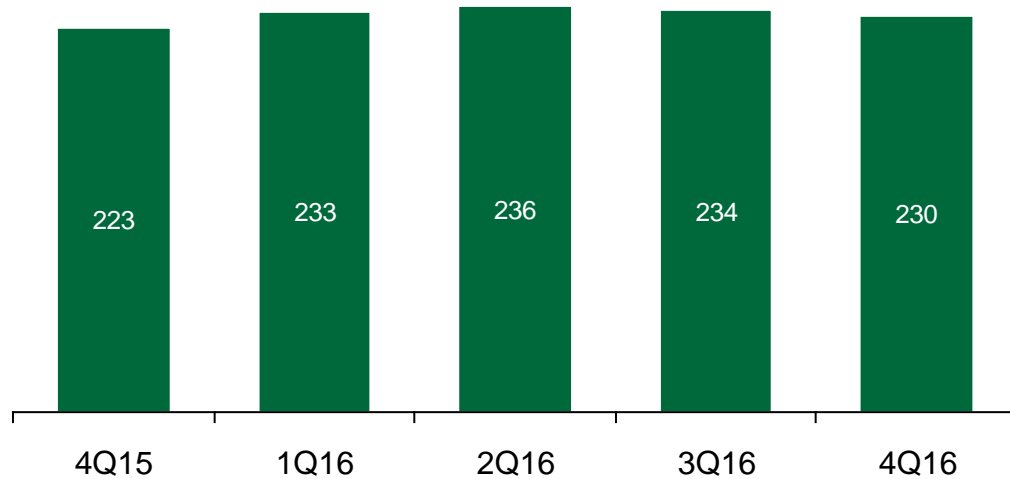
- + Strong gross flows and retention in institutional advisory business
- + Strong mutual fund inflows in Asia and Canada, partially offset by outflows in the U.S.
- Outflows from North American pension businesses

2016 **WAM net flows** of \$15.3 billion

Note: Order of the vertical bars on the chart correspond to the order in the legend with the exception of 4Q16 net flows, which do to pension outflows is presented as: Institutional Advisory, Mutual Funds and Pension.

Maintained a strong capital position

MCCSR¹ Ratio
(%)

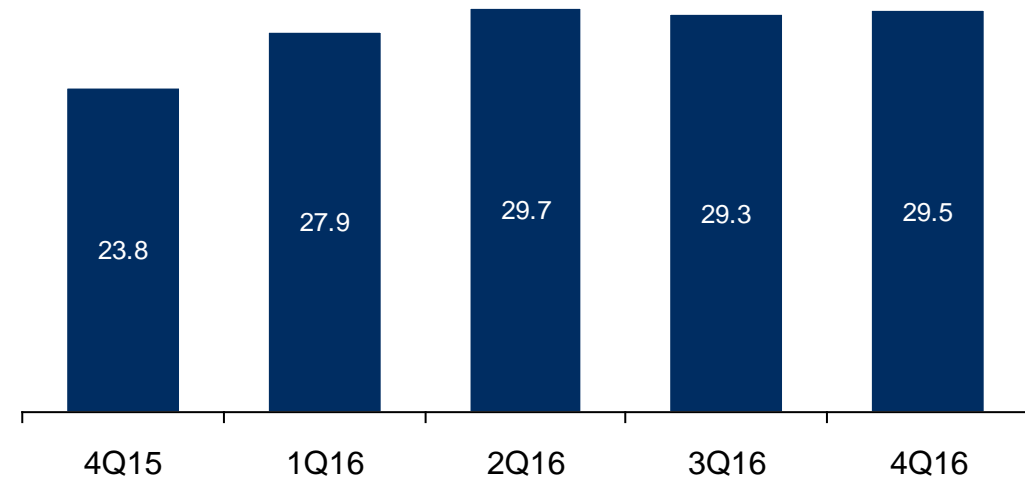


MLI ended 4Q16 with an MCCSR ratio of 230%, down from 234% in 3Q16

- Close of the Standard Chartered distribution agreement and related acquisition
- Net capital redemptions and growth in required capital excluding the impact of interest rates

± The impact of interest rates on earnings and available capital was offset by the favourable impact of interest rates on required capital

Financial Leverage Ratio
(%)



Financial Leverage Ratio of 29.5%, up from 29.3% in 3Q16, reflecting:

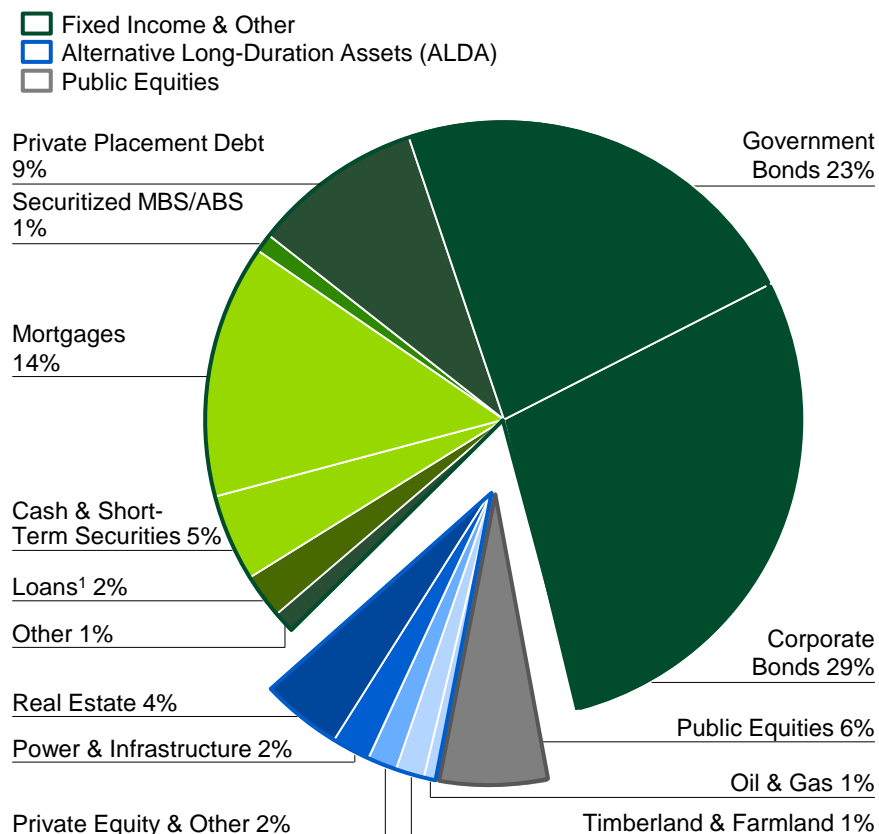
- + Lower equity due to unrealized losses on AFS securities
- + \$828 million in debt and preferred share issuances
- \$1.1 billion in debt redemptions

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

Diversified high quality asset mix avoids risk concentrations

Total Invested Assets

(C\$322 billion, Carrying values as of December 31, 2016)



¹ Includes Policy Loans and Loans to Bank Clients.

² 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.

Fixed Income & Other²

- 84% of the total portfolio
- 97% of debt securities and private placement debt are investment grade
- Energy holdings represent 8% of total debt securities and private placements, of which 94% is 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 1% of our total invested asset portfolio

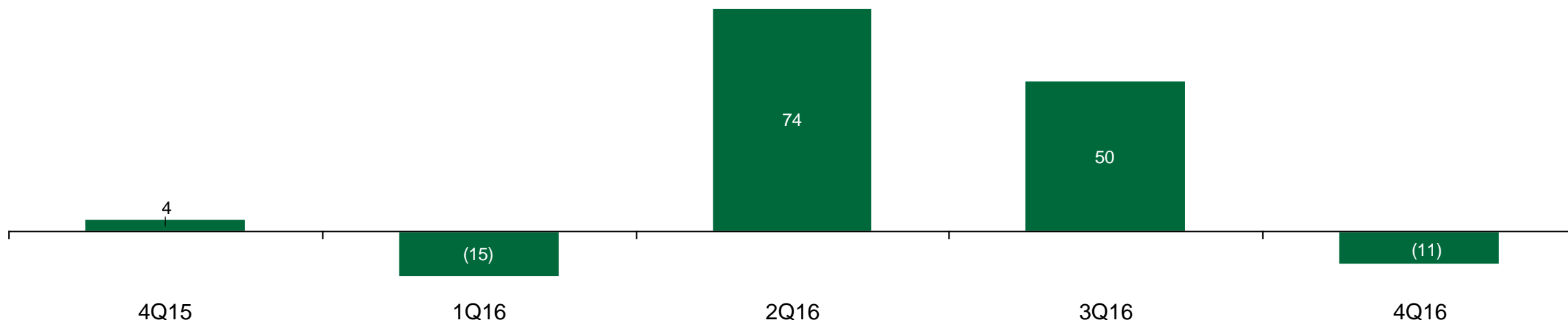
Public Equities

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

Modest credit loss mainly driven by downgrades

Net Credit Experience

(C\$ millions, post-tax)



Impact on Earnings

(C\$ millions, post-tax)

	4Q15	1Q16	2Q16	3Q16	4Q16
Credit (impairments) / recoveries	\$(21)	\$(25)	\$26	\$10	\$(19)
Credit (downgrades) / upgrades	(13)	(29)	8	(3)	(27)
Total Credit Impacts	\$(34)	\$(54)	\$34	\$7	\$(46)
Assumed in policy liabilities	38	39	40	43	35
Net Credit Experience Gain/(Loss)	\$4	\$(15)	\$74	\$50	\$(11)

Interest rate related sensitivities remain well within our risk appetite limits

Potential Impact ¹ of an immediate parallel change in “all rates”: (C\$ millions)	3Q16		4Q16	
	-50 bps	+50 bps	-50 bps	+50 bps
Excluding change in market value of AFS bonds held in surplus	\$ -	\$ -	\$ -	\$ -
From fair value changes in AFS bonds held in surplus, if realized ²	\$ 900	\$ (800)	\$ 1,000	\$ (900)

MCCSR Ratio Impact:

- Excluding change in market value of AFS bonds held in surplus	(7) pts	5 pts	(6) pts	5 pts
- From fair value changes in AFS bonds held in surplus, if realized	4 pts	(4) pts	1 pts	(4) pts

Potential Impact ¹ of a parallel change in corporate bond spreads: (C\$ millions)	3Q16		4Q16	
	-50 bps	+50 bps	-50 bps	+50 bps
Corporate Spreads	\$ (900)	\$ 900	\$ (800)	\$ 700

Potential Impact ¹ of a parallel change in swap spreads: (C\$ millions)	3Q16		4Q16	
	-20 bps	+20 bps	-20 bps	+20 bps
Swap Spreads	\$ 600	\$ (600)	\$ 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 our 2016 Management’s Discussion and Analysis.

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)	3Q16	4Q16
S&P	(140)	(240)
TSX	(30)	(40)
TOPIX	(40)	(30)
EAFE (Europe, Australasia & Asia ex. Japan) ³	(130)	(110)
Net income impact assuming full hedge offset	(340)	(420)
Assumed partial hedge offset	(230)	(220)
Net income impact assuming partial hedge offset	(570)	(640)

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 (loss); Core ROE, Diluted Core Earnings Per Share; Core Investment Gains; Constant Currency Basis (measures that are reported on a constant currency basis include percentage growth in Sales, Gross Flows, New Business Value, and Assets under Management and Administration); Assets under Management and Administration; Net Flows; Gross Flows; New Business Value; New Business Value Margin; Remittances; Annualized Premium Equivalent (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 our 4Q16 press release and 2016 Management's Discussion and Analysis.

Thank you



Investor Relations contacts

Robert Veloso, MBA, CFA
Vice President
robert_veloso@manulife.com
(416) 852-8982

Daniel Kenigsberg, MBA, CFA
Assistant Vice President
daniel_kenigsberg@manulife.com
(416) 852-7208

Eileen Tam, HKICPA
Assistant Vice President
eileen_tam@manulife.com
(852) 2202-1101

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