



Statistical Information Package

Q2 2016



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FINANCIAL REPORTING STRUCTURE



MFC

ASIA DIVISION	CANADIAN DIVISION	U.S. DIVISION	CORPORATE & OTHER
INSURANCE	INSURANCE	INSURANCE	CORPORATE
<i>Individual Insurance</i> <i>Group Life</i> <i>Group Health</i>	<i>Retail Markets</i> <i>Individual Life and Living Benefits</i> <i>Institutional Markets</i> <i>Group Benefits</i> <i>Group Life</i> <i>Group Health</i> <i>Group Disability</i> <i>Affinity Markets</i> <i>(including International Group Program)</i>	<i>John Hancock Life</i> <i>Variable Universal Life</i> <i>Universal Life</i> <i>Whole Life</i> <i>Term Life</i> <i>COLI</i> <i>John Hancock Long-Term Care (LTC)</i> <i>Retail LTC</i> <i>Group LTC</i> <i>Federal LTC</i>	<i>Corporate</i>
			REINSURANCE
			<i>Property and Casualty</i> <i>JH Accident and Health (discontinued)</i>
WEALTH AND ASSET MANAGEMENT	WEALTH AND ASSET MANAGEMENT	WEALTH AND ASSET MANAGEMENT	WEALTH AND ASSET MANAGEMENT
<i>Group Pensions</i> <i>Mutual Funds</i>	<i>Mutual Funds</i> <i>Group Retirement Solutions</i> <i>Manulife Private Wealth</i>	<i>Defined Contribution</i> <i>Mutual Funds</i> <i>College Savings</i>	<i>Institutional Advisory Accounts</i> <i>Privately Managed Accounts</i>
OTHER WEALTH	OTHER WEALTH	OTHER WEALTH	
<i>Single Premium Products</i> <i>Variable Annuities</i> <i>Fixed Annuities</i>	<i>Fixed Products</i> <i>Annuities</i> <i>GICs</i> <i>Retail Segregated Fund Products</i> <i>Manulife Bank</i>	<i>Variable Annuities</i> <i>Fixed Deferred Annuities</i> <i>Payout Annuities</i> <i>Spread-based Products</i> <i>Fee-based Products</i>	

* Asia Division includes Hong Kong, Asia Other territories and Japan. Asia Other territories includes Indonesia, China, Taiwan, Malaysia, Philippines, Singapore, Thailand, Vietnam, Cambodia and Regional office.

Notes to Readers



Use of this document:

Information in the document is supplementary to the Company's second quarter Press Release, MD&A and unaudited financial statements and the 2015 Annual Report and should be read in conjunction with those documents.

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. Non-GAAP measures include premiums and deposits, assets under management and administration, constant currency basis, new business value ("NBV"), NBV margins, core earnings (loss), core ROE, Diluted core earning per common share, core EBITDA, total annualized premium equivalents, total weighted premium income, capital, gross flows, net flows 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.

Premiums and deposits is a measure of top line growth. The Company calculates premiums and deposits as the aggregate of (i) general fund premiums net of reinsurance, reported as premiums on the Consolidated Statement of Income and investment contract deposits, (ii) premium equivalents for administration only group benefit contracts, (iii) premiums in the Canadian Group Benefit's reinsurance ceded agreement, (iv) segregated fund deposits, excluding seed money, (v) mutual fund deposits, (vi) deposits into institutional advisory accounts, and (vii) other deposits in other managed funds.

Assets under management and administration is a measure of the size of the Company. Assets Under Management include both assets of general account and external client assets for which we provide investment management services. Assets Under Administration include assets for which we provide administrative services only.

The definition we use for **capital** serves as a foundation of our capital management activities at the MFC level. For regulatory reporting purposes, the numbers are further adjusted for various additions or deductions to capital as mandated by the guidelines used by OSFI. Capital is calculated as the sum of (i) total equity excluding Accumulated Other Comprehensive Income (Loss) on cash flow hedges and (ii) liabilities for preferred shares and capital instruments.

Sales are measured according to product type.

- (i) For individual insurance, sales include 100 per cent of new annualized premiums and 10 per cent of both excess and single premiums. For individual insurance, new annualized premiums reflect the annualized premium expected in the first year of a policy that requires premium payments for more than one year. Single premium is the lump sum premium from the sale of a single premium product, e.g. travel insurance. Sales are reported gross before the impact of reinsurance.
- (ii) For group insurance, sales include new annualized premiums and administrative services only (ASO) premium equivalents on new cases, as well as the addition of new coverages and amendments to contracts, excluding rate increases.
- (iii) For other wealth, all new deposits are reported as sales. This includes certain single premium wealth accumulation products in Asia and individual annuities, both fixed and variable. As we have discontinued sales of new VA contracts in the U.S., beginning in the first quarter of 2013, subsequent deposits into existing U.S VA contracts are not reported as sales.

Gross Flows is a new business measure for Manulife's wealth and asset management ("WAM") businesses and includes all deposits into the Company's mutual funds, college savings 529 plans, group pension/retirement savings products, private wealth and institutional asset management products. Gross flows are a common industry metric for WAM businesses as it provides a measure of how successful the businesses are at attracting assets.

Net flows is presented for our WAM businesses and includes gross flows less redemptions for our mutual funds, college savings 529 plans, group pension/retirement savings products, private wealth and institutional asset management products. Net flows are a common industry metric for WAM businesses as it provides a measure of how successful the businesses are at attracting and retaining assets.

Core earnings is a non-GAAP profitability measure. It shows what the net income (loss) attributed to shareholders would have been assuming that interest and equity markets performed as assumed in our policy valuation and certain other items had not occurred. It excludes the direct impact of equity markets and interest rates as well as a number of other items that are considered material and exceptional in nature.

Core earnings before income tax, depreciation and amortization ("Core EBITDA") is a non-GAAP profitability measure for our global wealth and asset management business. It shows core earnings adjusted to remove the impacts of amortization and impairment of intangible assets acquired in business combinations, amortization of deferred acquisition costs, interest income and expenses, and income tax.

New business value ("NBV") is the change in embedded value as a result of sales in the reporting period. NBV is calculated as the present value of shareholders' interests in expected future distributable earnings, after the cost of capital, on actual new business sold in the period using assumptions that are consistent with the assumptions used in the calculation of embedded value. NBV excludes businesses with immaterial insurance risks, such as Manulife's wealth and asset management businesses and Manulife Bank. NBV is a useful metric to evaluate the value created by the Company's new business franchise.

NBV margin is calculated as NBV divided by annualized premium equivalents ("APE") excluding non-controlling interests. APE is calculated as 100% of annualized first year premiums for recurring premium products, and as 10% of single premiums for single premium products. Both NBV and APE used in the NBV margin calculation are after non-controlling interests and exclude wealth and asset management businesses and Manulife Bank. The NBV margin is a useful metric to help understand the profitability of our new business.

Constant currency basis

Quarterly amounts stated on a constant currency basis are calculated using Q2 2016 income statement and statement of financial position exchange rates as appropriate.

Core earnings per share is core earnings less preferred share dividends divided by weighted average outstanding common shares.

FINANCIAL HIGHLIGHTS

(Canadian \$ in millions unless otherwise stated and per share information, unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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Shareholders' Net Income (loss) by Division¹

Asia	28	121	409	111	303	-91%	149	585	-75%	1,105
Canadian	359	600	(104)	276	190	89%	959	308	211%	480
U.S.	407	241	323	507	166	145%	648	630	3%	1,460
Corporate and other	(90)	83	(382)	(272)	(59)	-	(7)	(200)	-	(854)
Net income attributed to shareholders	704	1,045	246	622	600	17%	1,749	1,323	32%	2,191
Preferred share dividends	(37)	(29)	(29)	(29)	(29)	28%	(66)	(58)	14%	(116)
Common shareholders' net income	667	1,016	217	593	571	17%	1,683	1,265	33%	2,075
Common shareholders' net income on a constant currency basis	667	1,000	229	599	593	12%	1,667	1,303	28%	2,131

Earnings Analysis¹

Core earnings										
Asia	342	371	334	338	283	21%	713	562	27%	1,234
Canadian	333	338	352	336	303	10%	671	564	19%	1,252
U.S.	361	389	332	375	385	-6%	750	759	-1%	1,466
Corporate and other (excl. expected cost of macro hedges and core investment gains)	(125)	(107)	(85)	(66)	(74)	-	(232)	(147)	-	(298)
Expected cost of macro hedges	(78)	(86)	(74)	(62)	(46)	-	(164)	(90)	-	(226)
Investment-related experience in core earnings	-	-	-	(51)	51	-100%	-	51	-100%	-
Total core earnings	833	905	859	870	902	-8%	1,738	1,699	2%	3,428
Investment-related experience outside of core earnings	60	(340)	(361)	(169)	77	-22%	(280)	-	-	(530)
Total core earnings and investment-related experience in excess of amounts included in core earnings	893	565	498	701	979	-9%	1,458	1,699	-14%	2,898
Items excluded from core earnings										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	(170)	474	(29)	232	(309)	-	304	(296)	-	(93)
Change in actuarial methods and assumptions	-	12	(97)	(285)	(47)	-	12	(69)	-	(451)
Integration and acquisition costs	(19)	(14)	(39)	(26)	(54)	-	(33)	(84)	-	(149)
Tax related items	-	1	2	-	31	-100%	1	61	-98%	63
Other items	-	7	(89)	-	-	-	7	12	-42%	(77)
Net income attributed to shareholders	704	1,045	246	622	600	17%	1,749	1,323	32%	2,191

¹ The Corporate and Other segment includes earnings on assets backing capital net of amounts allocated to operating divisions. The 2015 earnings on assets backing capital allocated to each operating segment has been reclassified to align with the methodology used in 2016.

Selected Performance Measures

Basic earnings per common share	\$0.34	\$0.51	\$0.11	\$0.30	\$0.29	17%	\$ 0.85	\$0.65	31%	\$ 1.06
Basic earnings per common share on a constant currency basis	\$0.34	\$0.51	\$0.13	\$0.31	\$0.33	3%				
Diluted core earnings per common share	\$0.40	\$0.44	\$0.42	\$0.43	\$0.44	-9%	\$ 0.84	\$0.83	1%	\$ 1.68
Diluted earnings per common share	\$0.34	\$0.51	\$0.11	\$0.30	\$0.29	17%	\$ 0.85	\$0.64	33%	\$ 1.05
Return on common shareholders' equity (annualized) (%)	7.1%	10.8%	2.3%	6.5%	6.4%	70 bps	8.9%	7.4%	150 bps	5.8%
Core ROE (annualized) (%)	8.4%	9.3%	8.7%	9.2%	9.8%	-140 bps	8.9%	9.6%	-70 bps	9.2%

FINANCIAL HIGHLIGHTS (CONT'D)

(Canadian \$ in millions unless otherwise stated and per share information, unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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Earnings Analysis (Pre-tax)¹

Core earnings										
Asia	396	444	388	397	317	25%	840	628	34%	1,413
Canadian	401	424	440	413	374	7%	825	690	20%	1,543
U.S.	475	515	439	454	517	-8%	990	1,018	-3%	1,911
Corporate and other (excl. expected cost of macro hedges and core investment gains)	(205)	(204)	(114)	(144)	(141)	-	(409)	(290)	41%	(548)
Expected cost of macro hedges	(114)	(126)	(108)	(90)	(68)	-	(240)	(132)	82%	(330)
Investment-related experience in core earnings	-	-	-	(61)	74	-100%	-	74	-100%	13
Total core earnings	953	1,053	1,045	969	1,073	-11%	2,006	1,988	1%	4,002
Investment-related experience outside of core earnings	142	(470)	(496)	(202)	112	27%	(328)	20	-	(678)
Total core earnings and investment-related experience in excess of amounts included in core earnings	1,095	583	549	767	1,185	-8%	1,678	2,008	-16%	3,324
Items excluded from core earnings										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	(138)	750	(71)	578	(491)	-	612	(388)	-	119
Change in actuarial methods and assumptions	-	35	(119)	(361)	(70)	-	35	(111)	-	(591)
Integration and acquisition costs	(22)	(18)	(52)	(38)	(78)	-	(40)	(117)	-66%	(207)
Other items	-	(7)	(137)	(8)	26	-100%	(7)	19	-	(126)
Net income attributed to shareholders	935	1,343	170	938	572	63%	2,278	1,411	61%	2,519

Earnings Analysis (Tax Rate)¹

Core earnings										
Asia	14%	16%	14%	15%	11%		15%	11%		13%
Canadian	17%	20%	20%	19%	19%		19%	18%		19%
U.S.	24%	24%	24%	17%	26%		24%	25%		23%
Corporate and other (excl. expected cost of macro hedges and core investment gains)	39%	48%	25%	54%	48%		43%	49%		46%
Expected cost of macro hedges	32%	32%	31%	31%	32%		32%	32%		32%
Investment-related experience in core earnings	0%	0%	0%	16%	31%		0%	31%		100%
Total core earnings	13%	14%	18%	10%	16%					14%
Investment-related experience outside of core earnings	58%	28%	27%	16%	31%		15%	100%		22%
Total core earnings and investment-related experience in excess of amounts included in core earnings	18%	3%	9%	9%	17%		13%	15%		13%
Items excluded from core earnings										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	-23%	37%	59%	60%	37%		0%	0%		
Change in actuarial methods and assumptions	0%	66%	18%	21%	33%		50%	24%		178%
Integration and acquisition costs	14%	22%	25%	32%	31%		66%	38%		24%
Other items	0%	200%	35%	100%	100%		18%	28%		28%
Net income attributed to shareholders	25%	22%	-45%	34%	-5%		200%	37%		39%
							23%	6%		13%

Core earnings by line of business¹

Insurance²										
Asia	232	249	222	227	178	30%	481	362	33%	811
Canadian	174	172	202	165	141	23%	346	254	36%	621
U.S.	151	183	134	167	186	-19%	334	364	-8%	665
Total insurance	557	604	558	559	505	10%	1,161	980	18%	2,097
Wealth and asset management³										
Asia	37	38	36	38	43	-14%	75	85	-12%	159
Canadian	46	39	35	40	36	28%	85	66	29%	141
U.S.	68	64	78	90	74	-8%	132	142	-7%	310
Corporate and other ^{5,6}	1	(1)	6	(1)	7	-86%	-	15	-100%	20
Total wealth and asset management	152	140	155	167	160	-5%	292	308	-5%	630
Other wealth^{2,4}										
Asia	73	84	76	73	62	18%	157	115	37%	264
Canadian Manulife Bank	25	30	27	26	36	-31%	55	70	-21%	123
Canadian excluding Manulife Bank	88	97	88	105	90	-2%	185	174	6%	367
U.S.	113	127	115	131	126	-10%	240	244	-2%	490
Total other wealth	142	142	120	118	125	14%	284	253	12%	491
Corporate and other^{5,6}	328	353	311	322	313	5%	681	612	11%	1,245
Total core earnings	(204)	(192)	(165)	(178)	(76)	168%	(396)	(201)	97%	(544)
	833	905	859	870	902	-8%	1,738	1,699	2%	3,428

¹ The Corporate and Other segment includes earnings on assets backing capital net of amounts allocated to operating divisions. The 2015 earnings on assets backing capital allocated to each operating segment has been reclassified to align with the methodology used in 2016.

² Insurance and other wealth businesses are included in embedded value and new business value calculations (see page 31).

³ Wealth and asset management is comprised of our fee based business with little or no insurance risk, including mutual funds, pensions products and institutional asset management.

⁴ Other wealth includes single premium wealth accumulation products in Asia, annuities, GIC's and Manulife Bank.

⁵ Corporate and other results are net of internal allocations to other divisions.

⁶ Core earnings from Manulife Asset Management has been included in Wealth & Asset Management core earnings.

FINANCIAL HIGHLIGHTS (CONT'D)

(Canadian \$ in millions unless otherwise stated and per share information, unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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Premiums and Deposits - Insurance

Life and health insurance premiums ¹	5,476	5,706	5,306	5,066	4,687	17%	11,182	9,257	21%	19,629
Segregated fund deposits	571	578	569	594	547	4%	1,149	1,096	5%	2,259
ASO premium equivalents	869	868	833	804	851	2%	1,737	1,688	3%	3,325
Group Benefits ceded	1,506	1,034	1,051	1,012	1,031	46%	2,540	2,233	14%	4,296
Premiums and deposits - Insurance	8,422	8,186	7,759	7,476	7,116	18%	16,608	14,274	16%	29,509
Premiums and deposits - Insurance on a constant currency basis	8,422	7,952	7,689	7,516	7,396	14%	16,374	14,795	11%	30,000

¹ Excludes the impact of the net ceded premium related to the Closed Block reinsurance transaction in 3Q15 and full year 2015.

Premiums and Deposits - Wealth and Asset Management ²

Pension premiums and investment contract deposits	12	14	10	11	12	0%	26	23	13%	44
Segregated fund deposits	6,357	7,045	6,606	6,802	5,989	6%	13,402	12,472	7%	25,880
Mutual fund deposits	17,270	17,812	18,361	16,768	17,787	-3%	35,082	30,975	13%	66,104
Institutional advisory accounts	2,879	3,213	5,972	2,165	10,987	-74%	6,092	14,011	-57%	22,148
Other fund deposits ³	126	144	140	116	117	8%	270	254	6%	510
Premiums and deposits - Wealth and Asset Management	26,644	28,228	31,089	25,862	34,892	-24%	54,872	57,735	-5%	114,686
Premiums and deposits - Wealth and Asset Management on a constant currency basis	26,644	26,834	30,140	25,480	35,684	-25%	53,478	59,135	-10%	114,755

² Wealth & asset management is comprised of our fee based business with little or no insurance risk, including mutual funds, pensions products and institutional asset management.

³ Other funds include College Savings (529 plan) and Privately Managed Accounts.

Premiums and Deposits - Other Wealth

Annuity and investment contract deposits	1,264	1,026	1,398	1,137	950	33%	2,290	1,827	25%	4,362
Segregated fund deposits	448	415	565	458	744	-40%	863	1,333	-35%	2,356
Premiums and deposits - Other Wealth	1,712	1,441	1,963	1,595	1,694	1%	3,153	3,160	0%	6,718
Premiums and deposits - Other Wealth on a constant currency basis	1,712	1,399	1,934	1,593	1,757	-3%	3,111	3,263	-5%	6,790
Premiums and Deposits - Corporate & Other	21	22	26	24	21	0%	43	40	8%	90

FINANCIAL HIGHLIGHTS (CONT'D)

(Canadian \$ in millions unless otherwise stated and per share information, unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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Insurance Sales ¹

Asia - US \$	510	460	416	379	374	36%	970	712	36%	1,507
Canadian - C \$	120	155	303	142	166	-28%	275	380	-28%	825
U.S. - US \$	107	122	127	126	118	-9%	229	235	-3%	488
Insurance sales - C \$	914	954	1,027	803	771	19%	1,868	1,550	21%	3,380
Insurance sales on a constant currency basis - C \$	914	924	1,030	820	823	11%	1,838	1,641	12%	3,491

¹ Insurance sales consist of recurring premiums and 10% of both excess and single premiums.

Wealth and Asset Management ² Gross Flows by Division

Asia - US \$	3,506	2,482	2,509	1,871	5,155	-32%	5,988	7,860	-24%	12,240
Canadian - C \$	4,201	4,165	3,932	4,213	3,923	7%	8,366	8,329	0%	16,474
U.S. - US \$	11,672	12,710	13,344	13,016	11,094	5%	24,382	20,820	17%	47,180
Corporate and Other - C \$	2,879	3,213	5,974	2,165	10,987	-74%	6,092	14,011	-57%	22,150
Wealth & asset management gross flows - C \$	26,644	28,228	31,089	25,862	34,892	-24%	54,872	57,735	-5%	114,686
Wealth & asset management gross flows on a constant currency basis - C \$	26,644	26,834	30,140	25,480	35,684	-25%	53,478	59,135	-10%	114,755

² Wealth and asset management is comprised of our fee based business with little or no insurance risk, including mutual funds, pensions products and institutional asset management.

Wealth and Asset Management Net Flows by Division

Asia - US \$	1,280	196	848	(2,281)	2,460	-48%	1,476	3,312	-55%	1,879
Canadian - C \$	1,298	771	765	1,566	1,331	-2%	2,069	3,152	-34%	5,483
U.S. - US \$	82	20	2,815	3,446	1,466	-94%	102	3,220	-97%	9,481
Corporate and Other - C \$	1,769	607	3,087	1,426	8,335	-79%	2,376	9,913	-76%	14,426
Total net flows - C\$	4,822	1,676	8,748	4,514	14,494	-67%	6,498	21,125	-69%	34,387
Net flows on a constant currency basis - C\$	4,822	1,656	8,571	4,600	14,579	-67%	6,478	21,307	-70%	34,478

Other Wealth Sales excluding Manulife Bank

Asia - US \$	919	1,049	929	813	691	33%	1,968	1,280	54%	3,022
Canadian - C \$	816	944	868	781	923	-12%	1,760	1,960	-10%	3,609
Other wealth sales - C \$	2,000	2,384	2,109	1,845	1,773	13%	4,384	3,540	24%	7,494
Other wealth sales on a constant currency basis - C \$	2,000	2,375	2,196	1,944	1,885	6%	4,375	3,731	17%	7,871

New Business Value ³

Asia	227	221	229	202	142	60%	448	260	72%	691
Canadian	35	47	50	50	43	-19%	82	88	-7%	188
U.S.	10	19	17	35	18	-44%	29	24	22%	76
Total new business value	272	287	296	287	203	34%	559	372	50%	955

³ New Business Value is not calculated for Wealth & Asset Management business, Manulife Bank and Property and Casualty Reinsurance business.

FINANCIAL HIGHLIGHTS (CONT'D)

(Canadian \$ in millions unless otherwise stated and per share information, unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
Common Share Statistics										
Share Price - Toronto (in Canadian \$)										
high	19.68	20.53	22.65	21.13	24.20	-19%	20.53	24.20	-15%	24.20
low	16.43	15.32	20.12	20.05	21.23	-23%	15.32	21.23	-28%	19.80
close	17.67	18.38	20.74	20.64	23.21	-24%	17.67	23.21	-24%	20.74
Share Price - New York (in U.S. \$)										
high	15.22	14.73	16.95	16.00	19.61	-22%	15.22	19.61	-22%	19.61
low	12.55	10.99	14.52	15.03	16.79	-25%	10.99	16.79	-35%	14.52
close	13.67	14.13	14.98	15.48	18.59	-26%	13.67	18.59	-26%	14.98
Common shares outstanding (millions)										
- end of period	1,973	1,972	1,972	1,971	1,971	0%	1,973	1,971	0%	1,972
- weighted average	1,972	1,972	1,972	1,971	1,971	0%	1,972	1,857	6%	1,962
- diluted weighted average	1,976	1,976	1,977	1,977	1,992	-1%	1,976	1,881	5%	1,977
Dividend per common share paid in the quarter ¹	0.185	0.185	0.17	0.17	0.17	9%	0.370	0.325	14%	0.665
Common share dividend payout ratio	54.6%	33.5%	154.8%	56.5%	58.7%	-7%	41.8%	49.8%	-16%	62.7%

¹ On August 3, 2016, the Board of Directors approved a quarterly shareholders' dividend of 18.5 cents per share on the common shares of the Company, payable on or after September 19, 2016 to shareholders of record at the close of business on August 16, 2016.

Valuation Data

Book value per common share	19.49	18.98	19.51	18.98	17.89	9%	19.49	17.89	9%	19.51
Market value to book value ratio	0.91	0.97	1.06	1.09	1.30	-30%	0.91	1.30	-30%	1.06
Book value excluding goodwill per common share	16.62	16.16	16.62	16.12	15.27	9%	16.62	15.27	9%	16.62
Market value to book value excluding goodwill ratio	1.06	1.14	1.25	1.28	1.52	-30%	1.06	1.52	-30%	1.25
Market capitalization (\$ billions)	34.9	36.2	40.9	40.7	45.7	-24%	34.9	45.7	-24%	40.9

Assets Under Management and Administration³

Assets Under Management										
General fund	323,291	308,450	309,267	299,595	295,393	9%	323,291	295,393	9%	309,267
Segregated funds excluding institutional advisory accounts	300,966	296,537	310,952	298,679	301,129	0%	300,966	301,129	0%	310,952
Mutual funds	154,804	151,087	160,020	147,185	144,663	7%	154,804	144,663	7%	160,020
Institutional advisory accounts	73,625	69,674	71,237	65,528	64,315	14%	73,625	64,315	14%	71,237
Other funds ²	8,293	7,674	7,552	6,549	8,303	0%	8,293	8,303	0%	7,552
Total assets under management	860,979	833,422	859,028	817,536	813,803	6%	860,979	813,803	6%	859,028
Assets under administration	73,248	70,437	76,148	70,447	68,924	6%	73,248	68,924	6%	76,148
Total assets under management and administration	934,227	903,859	935,176	887,983	882,727	6%	934,227	882,727	6%	935,176
Total assets under management and administration on a constant currency basis										
	934,227	907,679	905,181	877,192	909,423	3%	934,227	909,423	3%	905,181

² Other funds includes College Savings (529 plan), Privately Managed Accounts and funds managed for institutional clients in Asia.

Assets Under Management and Administration³

Insurance	257,529	245,551	246,102	234,943	235,534	9%	257,529	235,534	9%	246,102
Wealth and asset management ⁴	502,590	487,536	510,455	476,600	474,382	6%	502,590	474,382	6%	510,455
Other wealth	180,784	175,184	178,305	176,137	170,824	6%	180,784	170,824	6%	178,305
Corporate and other	(6,676)	(4,412)	314	303	1,987	-	(6,676)	1,987	-	314
Total assets under management and administration	934,227	903,859	935,176	887,983	882,727	6%	934,227	882,727	6%	935,176

³ The Corporate and Other segment includes earnings on assets backing capital net of amounts allocated to operating divisions. The 2015 earnings on assets backing capital allocated to each operating segment has been reclassified to align with the methodology used in 2016.

⁴ Wealth and asset management is comprised of our fee based business with little or no insurance risk, including mutual funds, pensions products and institutional asset management.

Capital Information

Total capital ⁵	50,930	49,384	49,897	47,880	45,521	12%	50,930	45,521	12%	49,897
MCCSR - The Manufacturers Life Insurance Company ⁶	236%	233%	223%	226%	236%	0 pts	236%	236%	0 pts	223%

⁵ Total capital includes total equity less AOCI on cash flow hedges and liabilities for preferred shares and capital instruments. Total equity includes unrealized gains and losses on AFS bonds and AFS equities, net of taxes. The net unrealized gain on AFS bonds, net of taxes, is no longer part of OSFI regulatory capital.

⁶ For The Manufacturers Life Insurance Company, the capital ratio has been determined in accordance with the Minimum Continuing Capital & Surplus Requirements (MCCSR) of the Office of the Superintendent of Financial Institutions (Canada).

Foreign Exchange Information⁷

- Statements of Financial Position	(CDN to \$ 1 US)	1.3009	1.2970	1.3841	1.3394	1.2473	4%
	(CDN to 1 YEN)	0.0127	0.0115	0.0115	0.0112	0.0102	24%
- Statements of Income	(CDN to \$ 1 US)	1.2889	1.3724	1.3360	1.3089	1.2297	5%
	(CDN to 1 YEN)	0.0119	0.0119	0.0110	0.0107	0.0101	18%

⁷ Unless otherwise indicated, information contained in this supplement is in Canadian dollars. The exchange rates above are used for currency conversion from U.S. dollars and Japanese yen to Canadian dollars for financial statement purposes.

CONSOLIDATED STATEMENTS OF INCOME

(Canadian \$ in millions, unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
Revenue										
Premium income										
Gross premiums	9,155	9,118	8,984	8,198	7,449	23%	18,273	14,838	23%	32,020
Premiums ceded to reinsurers	(2,449)	(2,390)	(2,272)	(1,965)	(1,872)	31%	(4,839)	(3,858)	25%	(8,095)
Net premium income prior to New York Life reinsurance	6,706	6,728	6,712	6,233	5,577	20%	13,434	10,980	22%	23,925
Premiums ceded, net of ceded commissions and additional consideration relating to Closed Block reinsurance transaction ¹	-	-	-	(7,996)	-	-	-	-	-	(7,996)
Net premium income (ceded)	6,706	6,728	6,712	(1,763)	5,577	20%	13,434	10,980	22%	15,929
Investment income										
Investment income ²	3,213	3,300	2,899	2,708	3,216	0%	6,513	5,858	11%	11,465
Realized/ unrealized gains (losses) on assets supporting insurance and investment contract liabilities and on macro hedge program ³	7,922	8,862	(1,916)	3,672	(10,161)	-	16,784	(4,818)	-	(3,062)
Net investment income (loss)	11,135	12,162	983	6,380	(6,945)	-	23,297	1,040	nm	8,403
Other revenue	2,794	2,829	2,694	2,487	2,491	12%	5,623	4,917	14%	10,098
Total revenue	20,635	21,719	10,389	7,104	1,123	nm	42,354	16,937	150%	34,430
Contract benefits and expenses										
To contract holders and beneficiaries										
Gross claims and benefits	6,112	6,498	6,225	5,741	5,746	6%	12,610	11,795	7%	23,761
Change in insurance contract liabilities ²	12,107	12,158	2,063	5,741	(7,795)	-	24,265	(352)	-	7,452
Change in investment contract liabilities	(2)	(57)	26	56	75	-	(59)	121	-	203
Benefits and expenses ceded to reinsurers	(2,069)	(2,056)	(1,965)	(1,868)	(1,830)	13%	(4,125)	(3,432)	20%	(7,265)
Change in reinsurance assets ¹	(313)	129	(48)	(7,160)	737	-	(184)	398	-	(6,810)
Net benefits and claims	15,835	16,672	6,301	2,510	(3,067)	-	32,507	8,530	281%	17,341
General expenses	1,690	1,637	1,752	1,519	1,566	8%	3,327	2,950	13%	6,221
Investment expenses	409	385	453	402	379	8%	794	760	4%	1,615
Commissions	1,394	1,381	1,401	1,314	1,259	11%	2,775	2,461	13%	5,176
Interest expense	258	201	252	282	251	3%	459	567	-19%	1,101
Net premium taxes	102	90	94	89	85	20%	192	175	10%	358
Total contract benefits and expenses	19,688	20,366	10,253	6,116	473	nm	40,054	15,443	159%	31,812
Income before income taxes	947	1,353	136	988	650	46%	2,300	1,494	54%	2,618
Income tax (expense) recovery	(231)	(298)	76	(316)	28	-	(529)	(88)	501%	(328)
Net income	716	1,055	212	672	678	6%	1,771	1,406	26%	2,290
Less: net income (loss) attributed to non-controlling interests	27	26	(7)	24	29	-7%	53	52	2%	69
Less: net income (loss) attributed to participating policyholders	(15)	(16)	(27)	26	49	-	(31)	31	-	30
Net income attributed to shareholders	704	1,045	246	622	600	17%	1,749	1,323	32%	2,191
Preferred share dividends	(37)	(29)	(29)	(29)	(29)	28%	(66)	(58)	14%	(116)
Common shareholders' net income	667	1,016	217	593	571	17%	1,683	1,265	33%	2,075

¹ Effective July 1, 2015, U.S. division's RPS business included the assumption by New York Life (NYL) of the Company's in-force participating life insurance closed block ("Closed Block") through net 60% reinsurance agreements. The Closed Block transaction with NYL resulted in a net ceded premium of approximately \$8.0 billion, reported as a reduction in premiums, net of commissions received and additional consideration received relating to New York Life retirement plan services business.

² The volatility in investment income largely related to gains and losses on AFS bonds related to the management of interest rate exposures. These activities in the surplus segment are mostly offset in the measurement of our policy liabilities (see change in insurance contract liabilities).

³ The volatility in realized/unrealized gains (losses) on assets supporting insurance and investment contract liabilities relates primarily to the impact of interest rate changes on bond and fixed income derivative positions as well as interest rate swaps supporting the dynamic hedge program and gains and losses on macro equity hedges used as part of our equity risk management program. These items are mostly offset by changes in the measurement of our policy obligations. For fixed income assets supporting insurance and investment contracts, equities supporting pass through products and derivatives related to variable annuity hedging programs, the impact of realized/ unrealized gains (losses) on the assets is largely offset in the change in insurance and investment contract liabilities.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Canadian \$ in millions, unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2
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ASSETS

Invested assets					
Cash and short-term securities	20,902	17,864	17,885	19,005	15,647
Securities					
Debt securities	171,912	161,425	157,827	150,788	148,606
Public equities	17,082	16,641	16,983	16,068	17,315
Loans					
Mortgages	43,506	42,987	43,818	43,864	45,063
Private placements	26,869	26,224	27,578	26,043	26,652
Policy loans	7,318	7,298	7,673	7,481	8,641
Loans to bank clients	1,801	1,822	1,778	1,761	1,750
Real estate	13,385	14,870	15,347	14,848	13,193
Other invested assets	20,516	19,319	20,378	19,737	18,526
Total invested assets	323,291	308,450	309,267	299,595	295,393
Other assets					
Accrued investment income	2,142	2,138	2,275	2,068	2,182
Outstanding premiums	767	813	878	840	812
Derivatives	42,929	34,432	24,272	25,615	17,581
Goodwill and intangible assets	9,773	9,624	9,384	9,127	8,460
Reinsurance assets	33,395	33,017	35,426	34,740	19,428
Deferred tax asset	3,855	3,724	4,067	3,766	3,576
Miscellaneous	6,919	6,469	5,825	6,597	7,690
Total other assets	99,780	90,217	82,127	82,753	59,729
Segregated funds net assets	303,154	298,684	313,249	301,276	303,589
Total assets	726,225	697,351	704,643	683,624	658,711

LIABILITIES AND EQUITY

Policy liabilities					
Insurance contract liabilities	301,479	286,514	287,059	278,445	258,264
Investment contract liabilities	3,249	3,253	3,497	3,910	3,769
Deposits from bank clients	18,570	18,135	18,114	18,222	18,037
Deferred tax liability	1,899	1,507	1,235	1,274	1,277
Derivatives	25,419	20,618	15,050	16,581	11,185
Other liabilities	16,591	15,588	14,953	14,516	13,842
	367,207	345,615	339,908	332,948	306,374
Long-term debt	5,349	4,048	1,853	1,829	3,432
Liabilities for preferred shares and capital instruments	8,132	7,653	7,695	6,681	6,639
Segregated funds net liabilities	303,154	298,684	313,249	301,276	303,589
Total liabilities	683,842	656,000	662,705	642,734	620,034
Equity					
Issued share capital					
Preferred shares	3,110	3,110	2,693	2,693	2,693
Common shares	22,815	22,804	22,799	22,790	22,785
Contributed surplus	287	286	277	276	275
Shareholders' retained earnings	9,377	9,074	8,398	8,517	8,259
Shareholders' accumulated other comprehensive income (loss)					
Pension and other post-employment plans	(504)	(503)	(521)	(561)	(543)
Available-for-sale securities	856	452	345	422	611
Cash flow hedges	(415)	(380)	(264)	(309)	(205)
Translation of foreign operations and real estate revaluation surplus	6,040	5,706	7,432	6,271	4,077
Total shareholders' equity	41,566	40,549	41,159	40,099	37,952
Participating policyholders' equity	156	171	187	214	188
Non-controlling interests	661	631	592	577	537
Total equity	42,383	41,351	41,938	40,890	38,677
Total liabilities and equity	726,225	697,351	704,643	683,624	658,711

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Canadian \$ in millions, unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	YTD 2016	YTD 2015	Fiscal 2015
Preferred shares								
Balance, beginning of period	3,110	2,693	2,693	2,693	2,693	2,693	2,693	2,693
Issued	-	425	-	-	-	425	-	-
Issuance costs, net of tax	-	(8)	-	-	-	(8)	-	-
Balance, end of period	3,110	3,110	2,693	2,693	2,693	3,110	2,693	2,693
Common shares								
Balance, beginning of period	22,804	22,799	22,790	22,785	22,768	22,799	20,556	20,556
Issued on exercise of stock options and deferred share units	11	5	9	5	17	16	23	37
Issued in exchange of subscription receipts	-	-	-	-	-	-	2,206	2,206
Balance, end of period	22,815	22,804	22,799	22,790	22,785	22,815	22,785	22,799
Contributed surplus								
Balance, beginning of period	286	277	276	275	275	277	267	267
Exercise of stock options and deferred share units	(2)	(1)	(1)	(1)	(3)	(3)	(4)	(6)
Stock option expense	3	10	2	2	3	13	12	16
Balance, end of period	287	286	277	276	275	287	275	277
Shareholders' retained earnings								
Balance, beginning of period	9,074	8,398	8,517	8,259	8,023	8,398	7,624	7,624
Net income attributed to shareholders	704	1,045	246	622	600	1,749	1,323	2,191
Preferred share dividends	(37)	(29)	(29)	(29)	(29)	(66)	(58)	(116)
Common share dividends	(364)	(340)	(336)	(335)	(335)	(704)	(630)	(1,301)
Balance, end of period	9,377	9,074	8,398	8,517	8,259	9,377	8,259	8,398
Shareholders' accumulated other comprehensive income (loss)								
Balance, beginning of period	5,275	6,992	5,823	3,940	5,041	6,992	2,166	2,166
Other comprehensive income (loss)								
Remeasurement of pension and other post-employment plans, net of tax recovery of \$1	(1)	18	40	(18)	5	17	(14)	8
Real estate revaluation reserve, net of tax expense of nil	-	-	-	-	-	-	1	1
Available-for-sale ("AFS") securities unrealized gains (losses), net of tax expense of \$173	443	355	(33)	(58)	(483)	798	(72)	(163)
AFS securities realized losses (gains) & impairments (recoveries), net of tax recovery of \$15	(40)	(247)	(44)	(130)	(79)	(287)	(109)	(283)
Cash flow hedges unrealized gains (losses), net of tax recovery of \$19	(37)	(119)	42	(107)	73	(156)	1	(64)
Cash flow hedges realized (gains) losses, net of tax expense of \$1	2	3	3	3	2	5	5	11
Unrealized foreign exchange gains (losses), net of \$2 hedges and tax recovery of \$2	334	(1,726)	1,161	2,194	(617)	(1,392)	1,964	5,319
Share of other comprehensive income (loss) of associates, net of tax expense of nil	1	(1)	-	(1)	(2)	-	(2)	(3)
Balance, end of period	5,977	5,275	6,992	5,823	3,940	5,977	3,940	6,992
Total shareholders' equity, end of period	41,566	40,549	41,159	40,099	37,952	41,566	37,952	41,159
Participating policyholders' equity								
Balance, beginning of period	171	187	214	188	139	187	156	156
Net income (loss) attributed to participating policyholders	(15)	(16)	(27)	26	49	(31)	31	30
Other comprehensive income attributed to participating policyholders	-	-	-	-	-	-	1	1
Balance, end of period	156	171	187	214	188	156	188	187
Non-controlling interests								
Balance, beginning of period	631	592	577	537	496	592	464	464
Net income (loss) attributed to non-controlling interests	27	26	(7)	24	29	53	52	69
Other comprehensive income (loss) attributed to non-controlling interests	1	-	(1)	(2)	(1)	1	1	(2)
Contributions (distributions), net	2	13	23	18	13	15	20	61
Balance, end of period	661	631	592	577	537	661	537	592
Total equity, end of period	42,383	41,351	41,938	40,890	38,677	42,383	38,677	41,938

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Canadian \$ in millions, unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
Operating activities										
Net income (loss)	716	1,055	212	672	678	6%	1,771	1,406	26%	2,290
Adjustments										
Increase (decrease) in insurance contract liabilities	12,107	12,158	2,063	5,741	(7,795)	-	24,265	(352)	-	7,452
Increase (decrease) in investment contract liabilities	(2)	(57)	26	56	75	-	(59)	121	-	203
Decrease (increase) in reinsurance assets	(313)	129	(48)	1,041	737	-	(184)	398	-	1,391
Amortization of premium/discount on invested assets	16	21	18	36	23	-30%	37	36	3%	90
Other amortization	130	137	141	135	172	-24%	267	304	-12%	580
Net realized (gains) losses, including impairments on assets	(8,808)	(9,914)	2,080	(3,400)	9,834	-	(18,722)	4,807	-	3,487
Deferred income tax expense (recovery)	113	410	(212)	84	(223)	-	523	(215)	-	(343)
Stock option expense	3	10	2	2	3	0%	13	12	8%	16
Cash provided by operating activities before undernoted items	3,962	3,949	4,282	4,367	3,504	13%	7,911	6,517	21%	15,166
Net cash decrease due to Closed Block reinsurance transaction	-	-	-	(2,023)	-	-	-	-	-	(2,023)
Changes in policy related and operating receivables and payables	304	(1,248)	(215)	(1,566)	(81)	-	(944)	(1,028)	-8%	(2,809)
Cash provided by operating activities	4,266	2,701	4,067	778	3,423	25%	6,967	5,489	27%	10,334
Investing activities										
Purchases and mortgage advances	(26,727)	(23,519)	(19,326)	(19,784)	(19,425)	38%	(50,246)	(37,999)	32%	(77,109)
Disposals and repayments	23,457	18,138	12,975	22,039	16,249	44%	41,595	31,936	30%	66,950
Changes in investment broker net receivables and payables	(10)	160	(212)	1,270	(764)	-99%	150	(956)	-	102
Net cash decrease from sale and purchase of subsidiaries and businesses	(78)	(11)	-	-	(374)	-79%	(89)	(3,808)	-98%	(3,808)
Cash provided by (used in) investing activities	(3,358)	(5,232)	(6,563)	3,525	(4,314)	-22%	(8,590)	(10,827)	-21%	(13,865)
Financing activities										
Increase (decrease) in repurchase agreements and securities sold but not yet purchased	(168)	820	57	31	(300)	-44%	652	(300)	-	(212)
Issue of long-term debt, net	1,292	2,246	-	-	-	-	3,538	-	-	-
Repayment of long-term debt, net	-	(8)	-	(1,693)	(550)	-	(8)	(550)	-99%	(2,243)
Issue (redemption) of capital instruments, net	479	-	995	-	(2)	-	479	744	-36%	1,739
Changes in deposits from bank clients, net	428	75	(118)	148	(506)	-	503	(381)	-	(351)
Shareholder dividends paid in cash	(401)	(394)	(364)	(364)	(364)	10%	(795)	(699)	14%	(1,427)
NCI dividends paid in cash	(2)	-	-	-	-	-	(2)	-	-	-
Funds borrowed (repaid), net	(17)	(2)	(39)	(3)	(2)	750%	(19)	(4)	375%	(46)
Secured borrowings from securitization transactions	399	149	161	175	-	-	548	100	448%	436
Contributions from (distributions to) non-controlling interest, net	4	13	23	18	13	-69%	17	20	-15%	61
Common shares issued, net	11	5	9	5	17	-35%	16	23	-30%	37
Preferred shares issued, net	-	417	-	-	-	-	417	-	-	-
Cash provided by (used in) financing activities	2,025	3,321	724	(1,683)	(1,694)	-	5,346	(1,047)	-	(2,006)
Cash and short-term securities										
Increase (decrease) during the period	2,933	790	(1,772)	2,620	(2,585)	-	3,723	(6,385)	-	(5,537)
Effect of foreign exchange rate changes on cash and short-term securities	126	(637)	447	735	(208)	-	(511)	920	-	2,102
Balance, beginning of period	17,155	17,002	18,327	14,972	17,765	-3%	17,002	20,437	-17%	20,437
Balance, end of period	20,214	17,155	17,002	18,327	14,972	35%	20,214	14,972	35%	17,002
Cash and short-term securities										
Beginning of period										
Gross cash and short-term securities	17,864	17,885	19,005	15,647	18,589	-4%	17,885	21,079	-15%	21,079
Net payments in transit, included in other liabilities	(709)	(883)	(678)	(675)	(824)	-14%	(883)	(642)	38%	(642)
Net cash and short-term securities, beginning of period	17,155	17,002	18,327	14,972	17,765	-3%	17,002	20,437	-17%	20,437
End of period										
Gross cash and short-term securities	20,902	17,864	17,885	19,005	15,647	34%	20,902	15,647	34%	17,885
Net payments in transit, included in other liabilities	(688)	(709)	(883)	(678)	(675)	2%	(688)	(675)	2%	(883)
Net cash and short-term securities, end of period	20,214	17,155	17,002	18,327	14,972	35%	20,214	14,972	35%	17,002

CONSOLIDATED SOURCE OF EARNINGS

(Canadian \$ in millions, unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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Source of Earnings ¹

Expected profit from in-force business	1,234	1,255	1,262	1,190	1,171	5%	2,489	2,233	11%	4,685
Impact of new business	(24)	(2)	(8)	33	(47)	-49%	(26)	(127)	-80%	(102)
Experience gains (losses)	(348)	(293)	(813)	255	(631)	-45%	(641)	(695)	-8%	(1,253)
Management actions and changes in assumptions	(80)	228	(421)	(495)	(161)	-50%	148	(309)	-	(1,225)
Earnings on surplus funds	138	173	153	(17)	171	-19%	311	280	11%	416
Other	15	(18)	(3)	(28)	69	-78%	(3)	29	-	(2)
Income before income taxes	935	1,343	170	938	572	63%	2,278	1,411	61%	2,519
Income tax (expense) recovery	(231)	(298)	76	(316)	28	-	(529)	(88)	501%	(328)
Net income attributed to shareholders	704	1,045	246	622	600	17%	1,749	1,323	32%	2,191
Preferred share dividends	(37)	(29)	(29)	(29)	(29)	28%	(66)	(58)	14%	(116)
Common shareholders' net income	667	1,016	217	593	571	17%	1,683	1,265	33%	2,075
Constant currency, expected profit from in-force business	1,234	1,200	1,239	1,218	1,199	3%	2,434	2,338	4%	

Source of Earnings ^{1,2} excluding Wealth and Asset Management

Expected profit from in-force business	941	975	948	895	868	8%	1,916	1,655	16%	3,498
Impact of new business	96	121	115	140	53	81%	217	65	234%	320
Experience gains (losses)	(353)	(298)	(819)	245	(631)	-44%	(651)	(699)	-7%	(1,273)
Management actions and changes in assumptions	(77)	234	(408)	(480)	(104)	-26%	157	(250)	-	(1,138)
Earnings on surplus funds	131	167	152	(18)	168	-22%	298	275	8%	409
Other	15	(18)	(3)	(28)	69	-78%	(3)	29	-	(2)
Income (loss) before income taxes	753	1,181	(15)	754	423	78%	1,934	1,075	80%	1,814
Income tax (expense) recovery	(199)	(269)	115	(289)	54	-	(468)	(21)	nm	(195)
Net income attributed to shareholders	554	912	100	465	477	16%	1,466	1,054	39%	1,619

¹ Per OSFI instructions, the expected profit from in-force business denominated in foreign currencies is translated at the prior quarter's statement of financial position rate. 'Experience gains' includes the adjustment to get to the income statement rate.

² For Wealth and Asset Management businesses and Manulife Bank, all pretax income is reported in 'Expected profit from in-force business' except the non-capitalized acquisition expenses which are reported in 'Impact of new business'.

Glossary

Expected profit from in-force business	Formula-driven release of PfADs (Provisions for Adverse Deviations) on the non-fee businesses and expected profit on fee businesses. For Wealth and Asset Management businesses and Manulife Bank, all pretax income is reported in 'Expected profit from in-force business' except the non-capitalized acquisition expenses.
Impact of new business	For non-fee income businesses, the capitalized value of future profits less PfADs in respect of new business. For fee income businesses, the non-capitalized acquisition expenses.
Experience gains (losses)	Earnings impact of any differences between actual experience in the current period relative to expected experience implicit in the actuarial liabilities, and differences in current period fee income due to market performance.
Management actions and changes in assumptions	Earnings impact of: -management initiated actions in the period that generate a non-recurring current period impact. -changes in methods and assumptions that impact actuarial liabilities or other liabilities.
Earnings (loss) on surplus funds	Actual investment returns on the Company's surplus (shareholders' equity).
Other	Earnings items not included in any other line of the SOE.
Income taxes	Tax charges to income, consistent with the amount on the statement of income.

ASIA DIVISION

(U.S. \$ in millions, unless otherwise stated, Unaudited)



2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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Statements of Income¹

Revenue										
Premium income										
Gross premiums	3,000	3,026	2,700	2,433	2,142	40%	6,026	4,168	45%	9,301
Premiums ceded to reinsurers	(116)	8	(85)	(87)	(81)	43%	(108)	(176)	-39%	(348)
Investment income	362	288	280	325	323	12%	650	583	11%	1,188
Other revenue	287	177	276	282	303	-5%	464	563	-18%	1,121
Subtotal revenue	3,533	3,499	3,171	2,953	2,687	31%	7,032	5,138	37%	11,262
Realized/ unrealized gains on invested assets supporting insurance and investment contract liabilities ²	722	1,139	369	(486)	(535)	-	1,861	(248)	-	(365)
Total revenue	4,255	4,638	3,540	2,467	2,152	98%	8,893	4,890	82%	10,897
Contract benefits and expenses										
To contract holders and beneficiaries										
Gross benefits and claims paid and change in insurance contract liabilities ²	3,419	3,917	2,486	1,670	1,220	180%	7,336	3,138	134%	7,294
Ceded benefits and expenses and change in reinsurance assets	(82)	(60)	(46)	(48)	(56)	46%	(142)	(113)	26%	(207)
Change in investment contract liabilities	14	(93)	(1)	33	24	-42%	(79)	39	-	71
General expenses	386	325	352	301	299	29%	711	569	25%	1,222
Investment expenses	25	24	24	27	32	-22%	49	63	-22%	114
Commissions	387	355	349	299	291	33%	742	546	36%	1,194
Other	33	33	31	30	30	10%	66	59	12%	120
Total contract benefits and expenses	4,182	4,501	3,195	2,312	1,840	127%	8,683	4,301	102%	9,808
Income (loss) before income taxes						-77%	210	589	-64%	1,089
Income tax (expense) recovery	(23)	(30)	(40)	(45)	(31)	-26%	(53)	(49)	8%	(134)
Net income (loss)	50	107	305	110	281	-82%	157	540	-71%	955
Less net income (loss) attributed to non-controlling interests	22	21	4	15	24	-8%	43	42	2%	61
Less net income (loss) attributed to participating policyholders	6	(2)	(6)	11	10	-40%	4	24	-83%	29
Net income (loss) attributed to shareholders ³	22	88	307	84	247	-91%	110	474	-77%	865

¹ The 2015 earnings on assets backing capital allocated to each operating segment has been reclassified to align with the methodology used in 2016.

² For fixed income assets supporting insurance and investment contract liabilities, equities supporting pass through products and derivatives related to variable annuity hedging programs, the impact of realized/unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.

³ See the Q2 press release for a description of Q2 2016 results compared to Q2 2015.

Earnings Analysis¹

Total core earnings	266	270	250	258	230	16%	536	455	18%	963
Total core earnings - on constant currency basis	266	279	264	271	237	12%	545	469	16%	1,004
Investment gains related to fixed income trading, market value increases in excess of expected alternative assets investment returns, asset mix changes	(20)	(15)	(2)	16	6	-	(35)	6	-	20
Total core earnings and investment related gains	246	255	248	274	236	4%	501	461	9%	983
Items excluded from core earnings										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	(223)	(173)	57	(190)	13	-	(396)	(1)	nm	(134)
Net impact of acquisitions and divestitures	(1)	(2)	-	-	-	-	(3)	-	-	-
Reinsurance recapture and tax rate changes	-	8	2	-	(2)	-	8	14	-43%	16
Total shareholders' net income (loss)	22	88	307	84	247	-91%	110	474	-77%	865

ASIA DIVISION (CONT'D)

(U.S. \$ in millions, unless otherwise stated, Unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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Source of Earnings¹

Expected profit from in-force business	235	219	209	203	222	6%	454	436	4%	848
Impact of new business	66	73	63	74	32	106%	139	51	173%	188
Experience gains (losses)	(275)	(213)	35	(176)	3	-	(488)	(11)	nm	(152)
Management actions and changes in assumptions	(1)	15	-	(5)	-	-	14	-	-	(5)
Earnings on surplus funds	27	30	35	31	30	-10%	57	58	-2%	124
Other	(7)	(6)	5	2	(9)	-22%	(13)	(11)	18%	(4)
Income (loss) before income taxes	45	118	347	129	278	-84%	163	523	-69%	999
Income tax (expense) recovery	(23)	(30)	(40)	(45)	(31)	-26%	(53)	(49)	8%	(134)
Net income (loss) attributed to shareholders	22	88	307	84	247	-91%	110	474	-77%	865

¹ The 2015 earnings on assets backing capital allocated to each operating segment has been reclassified to align with the methodology used in 2016.

Insurance Sales

Hong Kong	120	105	127	97	84	43%	225	154	46%	378
Japan ²	151	158	148	160	169	-11%	309	332	-7%	640
Asia Other ³	239	197	141	122	121	98%	436	226	93%	489
Total insurance sales	510	460	416	379	374	36%	970	712	36%	1,507
Total insurance sales - on constant currency basis	510	475	436	401	392	30%	985	743	33%	1,580

² Japan Q2'16 insurance sales are down 21% compared to the prior year on a constant currency basis. YTD Q2'16 insurance sales are down 14% compared to the prior year on a constant currency basis.

³ Asia Other Q2'16 insurance sales are up 102% compared to the prior year on a constant currency basis. YTD Q2'16 insurance sales are up 101% compared to the prior year on a constant currency basis.

Wealth and Asset Management Gross Flows

Total Wealth Asset Management Gross Flows											
Hong Kong	601	562	660	660	674	-11%	1,163	1,247	-7%	2,567	
Japan ⁴	130	21	27	68	110	18%	151	274	-45%	369	
Asia Other ^{5,6}	2,775	1,899	1,822	1,143	4,371	-37%	4,674	-	6,339	-26%	9,304
Total wealth and asset management gross flows	3,506	2,482	2,509	1,871	5,155	-32%	5,988	7,860	-24%	12,240	
Total wealth and asset management gross flows - on constant currency basis	3,506	2,492	2,491	1,857	4,953	-29%	5,998	7,594	-21%	11,942	

⁴ Japan Q2'16 wealth and asset management gross flows are up 5% compared to the prior year on a constant currency basis. YTD Q2'16 wealth and asset management gross flows are down 50% compared to the prior year on a constant currency basis.

⁵ Asia Other Q2'16 wealth and asset management gross flows are down 33% compared to the prior year on a constant currency basis. YTD Q2'16 wealth and asset management gross flows are down 22% compared to the prior year on a constant currency basis.

⁶ This line includes the 49% interest in Manulife TEDA

Other Wealth Sales

Hong Kong	10	16	19	27	42	-76%	26	77	-66%	123
Japan ⁷										
- Fixed Annuities and unit linked products	674	791	741	637	451	49%	1,465	836	75%	2,214
- Variable Annuities	35	38	28	29	28	25%	73	57	28%	114
Asia Other ⁸	200	204	141	120	170	18%	404	310	30%	571
Total other wealth sales	919	1,049	929	813	691	33%	1,968	1,280	54%	3,022
Total other wealth sales - on constant currency basis	919	1,110	1,030	902	746	23%	2,029	1,374	48%	3,306

⁷ Japan Q2'16 other wealth sales are up 32% compared to the prior year on a constant currency basis. YTD Q2'16 other wealth sales are up 60% compared to the prior year on a constant currency basis.

⁸ Asia Other Q2'16 other wealth sales are up 21% compared to the prior year on a constant currency basis. YTD Q2'16 other wealth sales are up 36% compared to the prior year on a constant currency basis.

Pension⁹ Sales - for reference only

Asia Group Pensions	303	327	381	382	365	-17%	630	633	0%	1,396
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⁹ Pension sales include both new regular premiums and deposits and single premiums sales. New regular premiums and deposits reflect an estimate of expected deposits in the first year of the plan with the Company. Single premium sales reflect the assets transferred from the previous plan provider.

ASIA DIVISION (CONT'D)

(U.S. \$ in millions, unless otherwise stated, Unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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Annualized premium equivalents (insurance and other wealth excluding wealth and asset management) (APE) ¹

Hong Kong	123	109	129	101	88	40%	232	161	44%	391
Japan ²	245	264	240	237	216	13%	509	421	21%	898
Asia Other ^{3,4}	259	217	155	134	139	86%	476	258	84%	547
Total APE	627	590	524	472	443	42%	1,217	840	45%	1,836
Total APE - on constant currency basis	627	612	557	503	466	34%	1,239	880	41%	1,940

¹ Total annualized premium equivalents (APE) is comprised of 100% of regular premiums/deposits sales and 10% of single premiums/deposits sales, for insurance, and other wealth products.

² Japan Q2'16 APE are up 1% compared to the prior year on a constant currency basis. YTD Q2'16 APE are up 12% compared to the prior year on a constant currency basis.

³ Asia Other Q2'16 APE are up 92% compared to the prior year on a constant currency basis. YTD Q2'16 APE are up 93% compared to the prior year on a constant currency basis.

⁴ This line includes the non-controlling interest and 49% interested in Manulife TEDA.

Premiums and Deposits

Premiums and investment contract deposits	2,892	3,045	2,625	2,355	2,076	39%	5,937	4,014	48%	8,994
Segregated fund and other deposits	586	570	537	544	558	5%	1,156	1,080	7%	2,161
Mutual fund and other deposits ⁴	3,294	2,237	2,293	1,659	4,975	-34%	5,531	7,505	-26%	11,457
Total premiums and deposits	6,772	5,852	5,455	4,558	7,609	-11%	12,624	12,599	0%	22,612
Total premiums and deposits - on constant currency basis	6,772	5,998	5,630	4,721	7,516	-10%	12,770	12,537	2%	22,888

Premiums and Deposits by Business Units

Hong Kong	1,307	1,267	1,375	1,296	1,310	0%	2,574	2,439	6%	5,110
Japan	1,538	1,759	1,404	1,377	1,169	32%	3,297	2,453	34%	5,234
Asia Other ⁴	3,927	2,826	2,676	1,885	5,130	-23%	6,753	7,707	-12%	12,268
Total premiums and deposits	6,772	5,852	5,455	4,558	7,609	-11%	12,624	12,599	0%	22,612

Premiums and Deposits

Insurance	2,359	2,338	2,027	1,889	1,753	35%	4,697	3,440	37%	7,356
Wealth and asset management	3,506	2,482	2,510	1,871	5,155	-32%	5,988	7,860	-24%	12,241
Other wealth	907	1,032	918	798	701	29%	1,939	1,299	49%	3,015
Total premiums and deposits	6,772	5,852	5,455	4,558	7,609	-11%	12,624	12,599	0%	22,612

Total weighted premium income (excluding variable annuities) (TWPI)

Hong Kong	1,003	950	979	935	916	9%	1,953	1,777	10%	3,691
Japan ⁵	803	1,015	702	726	641	25%	1,818	1,403	30%	2,831
Asia Other ^{4,6}	942	774	778	662	958	-2%	1,716	1,625	6%	3,065
TWPI	2,748	2,739	2,459	2,323	2,515	9%	5,487	4,805	14%	9,587
TWPI - on constant currency basis	2,748	2,817	2,553	2,420	2,558	7%	5,565	4,902	14%	9,875

⁵ Japan Q2'16 TWPI is up 11% compared to the prior year on a constant currency basis. YTD Q2'16 TWPI are up 21% compared to the prior year on a constant currency basis.

⁶ Asia Other Q2'16 TWPI is up 2% compared to the prior year on a constant currency basis. YTD Q2'16 TWPI are up 11% compared to the prior year on a constant currency basis.

ASIA DIVISION (CONT'D)

(U.S. \$ in millions, unless otherwise stated, Unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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Assets Under Management¹

General fund	48,037	43,914	39,162	36,996	35,825	34%	48,037	35,825	34%	39,162
Segregated funds	18,804	18,228	17,612	17,067	18,641	1%	18,804	18,641	1%	17,612
Mutual funds ²	19,151	18,447	19,132	17,800	22,364	-14%	19,151	22,364	-14%	19,132
Other funds ³	1,757	1,401	989	532	2,004	-12%	1,757	2,004	-12%	989
Total assets under management	87,749	81,990	76,895	72,395	78,834	11%	87,749	78,834	11%	76,895
Total assets under management - on constant currency basis	87,749	83,987	81,118	76,483	81,811	7%	87,749	81,811	7%	81,118

¹ The 2015 earnings on assets backing capital allocated to each operating segment has been reclassified to align with the methodology used in 2016.

² This line includes the 49% interest in Manulife TEDA

³ Other funds mainly include funds managed by the Company for institutional clients in Other Asia Territories.

Changes in Assets Under Management¹

Beginning balance	81,990	76,895	72,395	78,834	75,657	8%	76,895	75,657	2%	75,067
Premiums and deposits	6,772	5,852	5,455	4,558	7,609	-11%	12,624	12,599	0%	22,612
Investment income (loss) ⁴	1,038	365	2,262	(4,023)	778	33%	1,403	2,851	-51%	1,090
Benefits and withdrawals	(3,375)	(3,354)	(2,749)	(5,350)	(4,308)	-22%	(6,729)	(7,919)	-15%	(16,018)
Other ⁵	1,324	2,232	(468)	(1,624)	(902)	-	3,556	(3,764)	-	(5,856)
Ending balance	87,749	81,990	76,895	72,395	78,834	11%	87,749	78,834	11%	76,895

⁴ Investment income (loss) consists of gross investment income for the general fund and interest, dividends and net realized and unrealized gains and losses for the segregated funds, mutual funds and other funds.

⁵ Other is comprised of all changes to the statement of income and the statement of financial position that are not specifically identified in the roll forward. These include general expenses, investment expenses, taxes, changes in receivables and payables, transfers to/from other business units and changes in allocated capital. This also includes deposits and withdrawals on externally managed funds which have not been included in premiums and deposits, and benefits and withdrawals.

Assets Under Management¹

Insurance	43,154	39,799	35,723	34,017	34,060	27%	43,154	34,060	27%	35,723
Wealth and asset management	26,106	24,906	25,134	23,100	29,256	-11%	26,106	29,256	-11%	25,134
Other wealth	18,489	17,285	16,038	15,278	15,518	19%	18,489	15,518	19%	16,038
Total assets under management	87,749	81,990	76,895	72,395	78,834	11%	87,749	78,834	11%	76,895

Number of Agents

Hong Kong	6,538	6,715	7,092	6,508	6,298	4%	6,538	6,298	4%	7,092
Japan	2,500	2,535	2,589	2,593	2,572	-3%	2,500	2,572	-3%	2,589
Asia Other	54,766	51,892	53,399	51,520	50,361	9%	54,766	50,361	9%	53,399
Total	63,804	61,142	63,080	60,621	59,231	8%	63,804	59,231	8%	63,080

Canadian \$ in millions - Key Metrics

Sales - Insurance	656	632	554	496	461	42%	1,288	880	46%	1,930
Gross Flows - Wealth and asset management	4,519	3,407	3,353	2,448	6,340	-29%	7,926	9,694	-18%	15,495
Sales - Other wealth	1,184	1,440	1,241	1,064	850	39%	2,624	1,580	66%	3,885
Net income (loss) attributed to shareholders ¹	28	121	409	111	303	-91%	149	585	-75%	1,105
Total premiums and deposits	8,729	8,031	7,289	5,965	9,358	-7%	16,760	15,546	8%	28,800
Total assets under management ¹	114,161	106,314	106,438	96,962	98,346	16%	114,161	98,346	16%	106,438

ASIA DIVISION (CONT'D)

(U.S. \$ in millions, unless otherwise stated, Unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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New Business Value (NBV)¹

Hong Kong	68	49	83	71	59	16%	117	106	10%	260
Japan ²	51	70	65	63	37	35%	121	70	72%	198
Asia Other ³	57	42	23	21	20	192%	99	35	184%	79
Total	176	161	171	155	116	52%	337	211	60%	537
Total NBV - on a constant currency basis	176	166	179	163	120	47%	342	218	57%	560

¹ NBV is not calculated for Wealth and Asset Management business and Manulife Bank.

² Japan Q2'16 NBV is up 20% compared to the prior year on a constant currency basis. YTD Q2'16 NBV is up 60% compared to the prior year on a constant currency basis.

³ Asia Other Q2'16 NBV is up 201% compared to the prior year on a constant currency basis. YTD Q2'16 NBV is up 197% compared to the prior year on a constant currency basis.

NBV Margin⁴

Hong Kong	55.5%	44.9%	64.2%	70.7%	66.7%	50.5%	65.7%	66.5%
Japan	20.7%	26.5%	27.1%	26.4%	17.3%	23.7%	16.6%	22.0%
Asia Other	25.4%	22.6%	17.4%	18.4%	16.7%	24.2%	16.3%	17.1%
Total	29.7%	28.8%	34.0%	34.3%	27.4%	29.3%	26.5%	30.7%

⁴ Margins are calculated using annualized premium equivalent (APE) excluding non-controlling interest. APE is calculated as 100% of annualized first year premiums for recurring premium products, and as 10% of single premiums for single premium products. Both NBV and APE used in the margin are calculated after non-controlling interest and exclude Wealth & Asset Management business.

CANADIAN DIVISION

(Canadian \$ millions, Unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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Statements of Income¹

Revenue										
Premium income										
Gross premiums	3,021	2,518	2,583	2,473	2,470	22%	5,539	5,057	10%	10,113
Premiums ceded to reinsurers	(1,757)	(1,284)	(1,559)	(1,306)	(1,343)	31%	(3,041)	(2,818)	8%	(5,683)
Investment income	945	936	844	730	935	1%	1,881	1,673	12%	3,247
Other revenue	937	820	825	716	750	25%	1,757	1,583	11%	3,124
Subtotal revenue	3,146	2,990	2,693	2,613	2,812	12%	6,136	5,495	12%	10,801
Realized/ unrealized gains on invested assets supporting insurance and investment contract liabilities ²	2,208	1,796	(235)	76	(2,584)	-	4,004	(577)	-	(736)
Total revenue	5,354	4,786	2,458	2,689	228	nm	10,140	4,918	106%	10,065
Contract benefits and expenses										
To contract holders and beneficiaries										
Gross benefits and claims paid and change in insurance contract liabilities ²	4,937	3,917	2,620	1,926	(57)	-	8,854	4,135	114%	8,681
Ceded benefits and expenses and change in reinsurance assets	(1,108)	(1,021)	(1,164)	(859)	(1,107)	0%	(2,129)	(1,921)	11%	(3,944)
Change in investment contract liabilities	(36)	54	10	(1)	29	-	18	39	-54%	48
General expenses	448	420	475	408	433	3%	868	832	4%	1,715
Investment expenses	149	139	149	146	130	15%	288	270	7%	565
Commissions	403	404	381	401	404	0%	807	808	0%	1,590
Other	138	92	154	175	128	8%	230	329	-30%	658
Total contract benefits and expenses	4,931	4,005	2,625	2,196	(40)	-	8,936	4,492	99%	9,313
Income (loss) before income taxes	423	781	(167)	493	268	58%	1,204	426	183%	752
Income tax (expense) recovery	(87)	(194)	44	(206)	(43)	102%	(281)	(117)	140%	(279)
Net income (loss)	336	587	(123)	287	225	49%	923	309	199%	473
Less net income (loss) attributed to participating policyholders	(23)	(13)	(19)	11	35	-	(36)	1	-	(7)
Net income (loss) attributed to shareholders³	359	600	(104)	276	190	89%	959	308	211%	480

¹ The 2015 earnings on assets backing capital allocated to each operating segment has been reclassified to align with the methodology used in 2016.

² For fixed income assets supporting insurance and investment contract liabilities, equities supporting pass through products and derivatives related to variable annuity hedging programs, the impact of realized/unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits.

³ See the Q2 press release for a description of Q2 2016 results compared to Q2 2015.

Earnings Analysis¹

Total core earnings	333	338	352	336	303	10%	671	564	19%	1,252
Investment gains related to fixed income trading, market value increases in excess of expected alternative assets investment returns, asset mix changes	(88)	(78)	(180)	(144)	14	-	(166)	(67)	148%	(391)
Total core earnings and investment related gains	245	260	172	192	317	-23%	505	497	2%	861
Items excluded from core earnings										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities ⁴	130	346	(201)	97	(114)	-	476	(179)	-	(283)
Tax items	-	-	-	-	1	-100%	-	1	-100%	1
Reinsurance recapture	-	-	(52)	-	-	-	-	12	-100%	(40)
Integration and acquisition costs	(16)	(6)	(23)	(13)	(14)	14%	(22)	(23)	-4%	(59)
Total shareholders' net income (loss)	359	600	(104)	276	190	89%	959	308	211%	480

⁴ Segregated fund products include guarantees. These products are also referred to as variable annuities.

CANADIAN DIVISION (CONT'D)

(Canadian \$ millions, Unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
Source of Earnings¹										
Expected profit from in-force business	364	366	375	393	365	0%	730	705	4%	1,473
Impact of new business	(49)	(44)	(32)	(39)	(51)	-4%	(93)	(97)	-4%	(168)
Experience gains (losses)	70	397	(446)	67	(209)	-	467	(362)	-	(741)
Management actions and changes in assumptions	(19)	(8)	(107)	(18)	3	-	(27)	13	-	(112)
Earnings on surplus funds	89	88	71	70	80	11%	177	156	13%	297
Other	(9)	(5)	(9)	9	45	-	(14)	10	-	10
Income (loss) before income taxes	446	794	(148)	482	233	91%	1,240	425	192%	759
Income tax (expense) recovery	(87)	(194)	44	(206)	(43)	102%	(281)	(117)	140%	(279)
Net income (loss) attributed to shareholders	359	600	(104)	276	190	89%	959	308	211%	480

¹ The 2015 earnings on assets backing capital allocated to each operating segment has been reclassified to align with the methodology used in 2016.

Insurance Sales

Retail Markets	47	41	49	47	48	-2%	88	85	4%	181
Institutional Markets	73	114	254	95	118	-38%	187	295	-37%	644
Total insurance sales	120	155	303	142	166	-28%	275	380	-28%	825

Wealth and Asset Management Gross Flows

Mutual funds and other funds gross deposits ²	2,367	2,355	2,149	2,000	2,062	15%	4,722	4,628	2%	8,777
Less: Investments in mutual funds from proprietary group segregated fund products	(40)	(40)	(36)	(29)	(26)	54%	(80)	(56)	43%	(121)
Group Retirement Solutions	1,874	1,850	1,819	2,242	1,887	-1%	3,724	3,757	-1%	7,818
Total wealth and asset management gross flows	4,201	4,165	3,932	4,213	3,923	7%	8,366	8,329	0%	16,474

Other Wealth Sales excluding Manulife Bank

Retail segregated fund products ³	604	751	712	629	765	-21%	1,355	1,616	-16%	2,957
Fixed products	212	193	156	152	158	34%	405	344	18%	652
Total other wealth sales	816	944	868	781	923	-12%	1,760	1,960	-10%	3,609

Investments in mutual funds from proprietary products included above - for reference only

Retail segregated fund products ³	523	655	584	547	510	3%	1,178	1,159	2%	2,290
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Pension⁴ Sales - for reference only

Group Retirement Solutions	520	340	562	933	593	-12%	860	1,195	-28%	2,690
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Premiums and Deposits

Premiums and investment contract deposits	1,320	1,260	1,039	1,172	1,189	11%	2,580	2,367	9%	4,578
Mutual funds and other funds gross deposits ²	2,367	2,355	2,149	2,000	2,062	15%	4,722	4,628	2%	8,777
Less: Investments in mutual funds from proprietary segregated fund products	(564)	(695)	(620)	(576)	(536)	5%	(1,259)	(1,215)	4%	(2,411)
Segregated fund deposits	2,479	2,602	2,531	2,873	2,653	-7%	5,081	5,375	-5%	10,779
ASO premium equivalents	869	868	833	804	851	2%	1,737	1,688	3%	3,325
Group Benefits ceded premiums	1,506	1,034	1,051	1,012	1,031	46%	2,540	2,233	14%	4,296
Total premiums and deposits	7,977	7,424	6,983	7,285	7,250	10%	15,401	15,076	2%	29,344

² Mutual funds and other funds gross deposits includes investments from proprietary segregated fund products.

³ Retail segregated fund products include guarantees. These products are also referred to as variable annuities.

⁴ Pension sales represent both new regular premiums and deposits and single premiums sales. New regular premiums and deposits reflect an estimate of expected deposits in the first year of the plan with the Company. Single premium sales reflect the assets transferred from the previous plan provider. Pension sales also include sales of Group Retirement Solutions Other Wealth products.

CANADIAN DIVISION (CONT'D)

(Canadian \$ millions, Unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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Premiums and Deposits by Business

Retail Markets	655	628	428	570	564	16%	1,283	1,135	13%	2,133
Institutional Markets	2,828	2,342	2,339	2,267	2,357	20%	5,170	4,812	7%	9,418
Insurance	3,483	2,970	2,767	2,837	2,921	19%	6,453	5,947	9%	11,551
Wealth and asset management	4,201	4,165	3,932	4,213	3,923	7%	8,366	8,329	0%	16,474
Retail segregated fund products ¹	604	751	712	630	765	-21%	1,355	1,615	-16%	2,957
Fixed products	212	193	156	152	151	40%	405	344	18%	652
Other wealth	816	944	868	782	916	-11%	1,760	1,959	-10%	3,609
Less: Investments in mutual funds from proprietary retail segregated fund products	(523)	(655)	(584)	(547)	(510)	3%	(1,178)	(1,159)	2%	(2,290)
Total premiums and deposits	7,977	7,424	6,983	7,285	7,250	10%	15,401	15,076	2%	29,344

¹ Retail segregated fund products include guarantees. These products are also referred to as variable annuities.

Assets Under Management²

General fund, excluding Manulife Bank net lending assets	92,918	88,672	84,146	84,527	85,079	9%	92,918	85,079	9%	84,146
Manulife Bank net lending assets	19,598	19,474	19,350	19,352	19,320	1%	19,598	19,320	1%	19,350
Segregated funds	93,767	91,775	92,447	90,076	91,615	2%	93,767	91,615	2%	92,447
Mutual funds and other funds, including assets held by segregated funds	47,280	45,402	44,884	43,201	43,296	9%	47,280	43,296	9%	44,884
Less: Mutual funds held by proprietary segregated fund products	(22,230)	(21,596)	(21,587)	(20,971)	(21,280)	4%	(22,230)	(21,280)	4%	(21,587)
Total assets under management	231,333	223,727	219,240	216,185	218,030	6%	231,333	218,030	6%	219,240

² The 2015 earnings on assets backing capital allocated to each operating segment has been reclassified to align with the methodology used in 2016.

Assets Under Management²

Insurance	62,045	60,385	57,490	56,521	57,673	8%	62,045	57,673	8%	57,490
Wealth and asset management ³	104,508	101,218	100,850	97,356	97,961	7%	104,508	97,961	7%	100,850
Manulife Bank net lending assets	19,598	19,473	19,350	19,352	19,320	1%	19,598	19,320	1%	19,350
Other wealth, excluding Manulife Bank net lending assets	66,148	63,095	61,956	62,845	63,242	5%	66,148	63,242	5%	61,956
Less: Mutual funds held by proprietary retail segregated fund products	(20,966)	(20,444)	(20,406)	(19,889)	(20,166)	4%	(20,966)	(20,166)	4%	(20,406)
Total assets under management	231,333	223,727	219,240	216,185	218,030	6%	231,333	218,030	6%	219,240

³ Wealth & asset management includes investments from proprietary retail segregated funds.

Changes in Assets Under Management²

Beginning balance	223,727	219,240	216,185	218,030	221,269	1%	219,240	158,904	38%	158,904
Assets acquired (Standard Life)	-	-	-	-	-	-	-	54,416	-100%	54,416
Premiums and deposits	5,602	5,522	5,100	5,468	5,368	4%	11,124	11,155	0%	21,723
Investment income (loss) ⁴	5,416	1,651	4,102	(1,602)	(3,105)	-	7,067	4,462	58%	6,962
Mutual fund withdrawals	(981)	(1,103)	(889)	(755)	(773)	27%	(2,084)	(1,601)	30%	(3,245)
Other benefits and withdrawals	(3,659)	(3,827)	(3,811)	(3,422)	(3,437)	6%	(7,486)	(7,041)	6%	(14,274)
Other ⁵	1,228	2,244	(1,447)	(1,534)	(1,292)	-	3,472	(2,265)	-	(5,246)
Ending balance	231,333	223,727	219,240	216,185	218,030	6%	231,333	218,030	6%	219,240

⁴ Investment income (loss) consists of gross investment income for the general fund and interest, dividends and net realized and unrealized gains and losses for the mutual and segregated funds.

⁵ Other is comprised of all changes to the statement of income and the statement of financial position that are not specifically identified in the roll forward. These include general expenses, investment expenses, taxes, changes in receivables and payables, transfers to/from other business units, changes in allocated capital, and net movement in Manulife Bank deposits.

U.S. DIVISION

(U.S. \$ in millions, unless otherwise stated, Unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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Statements of Income¹

Revenue										
Premium income										
Gross premiums	1,744	1,767	2,070	1,927	1,893	-8%	3,511	3,738	-6%	7,735
Premiums ceded to reinsurers	(423)	(814)	(448)	(421)	(351)	21%	(1,237)	(683)	81%	(1,552)
Premiums ceded, net of ceded commissions and additional consideration relating to Closed Block reinsurance transaction ²	-	-	-	(6,109)	-	-	-	-	-	(6,109)
Investment income	1,304	1,186	1,283	1,172	1,417	-8%	2,490	2,690	-7%	5,145
Other revenue	1,089	1,066	1,052	1,084	1,049	4%	2,155	2,046	5%	4,182
Subtotal revenue	3,714	3,205	3,957	(2,347)	4,008	-7%	6,919	7,791	-11%	9,401
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities ³	3,726	4,074	(1,465)	3,033	(5,622)	-	7,800	(3,189)	-	(1,621)
Total revenue	7,440	7,279	2,492	686	(1,614)	-	14,719	4,602	220%	7,780
Contract benefits and expenses										
To contract holders and beneficiaries										
Gross benefits and claims paid and change in insurance contract liabilities ³	6,896	6,721	1,889	5,388	(2,860)	-	13,617	2,725	400%	10,002
Ceded benefits and expenses and change in reinsurance assets ²	(921)	(662)	(803)	(6,250)	30	-	(1,583)	(868)	82%	(7,921)
Change in investment contract liabilities	13	12	13	12	12	8%	25	26	-4%	51
General expenses	364	358	361	351	398	-9%	722	724	0%	1,436
Investment expenses	220	207	260	219	216	2%	427	429	0%	908
Commissions	390	378	431	410	421	-7%	768	826	-7%	1,667
Other	33	31	39	37	40	-18%	64	80	-20%	156
Total contract benefits and expenses	6,995	7,045	2,190	167	(1,743)	-	14,040	3,942	256%	6,299
Income (loss) before income taxes	445	234	302	519	129	245%	679	660	3%	1,481
Income tax (expense) recovery	(129)	(58)	(61)	(132)	6	-	(187)	(150)	25%	(343)
Net income (loss) attributed to shareholders ⁴	316	176	241	387	135	134%	492	510	-4%	1,138

¹ The 2015 earnings on assets backing capital allocated to each operating segment has been reclassified to align with the methodology used in 2016.

² Effective July 1, 2015, U.S. division's RPS business included the assumption by New York Life (NYL) of the Company's in-force participating life insurance closed block ("Closed Block") through net 60% reinsurance agreements. The Closed Block transaction with NYL resulted in a net ceded premium of approximately US\$6.1 billion, reported as a reduction in premiums, net of commissions received and additional consideration received relating to New York Life retirement plan services business.

³ For fixed income assets supporting insurance and investment contract liabilities, equities supporting pass through products and derivatives related to variable annuity hedging programs, the impact of realized/unrealized gains (losses) on the assets is largely offset in the change in actuarial liabilities, included in contract benefits. The gains (losses) primarily relate to fair value movements on bonds and derivatives.

⁴ See the Q2 press release for a description of Q2 2016 results compared to Q2 2015.

Earnings Analysis¹

Total core earnings	280	283	248	286	313	-11%	563	615	-8%	1,149
Investment gains related to fixed income trading, market value increases in excess of expected alternative assets investment returns, asset mix changes	72	(170)	(109)	(26)	52	38%	(98)	44	-	(91)
Total core earnings and investment related gains	352	113	139	260	365	-4%	465	659	-29%	1,058
Items excluded from core earnings										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	(36)	60	106	134	(204)	-82%	24	(123)	-	117
Integration and acquisition costs	-	(3)	(4)	(7)	(26)	-	(3)	(26)	-88%	(37)
Other	-	6	-	-	-	-	6	-	-	-
Total shareholders' net income (loss)	316	176	241	387	135	134%	492	510	-4%	1,138

U.S. DIVISION (CONT'D)

(U.S. \$ in millions, unless otherwise stated, Unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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U.S. INSURANCE
Source of Earnings¹

Expected profit from in-force business ²	181	185	179	185	142	27%	366	286	28%	650
Impact of new business	11	15	16	35	23	-52%	26	26	0%	77
Experience gains (losses) ²	52	(99)	(304)	67	(194)	-	(47)	79	-	(158)
Management actions and changes in assumptions	-	37	-	-	-	-	37	-	-	-
Earnings on surplus funds	69	69	70	70	70	-1%	138	140	-1%	280
Other	1	(6)	(7)	(33)	25	-96%	(5)	21	-	(19)
Income (loss) before income taxes	314	201	(46)	324	66	376%	515	552	-7%	830
Income tax (expense) recovery	(110)	(70)	36	(105)	5	-	(180)	(159)	13%	(228)
Net income (loss) attributed to shareholders	204	131	(10)	219	71	187%	335	393	-15%	602

¹ The 2015 earnings on assets backing capital allocated to each operating segment has been reclassified to align with the methodology used in 2016.

² In 3Q15 a refinement was implemented to the attribution of the change in provisions for adverse deviation for the long-term care business. This refinement resulted in a US\$27 increase in expected profit on in-force offset by a US\$27 million increase in policyholder experience loss.

U.S. WEALTH AND ASSET MANAGEMENT AND U.S. OTHER WEALTH
Source of Earnings¹

Expected profit from in-force business	242	227	240	238	258	-6%	469	489	-4%	967
Impact of new business	(49)	(49)	(49)	(46)	(45)	9%	(98)	(88)	11%	(183)
Experience gains (losses)	(95)	(151)	133	(16)	(137)	-31%	(246)	(304)	-19%	(187)
Management actions and changes in assumptions	-	(26)	(6)	(9)	(41)	-	(26)	(41)	-37%	(56)
Earnings on surplus funds	32	31	26	25	27	19%	63	52	21%	103
Other	1	1	4	3	1	0%	2	-	-	7
Income (loss) before income taxes	131	33	348	195	63	108%	164	108	52%	651
Income tax (expense) recovery	(19)	12	(97)	(27)	1	-	(7)	9	-	(115)
Net income (loss) attributed to shareholders	112	45	251	168	64	75%	157	117	34%	536

Source of Earnings¹

Expected profit from in-force business	423	412	419	423	400	6%	835	775	8%	1,617
Impact of new business	(38)	(34)	(33)	(11)	(22)	73%	(72)	(62)	16%	(106)
Experience gains (losses)	(43)	(250)	(171)	51	(331)	-87%	(293)	(225)	30%	(345)
Management actions and changes in assumptions	-	11	(6)	(9)	(41)	-	11	(41)	-	(56)
Earnings on surplus funds	101	100	96	95	97	4%	201	192	5%	383
Other	2	(5)	(3)	(30)	26	-92%	(3)	21	-	(12)
Income (loss) before income taxes	445	234	302	519	129	245%	679	660	3%	1,481
Income tax (expense) recovery	(129)	(58)	(61)	(132)	6	-	(187)	(150)	25%	(343)
Net income (loss) attributed to shareholders	316	176	241	387	135	134%	492	510	-4%	1,138

Insurance Sales

JH Life	98	105	119	114	108	-9%	203	214	-5%	447
JH Long-Term Care	9	17	8	12	10	-15%	26	21	20%	41
Total Insurance Sales	107	122	127	126	118	-9%	229	235	-3%	488

Wealth and Asset Management Gross Flows (Premiums and Deposits)

JH Investments	6,488	7,092	7,430	7,763	6,868	-6%	13,580	13,016	4%	28,209
JH Retirement Plan Services	5,184	5,618	5,914	5,253	4,226	23%	10,802	7,804	38%	18,971
Total wealth and asset management gross flows	11,672	12,710	13,344	13,016	11,094	5%	24,382	20,820	17%	47,180

Pension Sales³ - for reference only

JH Retirement Plan Services	1,728	1,626	3,139	1,801	1,109	56%	3,354	2,231	50%	7,171
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³ Pension sales include both new regular premiums and deposits and single premiums sales. New regular premiums and deposits reflect an estimate of expected deposits in the first year of the plan with the Company. Single premium sales reflect the assets transferred from the previous plan provider.

U.S. DIVISION (CONT'D)

(U.S. \$ in millions, unless otherwise stated, Unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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Premiums and Deposits

Premiums and investment contract deposits ¹	1,321	953	1,622	1,506	1,542	-14%	2,274	3,055	-26%	6,183
Segregated fund deposits	3,619	3,860	3,710	3,641	3,620	0%	7,479	7,571	-1%	14,922
Mutual fund deposits	8,396	9,169	10,056	9,766	7,939	6%	17,565	14,111	24%	33,933
Total premiums and deposits	13,336	13,982	15,388	14,913	13,101	2%	27,318	24,737	10%	55,038

Premiums and Deposits - Insurance

JH Life ¹	927	932	1,145	1,100	1,111	-17%	1,859	2,222	-16%	4,467
JH Long-Term Care	543	531	561	557	549	-1%	1,074	1,082	-1%	2,200
Total premiums and deposits - insurance	1,470	1,463	1,706	1,657	1,660	-11%	2,933	3,304	-11%	6,667

Premiums and Deposits - Wealth and Asset Management

JH Investments	6,488	7,092	7,430	7,763	6,868	-6%	13,580	13,016	4%	28,209
JH Retirement Plan Services	5,184	5,618	5,914	5,253	4,226	23%	10,802	7,804	38%	18,971
Total premiums and deposits - wealth and asset management	11,672	12,710	13,344	13,016	11,094	5%	24,382	20,820	17%	47,180

Premiums and Deposits - Other Wealth

JH Annuities	194	(191)	338	240	347	-44%	3	613	-100%	1,191
Total premiums and deposits - other wealth	194	(191)	338	240	347	-44%	3	613	-100%	1,191

Assets Under Management and Administration²

Assets Under Management										
General fund	118,984	113,803	109,156	108,778	115,235	3%	118,984	115,235	3%	109,156
Segregated funds	140,596	139,785	140,377	138,802	149,490	-6%	140,596	149,490	-6%	140,377
Mutual funds and other funds	85,209	84,203	84,117	79,849	80,615	6%	85,209	80,615	6%	84,117
Total assets under management	344,789	337,791	333,650	327,429	345,340	0%	344,789	345,340	0%	333,650
Assets under administration	56,306	54,307	55,017	52,596	55,256	2%	56,306	55,256	2%	55,017
Total assets under management and administration	401,095	392,098	388,667	380,025	400,596	0%	401,095	400,596	0%	388,667

Assets Under Management and Administration²

Assets Under Management										
Insurance	107,115	102,972	100,549	99,195	108,532	-1%	107,115	108,532	-1%	100,549
Wealth and asset management	166,994	164,927	164,316	158,526	165,407	1%	166,994	165,407	1%	164,316
Other wealth	70,680	69,892	68,785	69,708	71,401	-1%	70,680	71,401	-1%	68,785
Total assets under management	344,789	337,791	333,650	327,429	345,340	0%	344,789	345,340	0%	333,650
Assets under administration	56,306	54,307	55,017	52,596	55,256	2%	56,306	55,256	2%	55,017
Total assets under management and administration	401,095	392,098	388,667	380,025	400,596	0%	401,095	400,596	0%	388,667

Changes in Assets Under Management and Administration²

Beginning balance	392,098	388,667	380,025	400,596	350,289	12%	388,667	343,533	13%	343,533
Assets acquired (New York Life Pension)	-	-	-	-	56,587	-100%	-	56,587	-100%	56,587
Premiums and deposits ¹	13,336	13,982	15,388	14,913	13,101	2%	27,318	24,737	10%	55,038
Investment income (loss) ³	10,854	5,660	6,996	(11,466)	(5,313)	-	16,514	3,314	398%	(1,156)
JH Investment withdrawals	(6,804)	(6,682)	(4,802)	(4,455)	(4,319)	58%	(13,486)	(8,567)	57%	(17,824)
Retirement Plan Services withdrawals	(5,341)	(6,233)	(5,876)	(5,120)	(5,309)	1%	(11,574)	(9,033)	28%	(20,029)
Other benefits and withdrawals	(2,860)	(2,688)	(3,109)	(2,949)	(3,351)	-15%	(5,548)	(7,091)	-22%	(13,149)
Other ⁴	(188)	(608)	45	(11,494)	(1,089)	-83%	(796)	(2,884)	-72%	(14,333)
Ending balance	401,095	392,098	388,667	380,025	400,596	0%	401,095	400,596	0%	388,667

¹ Excludes the impact of the net ceded premium related to the Closed Block reinsurance transaction in 3Q15 and full year 2015.

² The 2015 earnings on assets backing capital allocated to each operating segment has been reclassified to align with the methodology used in 2016.

³ Investment income (loss) consists of gross investment income for the general fund and interest, dividends and net realized and unrealized gains and losses for the segregated funds.

⁴ Other is comprised of all changes to the statement of income and the statement of financial position that are not specifically identified in the roll forward. These include general expenses, investment expenses, taxes, changes in receivables and payables, transfers to/from other business units and changes in allocated capital. For 3Q15 and full year 2015, includes US\$11.3 billion related to the Closed Block reinsurance transaction.

Canadian \$ in millions - Key Metrics

Sales - Insurance	138	167	170	165	144	-4%	305	290	5%	625
Gross Flows - Wealth and asset management	15,045	17,443	17,830	17,036	13,642	10%	32,488	25,701	26%	60,567
Net income (loss) attributed to shareholders ²	407	241	323	507	166	145%	648	630	3%	1,460
Total premiums and deposits ¹	17,194	19,186	20,562	19,520	16,108	7%	36,380	30,536	19%	70,618
Total assets under management and administration ²	521,782	508,556	537,947	509,005	499,684	4%	521,782	499,684	4%	537,947

CORPORATE AND OTHER

(Canadian \$ in millions, unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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Statements of Income¹

Revenue										
Gross investment income before items below	311	261	157	198	250	24%	572	433	32%	788
Gains (losses) on AFS equities	55	35	60	45	69	-20%	90	130	-31%	235
Gains (losses) on AFS bonds and related derivative positions	56	300	(17)	-	35	60%	356	10	nm	(7)
Gains (losses) on macro hedges	(78)	(88)	(214)	262	2	-	(166)	(44)	277%	4
Interest on surplus funds allocated to divisions	(254)	(263)	(244)	(237)	(222)	14%	(517)	(444)	16%	(925)
Other revenue	82	303	93	(15)	74	11%	385	109	253%	187
Total revenue, net	172	548	(165)	253	208	-17%	720	194	271%	282
Contract benefits and expenses										
General expenses	275	278	321	256	272	1%	553	518	7%	1,095
Investment expenses, net	(56)	(71)	(77)	(66)	(54)	4%	(127)	(116)	9%	(259)
Changes in actuarial methods and assumptions	16	(38)	149	346	70	-77%	(22)	111	-	606
Other	105	337	41	135	121	-13%	442	221	100%	397
Total contract benefits and expenses	340	506	434	671	409	-17%	846	734	15%	1,839
Income (loss) before income taxes	(168)	42	(599)	(418)	(201)	-16%	(126)	(540)	-77%	(1,557)
Income tax (expense) recovery	53	16	172	124	107	-50%	69	282	-76%	578
Net income (loss)	(115)	58	(427)	(294)	(94)	22%	(57)	(258)	-78%	(979)
Less net income (loss) attributed to non-controlling interest	(1)	(3)	(13)	6	(1)	0%	(4)	(1)	300%	(8)
Net income (loss) attributed to shareholders - Corporate and Investments	(114)	61	(414)	(300)	(93)	23%	(53)	(257)	-79%	(971)
Net income attributed to shareholders' for Reinsurance business	24	22	32	28	34	-29%	46	57	-19%	117
Net income (loss) attributed to shareholders²	(90)	83	(382)	(272)	(59)	53%	(7)	(200)	-97%	(854)

¹ The Corporate and Other segment includes earnings on assets backing capital net of amounts allocated to operating divisions. The 2015 earnings on assets backing capital allocated to each operating segment has been reclassified to align with the methodology used in 2016.

² See the Q2 press release for a description of Q2 2016 results compared to Q2 2015.

Earnings Analysis¹

Total core loss	(203)	(193)	(159)	(179)	(69)	194%	(396)	(186)	113%	(524)
Investment-related experience including fixed income trading, market value increases in excess of expected alternative assets										
Investment returns, asset mix changes and credit experience (excl. investment-related experience in core earnings)	80	(9)	(32)	(12)	(8)	-	71	5	nm	(39)
Total core loss and investment related gains in excess of core investment gains	(123)	(202)	(191)	(191)	(77)	60%	(325)	(181)	80%	(563)
Items excluded from core loss										
Direct impact of equity markets and interest rates	34	284	(46)	209	41	-17%	318	37	759%	200
Change in actuarial methods and assumptions (excl. URR changes)	-	12	(97)	(285)	(47)	-	12	(69)	-	(451)
Integration and acquisition costs	(1)	(2)	(11)	(5)	(8)	-88%	(3)	(29)	-90%	(45)
Other items	-	(9)	(37)	-	32	-100%	(9)	42	-	5
Net income (loss) attributed to shareholders	(90)	83	(382)	(272)	(59)	53%	(7)	(200)	-97%	(854)

Wealth and Asset Management Gross Flows

Institutional advisory accounts ³	2,879	3,213	5,974	2,165	10,987	-74%	6,092	14,011	-57%	22,150
Total wealth and asset management gross flows	2,879	3,213	5,974	2,165	10,987	-74%	6,092	14,011	-57%	22,150

Premiums and Deposits

Institutional advisory accounts ³	2,879	3,213	5,974	2,165	10,987	-74%	6,092	14,011	-57%	22,150
Premiums - Reinsurance business	21	22	26	24	21	0%	43	40	8%	90
Total premiums and deposits	2,900	3,235	6,000	2,189	11,008	-74%	6,135	14,051	-56%	22,240

Assets Under Management

General fund - Corporate and Investments ³	(7,396)	(5,106)	(574)	(553)	1,256	-	(7,396)	1,256	-	(574)
General fund - Reinsurance	893	863	1,059	1,023	945	-6%	893	945	-6%	1,059
Segregated funds - elimination of amounts held by the Company	(173)	(169)	(171)	(167)	(214)	-19%	(173)	(214)	-19%	(171)
Institutional advisory accounts ³	73,625	69,674	71,237	65,528	64,680	14%	73,625	64,680	14%	71,237
Total assets under management	66,949	65,262	71,551	65,831	66,667	0%	66,949	66,667	0%	71,551

³ Includes only the third party institutional business of Manulife Asset Management and not business from affiliates and the General Fund

Asset Information

INVESTED ASSETS - PORTFOLIO COMPOSITION

(Canadian \$ in millions, unaudited)

	As at Q2 2016	%	As at Q1 2016	%	As at Q4 2015	%	As at Q3 2015	%	As at Q2 2015	%
Carrying value										
Cash and short-term securities	20,902	6.5 %	17,864	5.8 %	17,885	5.8 %	19,005	6.4 %	15,647	5.3 %
Debt securities										
Government										
Canadian government & agency	25,284	7.8 %	23,122	7.5 %	21,283	6.9 %	19,690	6.5 %	21,359	7.2 %
US government & agency	29,731	9.2 %	28,989	9.4 %	28,652	9.3 %	26,277	8.8 %	24,402	8.3 %
Foreign governments & agency	23,042	7.1 %	20,883	6.8 %	19,583	6.3 %	18,532	6.2 %	17,152	5.8 %
Corporate	90,802	28.1 %	85,275	27.6 %	85,194	27.5 %	82,999	27.7 %	81,967	27.8 %
Securitized										
CMBS	866	0.3 %	799	0.3 %	841	0.3 %	883	0.3 %	1,026	0.3 %
RMBS	30	0.0 %	63	0.0 %	76	0.0 %	191	0.1 %	239	0.1 %
ABS	2,157	0.7 %	2,294	0.7 %	2,198	0.7 %	2,216	0.7 %	2,461	0.8 %
Total debt securities	171,912	53.2 %	161,425	52.3 %	157,827	51.0 %	150,788	50.3 %	148,606	50.3 %
Private placement debt	26,869	8.3 %	26,224	8.5 %	27,578	8.9 %	26,043	8.7 %	26,652	9.0 %
Mortgages										
Commercial										
Retail	7,811	2.4 %	7,716	2.5 %	7,985	2.6 %	7,768	2.6 %	8,048	2.7 %
Office	7,204	2.2 %	6,902	2.2 %	7,137	2.3 %	7,369	2.4 %	8,779	3.0 %
Multi family residential	4,475	1.4 %	4,430	1.4 %	4,624	1.5 %	4,543	1.5 %	4,438	1.5 %
Industrial	2,846	0.9 %	2,871	0.9 %	2,831	0.9 %	2,803	0.9 %	2,802	1.0 %
Other commercial	2,595	0.8 %	2,610	0.9 %	2,780	0.9 %	2,770	0.9 %	2,382	0.8 %
Other mortgages										
Manulife Bank single family residential	17,736	5.5 %	17,597	5.7 %	17,523	5.7 %	17,547	5.9 %	17,529	5.9 %
Agriculture	839	0.3 %	861	0.3 %	938	0.3 %	1,064	0.4 %	1,085	0.4 %
Total mortgages ¹	43,506	13.5 %	42,987	13.9 %	43,818	14.2 %	43,864	14.6 %	45,063	15.3 %
Policy loans	7,318	2.2 %	7,298	2.4 %	7,673	2.5 %	7,481	2.5 %	8,641	2.9 %
Loans to bank clients	1,801	0.5 %	1,822	0.6 %	1,778	0.6 %	1,761	0.6 %	1,750	0.6 %
Public equities										
Par, equity-linked and pass-through	10,995	3.4 %	10,309	3.3 %	10,516	3.4 %	9,933	3.3 %	10,473	3.5 %
Nonpar and surplus	6,087	1.9 %	6,332	2.1 %	6,467	2.1 %	6,135	2.1 %	6,842	2.4 %
Total public equities	17,082	5.3 %	16,641	5.4 %	16,983	5.5 %	16,068	5.4 %	17,315	5.9 %
Real estate & other invested assets										
Alternative long-duration assets										
Office	8,793	2.7 %	10,370	3.4 %	10,804	3.5 %	10,323	3.5 %	9,308	3.2 %
Industrial	931	0.3 %	908	0.3 %	928	0.3 %	898	0.3 %	865	0.3 %
Company use	1,319	0.4 %	1,310	0.4 %	1,379	0.5 %	1,495	0.5 %	946	0.3 %
Other	2,342	0.7 %	2,282	0.7 %	2,236	0.7 %	2,132	0.7 %	2,074	0.7 %
Total real estate	13,385	4.1 %	14,870	4.8 %	15,347	5.0 %	14,848	5.0 %	13,193	4.5 %
Power & infrastructure	5,695	1.8 %	5,127	1.7 %	5,260	1.7 %	5,051	1.7 %	4,529	1.5 %
Private equity	3,969	1.2 %	3,743	1.2 %	3,754	1.2 %	3,537	1.2 %	3,172	1.1 %
Timberland	3,490	1.1 %	3,426	1.1 %	3,553	1.1 %	3,350	1.1 %	3,191	1.1 %
Oil & gas	1,833	0.6 %	1,593	0.5 %	1,740	0.6 %	1,871	0.6 %	1,993	0.7 %
Farmland	1,250	0.4 %	1,143	0.4 %	1,539	0.5 %	1,485	0.5 %	1,363	0.4 %
Other	471	0.1 %	418	0.1 %	435	0.1 %	416	0.1 %	412	0.1 %
Total alternative long-duration assets	30,093	9.3 %	30,320	9.8 %	31,628	10.2 %	30,558	10.2 %	27,853	9.4 %
Leveraged leases	3,300	1.0 %	3,353	1.1 %	3,549	1.1 %	3,415	1.1 %	3,163	1.1 %
Other	508	0.2 %	516	0.2 %	548	0.2 %	612	0.2 %	703	0.2 %
Total real estate & other invested assets	33,901	10.5 %	34,189	11.1 %	35,725	11.5 %	34,585	11.5 %	31,719	10.7 %
Total invested assets	323,291	100.0 %	308,450	100.0 %	309,267	100.0 %	299,595	100.0 %	295,393	100.0 %

¹ Includes government insured mortgages (\$8,595 or 20% as at June 30, 2016).

Fair value ²

Real estate	14,506	15,959	16,425	15,645	13,959
Total alternative long-duration assets	31,507	31,705	32,686	31,339	28,649
Total real estate & other invested assets	35,315	35,574	36,783	35,366	32,515

² The fair values of real estate and other investments are disclosed in the table above since the changes in the fair value of those assets backing insurance and investment contract liabilities are reflected as earnings/charges through actuarial reserves.

INVESTED ASSETS - FIXED INCOME SECURITIES BY CREDIT QUALITY AND GEOGRAPHIC LOCATION

(Canadian \$ in millions, unaudited)

Debt Securities and Private Placement Portfolio by Credit Quality (at carrying value)

	Credit Rating ¹	NAIC designation	As at Q2 2016	%	As at Q1 2016	%	As at Q4 2015	%	As at Q3 2015	%	As at Q2 2015	%
Debt Securities	AAA	1	43,699	25%	43,050	27%	40,972	26%	37,330	25%	37,648	25%
	AA	1	23,283	14%	20,606	13%	21,998	14%	20,410	14%	32,180	22%
	A	1	73,716	43%	68,126	42%	65,507	41%	65,095	43%	50,511	34%
	BBB	2	27,854	16%	26,439	16%	26,144	17%	24,838	16%	24,977	17%
	BB	3	2,912	2%	2,651	2%	2,698	2%	2,528	2%	2,556	2%
	B & lower, and unrated	4 & below	448	0%	553	0%	508	0%	587	0%	734	0%
	Total		171,912	100%	161,425	100%	157,827	100%	150,788	100%	148,606	100%
Private Placements	AAA	1	995	4%	961	4%	1,030	4%	1,010	4%	1,013	4%
	AA	1	3,573	13%	3,579	14%	3,886	14%	3,813	15%	3,600	14%
	A	1	9,557	36%	9,309	35%	9,813	36%	8,913	34%	9,123	34%
	BBB	2	10,811	40%	10,395	40%	10,791	39%	10,312	39%	10,782	40%
	BB	3	1,073	4%	1,150	4%	1,113	4%	1,242	5%	1,294	5%
	B & lower, and unrated	4 & below	860	3%	830	3%	945	3%	753	3%	840	3%
	Total		26,869	100%	26,224	100%	27,578	100%	26,043	100%	26,652	100%
Total	AAA	1	44,694	22%	44,011	23%	42,002	23%	38,340	21%	38,661	22%
	AA	1	26,856	14%	24,185	13%	25,884	14%	24,223	14%	35,780	21%
	A	1	83,273	42%	77,435	41%	75,320	40%	74,008	42%	59,634	34%
	BBB	2	38,665	19%	36,834	20%	36,935	20%	35,150	20%	35,759	20%
	BB	3	3,985	2%	3,801	2%	3,811	2%	3,770	2%	3,850	2%
	B & lower, and unrated	4 & below	1,308	1%	1,383	1%	1,453	1%	1,340	1%	1,574	1%
	Total		198,781	100%	187,649	100%	185,405	100%	176,831	100%	175,258	100%

¹ The Company replicates exposure to specific issuers by selling credit protection via credit default swaps (CDS) to complement its cash bond investments. The Company does not use CDS to leverage its credit risk exposure and any CDS protection sold is backed by government security holdings. In order to reflect the actual credit exposure held by the Company, the credit quality carrying values have been adjusted to reflect the credit quality of the underlying issuers referenced in the CDS sold by the Company. At June 30, 2016, the Company had \$807 (March 31, 2016: \$761) notional outstanding of CDS protection sold.

Debt Securities and Private Placement Portfolio by Geographic Location (at carrying value)

	Country	As at Q2 2016	%	As at Q1 2016	%	As at Q4 2015	%	As at Q3 2015	%	As at Q2 2015	%
Debt Securities	U.S.	76,663	44%	73,324	45%	73,333	47%	70,093	46%	69,241	47%
	Canada	49,442	29%	46,529	29%	44,708	28%	43,363	29%	43,570	29%
	Europe	4,566	3%	4,593	3%	4,830	3%	4,576	3%	5,184	3%
	Asia & Other	41,241	24%	36,979	23%	34,956	22%	32,756	22%	30,611	21%
	Total	171,912	100%	161,425	100%	157,827	100%	150,788	100%	148,606	100%
Private Placements	U.S.	15,478	58%	15,157	58%	16,254	59%	15,311	59%	15,114	57%
	Canada	8,716	32%	8,327	32%	8,375	31%	7,952	31%	8,755	33%
	Europe	1,715	6%	1,629	6%	1,745	6%	1,688	6%	1,807	7%
	Asia & Other	960	4%	1,111	4%	1,204	4%	1,092	4%	976	3%
	Total	26,869	100%	26,224	100%	27,578	100%	26,043	100%	26,652	100%
Total	U.S.	92,141	47%	88,481	47%	89,587	48%	85,404	48%	84,355	48%
	Canada	58,158	29%	54,856	29%	53,083	29%	51,315	29%	52,325	30%
	Europe	6,281	3%	6,222	4%	6,575	4%	6,264	4%	6,991	4%
	Asia & Other	42,201	21%	38,090	20%	36,160	19%	33,848	19%	31,587	18%
	Total	198,781	100%	187,649	100%	185,405	100%	176,831	100%	175,258	100%

INVESTED ASSETS - FIXED INCOME SECURITIES BY SECTOR

(Canadian \$ in millions, unaudited)

Debt Securities and Private Placement Portfolio by Sector / Industry Holdings (at carrying value)

	As at Q2 2016			As at Q1 2016			As at Q4 2015			As at Q3 2015			As at Q2 2015		
	Carrying value	Investment %	grade %	Carrying value	Investment %	grade %	Carrying value	Investment %	grade %	Carrying value	Investment %	grade %	Carrying value	Investment %	grade %
Debt Securities															
Government & agency	78,057	45%	98%	72,994	45%	98%	69,518	44%	98%	64,499	43%	98%	62,913	42%	98%
Utilities	23,517	14%	99%	21,642	13%	99%	21,326	14%	99%	20,697	14%	99%	20,002	14%	99%
Financial	23,132	13%	97%	22,159	14%	97%	22,669	14%	96%	22,190	15%	96%	22,724	15%	96%
Energy	13,170	8%	96%	11,756	7%	96%	11,528	7%	96%	11,482	7%	97%	11,041	7%	96%
Consumer (non-cyclical)	8,587	5%	100%	8,295	5%	100%	8,382	5%	100%	8,138	5%	100%	7,702	5%	100%
Industrial	10,243	6%	100%	9,646	6%	100%	9,366	6%	100%	9,006	6%	100%	8,168	6%	100%
Basic materials	2,576	1%	88%	2,494	2%	87%	2,506	2%	89%	2,537	2%	89%	3,065	2%	92%
Consumer (cyclical)	2,855	2%	99%	2,655	2%	99%	2,812	2%	99%	2,557	2%	99%	2,578	2%	99%
Securitized MBS/ABS	3,053	2%	99%	3,156	2%	98%	3,115	2%	98%	3,290	2%	95%	3,726	3%	93%
Telecommunications	2,865	2%	99%	3,017	2%	99%	2,983	2%	99%	2,943	2%	100%	3,048	2%	100%
Technology	2,037	1%	100%	1,801	1%	100%	1,811	1%	100%	1,721	1%	100%	1,879	1%	100%
Media & internet	1,110	1%	100%	1,187	1%	100%	1,155	1%	100%	1,156	1%	100%	1,233	1%	100%
Diversified & miscellaneous	710	0%	99%	623	0%	100%	656	0%	100%	572	0%	99%	527	0%	99%
Total	171,912	100%	98%	161,425	100%	98%	157,827	100%	98%	150,788	100%	98%	148,606	100%	98%
Private Placements															
Government & agency	2,817	11%	100%	2,731	10%	100%	2,914	11%	100%	2,821	11%	100%	2,599	10%	100%
Utilities	13,504	50%	94%	12,967	50%	94%	13,564	49%	94%	12,548	48%	94%	12,472	47%	93%
Financial	1,617	6%	96%	1,758	7%	96%	1,849	7%	96%	1,692	7%	96%	1,614	6%	96%
Energy	1,633	6%	82%	1,718	7%	82%	1,894	7%	85%	1,889	7%	84%	2,051	8%	82%
Consumer (non-cyclical)	2,533	9%	89%	2,343	9%	89%	2,450	9%	90%	2,359	9%	90%	2,710	10%	92%
Industrial	2,025	8%	94%	2,025	8%	94%	2,088	8%	93%	2,065	8%	93%	2,508	9%	94%
Basic materials	863	3%	84%	835	3%	84%	832	3%	83%	849	3%	80%	880	3%	73%
Consumer (cyclical)	1,488	6%	88%	1,513	6%	87%	1,613	6%	86%	1,467	6%	90%	1,496	6%	89%
Securitized MBS/ABS	150	1%	94%	92	0%	91%	100	0%	91%	92	0%	100%	40	0%	100%
Telecommunications	43	0%	100%	74	0%	100%	76	0%	100%	50	0%	92%	56	0%	84%
Technology	114	0%	67%	113	0%	67%	120	0%	67%	119	1%	68%	138	1%	74%
Media & internet	82	0%	42%	55	0%	8%	78	0%	6%	92	0%	15%	88	0%	16%
Diversified & miscellaneous	0	0%	n/a	0	0%	n/a	0	0%	n/a	0	0%	n/a	0	0%	n/a
Total	26,869	100%	93%	26,224	100%	93%	27,578	100%	93%	26,043	100%	92%	26,652	100%	92%
Total															
Government & agency	80,874	41%	98%	75,725	40%	98%	72,432	39%	98%	67,320	38%	98%	65,512	37%	98%
Utilities	37,021	19%	98%	34,609	18%	97%	34,890	19%	97%	33,245	19%	97%	32,474	19%	97%
Financial	24,749	12%	97%	23,917	13%	97%	24,518	13%	96%	23,882	13%	96%	24,338	14%	96%
Energy	14,803	7%	95%	13,474	7%	95%	13,422	7%	95%	13,371	8%	95%	13,092	8%	94%
Consumer (non-cyclical)	11,120	6%	97%	10,638	6%	98%	10,832	6%	98%	10,497	6%	98%	10,412	6%	98%
Industrial	12,268	6%	99%	11,671	6%	99%	11,454	6%	99%	11,071	6%	99%	10,676	6%	99%
Basic materials	3,439	2%	87%	3,329	2%	86%	3,338	2%	87%	3,386	2%	87%	3,945	2%	87%
Consumer (cyclical)	4,343	2%	95%	4,168	2%	95%	4,425	2%	94%	4,024	2%	95%	4,074	2%	95%
Securitized MBS/ABS	3,203	2%	98%	3,248	2%	98%	3,215	2%	98%	3,382	2%	95%	3,766	2%	93%
Telecommunications	2,908	1%	99%	3,091	2%	99%	3,059	2%	99%	2,993	2%	100%	3,104	2%	100%
Technology	2,151	1%	98%	1,914	1%	98%	1,931	1%	98%	1,840	1%	98%	2,017	1%	98%
Media & internet	1,192	1%	96%	1,242	1%	96%	1,233	1%	94%	1,248	1%	94%	1,321	1%	94%
Diversified & miscellaneous	710	0%	99%	623	0%	100%	656	0%	100%	572	0%	99%	527	0%	99%
Total	198,781	100%	97%	187,649	100%	97%	185,405	100%	97%	176,831	100%	97%	175,258	100%	97%

INVESTED ASSETS - PROVISIONS, IMPAIRMENTS & UNREALIZED LOSSES

(Canadian \$ in millions, unaudited)


Unrealized (losses)

	As at Q2 2016				As at Q1 2016				As at Q4 2015				As at Q3 2015				As at Q2 2015			
	Amortized cost	Gross unrealized (losses) \$	%	Amounts < 80% cost > 6 months	Amortized cost	Gross unrealized (losses) \$	%	Amounts < 80% cost > 6 months	Amortized cost	Gross unrealized (losses) \$	%	Amounts < 80% cost > 6 months	Amortized cost	Gross unrealized (losses) \$	%	Amounts < 80% cost > 6 months	Amortized cost	Gross unrealized (losses) \$	%	Amounts < 80% cost > 6 months
Debt securities																				
Government	69,980	(171)	0%	(1)	67,461	(480)	1%	(13)	65,968	(966)	1%	(20)	61,036	(963)	(1)		59,471	(936)	2%	(1)
Corporate																				
Financials	21,588	(74)	0%	(34)	20,934	(102)	0%	(26)	21,643	(145)	1%	(25)	21,038	(124)	(25)		21,582	(139)	1%	(20)
Non-financials	61,207	(331)	1%	(45)	59,050	(840)	1%	(40)	60,303	(1,368)	2%	(10)	57,566	(883)	(5)		55,869	(732)	1%	(5)
Securitized																				
CMBS	855	(3)	0%	-	792	(3)	0%	-	836	(6)	1%	-	866	(5)	(3)		1,003	(8)	1%	(2)
RMBS	28	-	0%	-	62	(1)	2%	-	75	(1)	1%	-	195	(6)	-		242	(9)	4%	-
ABS	2,066	(8)	0%	-	2,230	(16)	1%	-	2,141	(11)	1%	-	2,137	(7)	-		2,381	(8)	0%	-
Private placement debt	26,869	(125)	0%	(4)	26,224	(252)	1%	(8)	27,578	(465)	2%	-	26,043	(279)	-		26,745	(469)	2%	-
Fixed income securities ¹	182,593	(712)	0%	(84)	176,753	(1,694)	1%	(87)	178,544	(2,962)	2%	(55)	168,881	(2,267)	(34)		167,293	(2,301)	1%	(28)

¹ Gross unrealized losses consist of unrealized losses on AFS debt securities and private placements held at cost in the Corporate Surplus segments, as well as the difference between fair value and amortized cost on debt securities and private placements held in liability segments. Losses on AFS debt securities held in Surplus and on all private placements are realized upon sale or by credit impairment. However, for fixed income securities supporting CALM liabilities, losses are only realized upon credit impairment because unrealized gains and losses on debt securities, which impact net investment income, are largely offset by the changes in actuarial liabilities unless the security is credit impaired.

Provisions, impairments and recoveries ²

	Q2 2016			Q1 2016			Q4 2015			Q3 2015			Q2 2015		
	Par	Non-par	Total	Par	Non-par	Total	Par	Non-par	Total	Par	Non-par	Total	Par	Non-par	Total
Credit related															
Loans	-	4	4	-	(69)	(69)	-	(24)	(24)	-	(1)	(1)	-	(4)	(4)
Debt securities - FVTPL	5	8	13	-	(1)	(1)	(1)	(2)	(3)	2	2	4	(2)	(2)	(4)
Debt securities - AFS	-	-	-	-	-	-	-	2	2	-	3	3	-	-	-
Other ³	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	5	12	17	-	(70)	(70)	(1)	(24)	(25)	2	4	6	(2)	(6)	(8)
Equity related															
Public - AFS	-	(20)	(20)	-	(10)	(10)	-	(10)	(10)	-	(17)	(17)	-	(2)	(2)
Private equities - AFS and Other ³	-	-	-	-	-	-	-	(3)	(3)	-	-	-	-	-	-
Sub-total	-	(20)	(20)	-	(10)	(10)	-	(13)	(13)	-	(17)	(17)	-	(2)	(2)
Total	5	(8)	(3)	-	(80)	(80)	(1)	(37)	(38)	2	(13)	(11)	(2)	(8)	(10)

² Includes net new (provisions) recoveries on loans and net (impairments) gains on sale on debt securities and other invested assets, including those held at fair value. Although GAAP does not require us to measure the impairment portion of unrealized losses on debt securities classified as FVTPL, we believe this is a key metric for our business.

³ Other credit related and equity related provisions, impairments and recoveries are included in investment income from Other Investments; please refer to the following page.

Net impaired fixed income assets

	As at Q2 2016			As at Q1 2016			As at Q4 2015			As at Q3 2015			As at Q2 2015		
	Gross amount	Allowances	Impaired value	Gross amount	Allowances	Impaired value	Gross amount	Allowances	Impaired value	Gross amount	Allowances	Impaired value	Gross amount	Allowances	Impaired value
Loans															
Mortgages and loans to bank clients	41	(22)	19	58	(29)	29	60	(29)	31	63	(28)	35	75	(29)	46
Private placements	222	(110)	112	221	(109)	112	186	(72)	114	212	(97)	115	225	(89)	136
Sub-total	263	(132)	131	279	(138)	141	246	(101)	145	275	(125)	150	300	(118)	182
Other fixed income ⁴															
Debt securities - FVTPL	21	-	21	12	-	12	15	-	15	27	-	27	59	-	59
Debt securities - AFS	-	-	-	-	-	-	-	-	-	5	-	5	8	-	8
Other	1	-	1	1	-	1	1	-	1	1	-	1	1	-	1
Sub-total	22	-	22	13	-	13	16	-	16	33	-	33	68	-	68
Total	285	(132)	153	292	(138)	154	262	(101)	161	308	(125)	183	368	(118)	250

⁴ Impairments of Other fixed income assets are charged directly to the carrying value of the asset. Accordingly, no allowances are shown against these assets.

INVESTMENT INCOME

(Canadian \$ in millions, unaudited)



	Q2 2016		Q1 2016		Q4 2015		Q3 2015		Q2 2015	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
Cash and short-term securities										
Investment income	32	n/a	36	n/a	22	n/a	81	n/a	28	n/a
Debt securities										
Interest income	1,369	3.7%	1,409	3.8%	1,376	3.8%	1,347	3.8%	1,344	3.8%
Recoveries (impairments), net ¹	13		(1)		(1)		6		(4)	
Gains (losses) on assets backing surplus	25		291		8		50		8	
Total	1,407	3.9%	1,699	4.3%	1,383	3.6%	1,403	3.6%	1,348	3.5%
¹ Includes impairments on debt securities classified as AFS and FVTPL.										
Public equities										
Dividend income	149	3.1%	102	2.5%	160	3.0%	109	2.7%	133	2.6%
Impairments, net	(19)		(10)		(10)		(17)		(2)	
Gains (losses) on assets backing surplus	55		35		44		45		69	
Total	185	3.8%	127	3.2%	194	4.1%	137	3.9%	200	4.0%
Loans										
Mortgage loan interest income	412	3.9%	424	4.0%	435	4.0%	431	4.0%	448	4.0%
Private placement interest income	364	5.5%	398	6.0%	349	5.4%	321	5.0%	355	5.5%
Policy loan interest income	86	4.7%	87	4.6%	86	4.8%	90	4.9%	104	5.0%
Loans to bank clients interest income	17	3.9%	17	3.9%	17	3.9%	17	4.0%	17	4.1%
Recoveries (impairments), net	4		(69)		(23)		(1)		(4)	
Total	883	4.4%	857	4.3%	864	4.5%	858	4.5%	920	4.6%
Real estate										
Rental and other income	139	3.9%	144	3.8%	115	3.9%	138	4.2%	131	4.1%
Gains on assets backing surplus	45		(8)		(16)		(18)		-	
Total	184	4.4%	136	3.6%	99	3.6%	120	4.0%	131	4.1%
Other investments										
Investment income	267	n/a	140	n/a	138	n/a	(46)	n/a	330	n/a
Derivatives										
Investment income	255	n/a	305	n/a	199	n/a	155	n/a	259	n/a
Investment income ²	3,213	4.4%	3,300	4.4%	2,899	3.9%	2,708	3.9%	3,216	3.8%
² Investment income includes dividends, interest, rental income and realized gains on assets supporting surplus, excluding the macro equity hedging program.										
Realized and unrealized gains (losses) on assets supporting insurance and investment contract liabilities and on macro equity hedges										
Debt securities	4,617		3,979		(905)		344		(6,079)	
Public equities	205		(2)		351		(1,222)		(93)	
Loans	(53)		2		76		359		(54)	
Real estate	(38)		32		210		185		156	
Other investments	261		(39)		(65)		206		(16)	
Derivatives, including macro equity hedging program	2,930		4,890		(1,583)		3,800		(4,075)	
Total	7,922	n/a	8,862	n/a	(1,916)	n/a	3,672	n/a	(10,161)	n/a
Total investment income (loss)	11,135	16.1%	12,162	16.8%	983	2.8%	6,380	3.4%	(6,945)	0.7%
Investment expenses related to invested assets	(127)	n/a	(127)	n/a	(184)	n/a	(134)	n/a	(132)	n/a
Investment income (loss) less investment expenses	11,008	15.1%	12,035	16.6%	799	1.1%	6,246	8.7%	(7,077)	-8.8%

Actuarial Liabilities Information



VARIABLE ANNUITY AND SEGREGATED FUND GUARANTEES

(Canadian \$millions, unaudited)



	Guarantee Value			Net Amount at Risk ²			Policy Liabilities Held ^{3,5}	Target Capital (200 % of MCCR)	Policy Liabilities Held plus Target Capital
	Gross Amount ⁴	Amount Reinsured	Net of Reinsurance ¹	Gross Amount ⁴	Amount Reinsured	Net of Reinsurance ¹			
Q2 2016	107,451	8,672	98,779	12,511	2,027	10,484	11,281	5,377	16,658
Q1 2016	107,437	8,870	98,567	12,729	2,092	10,637	9,584	5,156	14,740
Q4 2015	113,175	9,669	103,506	12,747	2,168	10,579	7,469	5,156	12,625
Q3 2015	111,468	9,557	101,911	12,797	2,257	10,540	8,199	5,061	13,260
Q2 2015	107,263	9,096	98,167	8,136	1,684	6,452	4,751	4,846	9,597

As at Q2 2016	Net of Reinsurance ¹		
	Total Guarantee Value ⁴	Total Fund Value ⁴	Net Amount at Risk ^{2,4}
U.S.			
Withdrawal Benefits	47,116	39,757	7,460
Income Benefits	517	413	107
Death Benefits	4,682	4,938	619
	<u>52,315</u>	<u>45,108</u>	<u>8,186</u>
Canada			
Withdrawal Benefits	16,353	15,091	1,262
Maturity Benefits	14,711	14,667	43
Death Benefits	2,190	6,004	90
	<u>33,254</u>	<u>35,762</u>	<u>1,395</u>
Japan			
Withdrawal Benefits	4,951	4,498	465
Maturity Benefits	4,035	4,282	22
Death Benefits	1,170	1,080	55
	<u>10,156</u>	<u>9,860</u>	<u>542</u>
Reinsurance & Other	<u>3,054</u>	<u>2,937</u>	<u>361</u>

Key markets, closing levels	S&P 500	TSX	TOPIX	EAFE
As at Q2 2016	2,099	14,065	1,246	1,608
As at Q1 2016	2,060	13,494	1,347	1,652
As at Q4 2015	2,044	13,010	1,547	1,716
As at Q3 2015	1,920	13,307	1,411	1,644
As at Q2 2015	2,063	14,553	1,630	1,842

¹ Net of amounts ceded to 3rd party reinsurers. Amounts reinsured include amounts covered under stop loss treaties as well as first dollar treaties. Some of the treaties include deductibles and claims limits.

² Net Amount at Risk is based on sum of excess of guarantee value over fund value only on contracts where amount at risk is currently positive.

³ Under Phase I of IFRS 4, former Canadian GAAP valuation practices continue to apply to insurance contracts. This requires that reserves for segregated fund and variable products have a Conditional Tail Expectation ("CTE") of between 60 and 80. We hold CTE(70) level policy liabilities for both unhedged business and dynamically hedged business.

⁴ Total Guarantee Value, Total Fund Value and Net Amount at Risk includes certain HK products which are classified as investment contracts under IFRS. There is no reinsurance or hedging for these products.

⁵ The policy liabilities are held within the insurance contract liabilities, investment contract liabilities and other liabilities, as applicable under IFRS and are shown net of reinsurance.

The net amount at risk is not currently payable. Guaranteed death benefits are contingent and only payable upon the eventual death of policyholders if fund values remain below guarantee values. Withdrawal, accumulation and income benefits are also contingent and only payable at scheduled maturity in the future, if the policyholders are still living and have not terminated their policies and fund values remain below guarantee values.

Guaranteed benefits in a single contract are frequently a combination of death benefit and living benefit (withdrawal / maturity / income).

Death benefit amounts shown reflect only stand alone death benefits plus any excess of death benefits over living benefits on contracts with both death and other benefit forms.

ACTUARIAL LIABILITIES - NEW BUSINESS VALUE

(Canadian \$ in millions, unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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New Business Value (NBV)¹

Asia										
Hong Kong	88	67	111	93	72	22%	155	131	18%	335
Japan	65	96	87	82	46	42%	161	86	86%	255
Asia Other	74	58	31	27	24	206%	132	43	204%	101
Canadian	35	47	50	50	43	-18%	82	88	-6%	188
U.S.	10	19	17	35	18	-47%	29	24	19%	76
Total	272	287	296	287	203	34%	559	372	50%	955

¹ NBV is not calculated for Wealth & Asset Management business, Manulife Bank and Property and Casualty Reinsurance business.

REGULATORY CAPITAL

(Canadian \$ in millions, unaudited)



	2016	2016	2015	2015	2015
	Q2	Q1	Q4	Q3	Q2

The Manufacturers Life Insurance Company's MCCR**Capital available:**

Tier 1 capital

Common shares	29,616	27,862	25,108	25,108	25,108
Retained earnings and CTA	13,958	12,907	13,857	16,617	13,970
Qualifying non-controlling interests	572	543	511	504	469
Innovative instruments	1,000	1,000	1,000	1,000	1,000
Other	2,224	2,121	2,259	2,635	2,628
Gross Tier 1 capital	47,370	44,433	42,735	45,864	43,175
Deductions:					
Goodwill	(5,673)	(5,566)	(5,685)	(5,692)	(5,169)
Other	(7,874)	(7,539)	(7,312)	(10,426)	(8,094)
Adjustments	(1,162)	(1,121)	(1,138)	(1,305)	(1,476)
Net Tier 1 capital - A	32,661	30,207	28,600	28,441	28,436

Tier 2 Capital

Tier 2A	146	278	263	207	406
Tier 2B allowed	6,672	6,672	6,714	5,702	5,664
Tier 2C	6,905	6,858	7,318	6,994	6,624
Adjustments	(1,162)	(1,121)	(1,138)	(1,305)	(1,476)
Total Tier 2 capital allowed	12,561	12,687	13,157	11,598	11,218

Total Tier 1 and Tier 2 capital	45,222	42,894	41,757	40,039	39,654
Less Adjustments	-	-	-	-	-
Total Capital Available - B	45,222	42,894	41,757	40,039	39,654

Capital Required:

Asset default & market risk	11,916	11,555	11,687	11,140	10,697
Insurance risks	3,815	3,618	3,801	3,511	3,250
Interest rate risks	3,454	3,241	3,213	3,044	2,878
Total Capital Required - C	19,185	18,414	18,701	17,695	16,825

MCCR Ratio: Total (B/C) x 100	236%	233%	223%	226%	236%
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Supplementary Disclosure

Wealth and Asset Management

WEALTH AND ASSET MANAGEMENT ¹

(Canadian \$ in millions, unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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Shareholders' Income Statement²

Revenue										
Fee income	1,185	1,197	1,248	1,191	1,155	3%	2,382	2,239	6%	4,678
Investment income	9	5	(2)	(2)	(2)	-	14	2	600%	(2)
Total	1,194	1,202	1,246	1,189	1,153	4%	2,396	2,241	7%	4,676
Expenses										
General, administrative and investment expenses	723	741	760	706	706	2%	1,464	1,318	11%	2,784
Commissions	289	299	301	299	298	-3%	588	587	0%	1,187
Total	1,012	1,040	1,061	1,005	1,004	1%	2,052	1,905	8%	3,971
Income before income taxes	182	162	185	184	149	22%	344	336	2%	705
Income tax (expense) recovery	(32)	(29)	(39)	(27)	(26)	23%	(61)	(67)	-9%	(133)
Net income attributed to shareholders	150	133	146	157	123	22%	283	269	5%	572

Earnings (loss) Analysis²

Core earnings										
Asia	37	38	36	38	43	-14%	75	85	-12%	159
Canadian	46	39	35	40	36	28%	85	66	29%	141
U.S.	68	64	78	90	74	-8%	132	142	-7%	310
Corporate and other ³	1	(1)	6	(1)	7	-86%	-	15	-100%	20
Core earnings	152	140	155	167	160	-5%	292	308	-5%	630
Core earnings on a constant currency basis	152	134	151	165	165	-8%	286	318	-10%	634
Material/exceptional items and tax rate changes	(2)	(7)	(10)	(10)	(37)	-95%	(9)	(39)	-77%	(59)
Direct impact of equity markets and interest rates & other investment experience	-	-	1	-	-	-	-	-	-	1
Net income attributed to shareholders	150	133	146	157	123	22%	283	269	5%	572

Core EBITDA by Division²

Asia	51	49	46	54	58	-12%	100	115	-13%	215
Canadian	83	82	70	85	83	0%	165	153	8%	308
U.S.	147	150	168	169	160	-8%	297	312	-5%	649
Corporate and other ³	7	4	18	4	13	-46%	11	30	-63%	52
Core EBITDA	288	285	302	312	314	-8%	573	610	-6%	1,224
Core EBITDA on a constant currency basis	288	273	294	309	325	-11%	561	630	-11%	1,233

Core EBITDA Margin ⁴	24.1%	23.7%	24.2%	26.2%	27.2%	-310 bps	23.9%	27.2%	-330 bps	26.2%
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Core Earnings before income taxes, depreciation and amortization (Core EBITDA) ^{2,4}

Core EBITDA	288	285	302	312	314	-8%	573	610	-6%	1,224
Amortization of deferred acquisition costs and other depreciation	77	85	84	84	82	-6%	162	159	2%	327
Amortization of deferred sales commissions	26	29	22	27	27	-4%	55	57	-4%	106
Total depreciation and amortization	103	114	106	111	109	-6%	217	216	0%	433
Core earnings before income taxes	185	171	196	201	205	-10%	356	394	-10%	791
Core income tax (expense) recovery	(33)	(31)	(41)	(34)	(45)	-27%	(64)	(86)	-26%	(161)
Core Earnings	152	140	155	167	160	-5%	292	308	-5%	630

Deferred Acquisition Costs and Deferred Sales Commissions

Asia	305	300	317	298	273	12%	305	273	12%	317
Canadian	248	247	243	268	264	-6%	248	264	-6%	243
U.S.	1,766	1,769	1,898	1,833	1,713	3%	1,766	1,713	3%	1,898
Total deferred acquisition costs and deferred sales commissions	2,319	2,316	2,458	2,399	2,250	3%	2,319	2,250	3%	2,458

¹ Wealth and asset management is comprised of our fee based business with little or no insurance risk, including mutual funds, pensions products and institutional asset management.

² The Corporate and Other segment includes earnings on assets backing capital net of amounts allocated to operating divisions. The 2015 earnings on assets backing capital allocated to each operating segment has been reclassified to align with the methodology used in 2016.

³ Corporate and other results are net of allocations to other divisions.

⁴ Core EBITDA margin is Core EBITDA divided by total revenue.

WEALTH AND ASSET MANAGEMENT (CONT'D) ¹

(Canadian \$ in millions, unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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Assets Under Management and Administration²

Assets Under Management by Division										
Asia	33,968	32,295	34,792	30,939	36,498	-7%	33,968	36,498	-7%	34,792
Canadian	104,508	101,218	100,850	97,356	97,961	7%	104,508	97,961	7%	100,850
U.S.	217,241	213,912	227,428	212,329	206,319	5%	217,241	206,319	5%	227,428
Corporate and other - Manulife Asset Management ³	434,722	420,959	433,890	409,407	404,282	8%	434,722	404,282	8%	433,890
Less: Assets managed on behalf of wealth & asset management divisions ⁴	(214,788)	(208,565)	(215,405)	(201,301)	(202,062)	6%	(214,788)	(202,062)	6%	(215,405)
Total assets under management	575,651	559,819	581,555	548,730	542,998	6%	575,651	542,998	6%	581,555
Less: Insurance and other wealth managed by Manulife Asset Management	(71,216)	(70,897)	(75,618)	(74,919)	(74,992)	-5%	(71,216)	(74,992)	-5%	(75,618)
Less: General fund assets managed by Manulife Asset Management ⁵	(75,093)	(71,823)	(71,630)	(67,658)	(62,548)	20%	(75,093)	(62,548)	20%	(71,630)
Assets under management excluding internally managed	429,342	417,099	434,307	406,153	405,458	6%	429,342	405,458	6%	434,307
Assets under administration (U.S. division)	73,248	70,437	76,148	70,447	68,924	6%	73,248	68,924	6%	76,148
Total assets under management and administration	502,590	487,536	510,455	476,600	474,382	6%	502,590	474,382	6%	510,455

Assets Under Management and Administration² by Client Segment

Pensions	260,439	253,911	267,961	252,473	252,319	3%	260,439	252,319	3%	267,961
Mutual funds	168,527	163,951	171,257	158,598	157,383	7%	168,527	157,383	7%	171,257
Institutional advisory accounts ⁵	73,624	69,674	71,237	65,529	64,680	14%	73,624	64,680	14%	71,237
Assets under management and administration	502,590	487,536	510,455	476,600	474,382	6%	502,590	474,382	6%	510,455
Assets under management and administration on a constant currency basis	502,590	486,877	526,109	483,347	464,368	8%	502,590	464,368	8%	526,109

Assets Under Management and Administration² by Client Geography

Asia region	51,724	48,140	51,194	42,234	46,103	12%	51,724	46,103	12%	51,194
Canadian region	128,822	124,324	123,942	121,427	124,130	4%	128,822	124,130	4%	123,942
U.S. region	317,644	310,698	331,980	310,016	301,334	5%	317,644	301,334	5%	331,980
Europe and other region	4,400	4,374	3,339	2,923	2,815	56%	4,400	2,815	56%	3,339
Assets under management and administration	502,590	487,536	510,455	476,600	474,382	6%	502,590	474,382	6%	510,455

Changes in Assets Under Management and Administration²

Beginning balance	487,536	510,455	476,600	474,382	393,840	24%	510,455	314,538	62%	314,538
Assets acquired	-	-	-	-	68,574	-100%	-	109,163	-100%	109,163
Gross flows	26,644	28,228	31,089	25,862	34,892	-24%	54,872	57,735	-5%	114,686
Redemptions	(21,822)	(26,552)	(22,341)	(21,348)	(20,398)	7%	(48,374)	(36,610)	32%	(80,299)
Investment income (loss) and other	10,232	(24,595)	25,107	(2,296)	(2,526)	-	(14,363)	29,556	-	52,367
Ending balance	502,590	487,536	510,455	476,600	474,382	6%	502,590	474,382	6%	510,455

¹ Wealth and asset management is comprised of our fee based business with little or no insurance risk, including mutual funds, pensions products and institutional asset management.

² The Corporate and Other segment includes earnings on assets backing capital net of amounts allocated to operating divisions. The 2015 earnings on assets backing capital allocated to each operating segment has been reclassified to align with the methodology used in 2016.

³ Certain comparative amounts have been restated to include the fair value of the real estate portfolios managed by Manulife Asset Management.

⁴ Includes Wealth and Asset Management, Insurance and Other Wealth assets which are managed by Manulife Asset Management for affiliates.

⁵ Includes only the third party institutional business of Manulife Asset Management and not business from affiliates and the General Fund

WEALTH AND ASSET MANAGEMENT (CONT'D) ¹

(Canadian \$ in millions, unaudited)



	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2016 Q2 vs. 2015 Q2	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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Net Flows by Division

Asia	1,650	269	1,134	(2,987)	3,025	-45%	1,919	4,082	-53%	2,229
Canadian	1,298	771	765	1,566	1,331	-2%	2,069	3,152	-34%	5,483
U.S.	105	29	3,762	4,509	1,803	-94%	134	3,978	-97%	12,249
Corporate and other - Manulife Asset Management - Institutional advisory accounts ²	1,769	607	3,087	1,426	8,335	-79%	2,376	9,913	-76%	14,426
Total net flows	4,822	1,676	8,748	4,514	14,494	-67%	6,498	21,125	-69%	34,387
Net flows on a constant currency basis	4,822	1,656	8,571	4,600	14,579	-67%	6,478	21,307	-70%	34,478

Net Flows by Client Segment

Pensions	1,229	197	844	1,546	(427)	-	1,426	429	232%	2,819
Mutual funds	1,824	872	4,817	1,542	6,586	-72%	2,696	10,783	-75%	17,142
Institutional advisory accounts ²	1,769	607	3,087	1,426	8,335	-79%	2,376	9,913	-76%	14,426
Total net flows	4,822	1,676	8,748	4,514	14,494	-67%	6,498	21,125	-69%	34,387

Net Flows by Client Geography

Asia region	2,512	(108)	5,119	(1,775)	3,548	-29%	2,404	4,605	-48%	7,949
Canadian region	1,489	869	501	1,616	8,861	-83%	2,358	11,154	-79%	13,271
U.S. region	677	923	2,920	4,508	1,912	-65%	1,600	5,060	-68%	12,488
Europe and other region	144	(8)	208	165	173	-17%	136	306	-56%	679
Total net flows	4,822	1,676	8,748	4,514	14,494	-67%	6,498	21,125	-69%	34,387

Gross Flows by Division

Asia	4,520	3,406	3,353	2,448	6,340	-29%	7,926	9,694	-18%	15,495
Canadian	4,201	4,165	3,932	4,213	3,923	7%	8,366	8,329	0%	16,474
U.S.	15,044	17,443	17,830	17,036	13,642	10%	32,487	25,701	26%	60,567
Corporate and other - Manulife Asset Management - Institutional advisory accounts ²	2,879	3,214	5,974	2,165	10,987	-74%	6,093	14,011	-57%	22,150
Total gross flows	26,644	28,228	31,089	25,862	34,892	-24%	54,872	57,735	-5%	114,686
Gross flows on a constant currency basis	26,644	26,834	30,140	25,480	35,684	-25%	53,478	59,135	-10%	114,755

Gross Flows by Client Segment

Pensions	9,416	10,486	10,684	10,051	7,935	19%	19,902	14,995	33%	35,730
Mutual funds	14,349	14,528	14,431	13,646	15,970	-10%	28,877	28,729	1%	56,806
Institutional advisory accounts ²	2,879	3,214	5,974	2,165	10,987	-74%	6,093	14,011	-57%	22,150
Total gross flows	26,644	28,228	31,089	25,862	34,892	-24%	54,872	57,735	-5%	114,686

Gross Flows by Client Geography

Asia region	5,606	4,075	7,939	3,654	7,007	-20%	9,681	10,651	-9%	22,244
Canadian region	4,731	5,072	4,812	4,570	13,012	-64%	9,803	18,411	-47%	27,793
U.S. region	16,144	18,917	18,126	17,467	14,696	10%	35,061	28,358	24%	63,951
Europe and other region	163	164	212	171	177	-8%	327	315	4%	698
Total gross flows	26,644	28,228	31,089	25,862	34,892	-24%	54,872	57,735	-5%	114,686

¹ Wealth and asset management is comprised of our fee based business with little or no insurance risk, including mutual funds, pensions products and institutional asset management.

² Includes only the third party institutional business of Manulife Asset Management and not business from affiliates and the General Fund.

GLOSSARY OF TERMS AND DEFINITIONS



Accumulated Other Comprehensive Income (AOCI): A separate component of shareholders' equity which includes net unrealized gains and losses on available-for-sale securities, net unrealized gains and losses on derivative instruments designated within an effective cash flow hedge, unrealized foreign currency translation gains and losses and actuarial gains and losses on employee benefit plans. These items have been recognized in comprehensive income, but excluded from net income.

Return on Common Shareholders' Equity: Common shareholders' net income divided by average common shareholders' equity.

Annuity: A contract which allows the contract holder to either (i) accumulate funds for retirement planning, or (ii) receive scheduled payments, either periodically for a specified period of time or until death.

- **Fixed Annuity:** The return to the contract holder is specified in the contract, i.e., the Company bears the investment risk.

- **Book Value Annuity:** An annuity which provides a declared rate of interest for a specified contract while offering a guarantee of principal amount.

- **Variable Annuity:** Funds are invested in segregated funds (also called separate accounts in the U.S.) and the return to the contract holder fluctuates according to the earnings of the underlying investments. In some instances, guarantees are provided.

Assets Under Management and administration (AUMA): Assets under management include both assets of general account and external client assets for which we provide investment management services.

- **General Fund Assets:** Total invested assets as presented on the Company's balance sheet.

- **Segregated Fund Assets:** Net assets held by policyholders in segregated funds related to insurance, annuity and pension products. These funds are maintained separately from the Company's general account and the policyholder / contract holder bears the investment risk of the underlying fund.

- **Mutual Fund Assets:** Net assets held in proprietary mutual funds.

- **Institutional Advisory Accounts:** Accounts either separate or commingled of Institutional Clients for which Manulife Asset Management provides investment management services and that do not meet the definition of Segregated Funds.

- **Other Funds:** Funds managed or administered by the Company other than those associated with a contract issued by the Company.

- **Assets Under Administration:** includes assets for which we provide administrative services only.

Available-For-Sale (AFS) Financial Assets: Non-derivative financial assets that are designated as available-for-sale or that are not classified as loans and receivables, held-to-maturity investments, or held for trading.

Book Value per Share: Ratio obtained by dividing common shareholders' equity by the number of common shares outstanding at the end of the period.

Cash Flow Hedges: A hedge of the exposure to variability in cash flows associated with a recognized asset or liability, a forecasted transaction or a foreign currency risk in an unrecognized firm commitment that is attributable to a particular risk and could affect reported net income.

Corporate Owned Life Insurance (COLI): Life insurance purchased by organizations, predominantly to finance non-qualified executive deferred compensation plans.

Deferred Acquisition Costs (DAC): Costs directly attributable to the acquisition of new business, principally agents' compensation, which are capitalized on the Company's balance sheet and amortized into income over a specified period.

Fair Value: Amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

Impaired Assets: Mortgages, bonds and other investment securities in default where there is no longer reasonable assurance of collection.

Institutional Clients: Organizations that are non-Manulife-affiliated for which Manulife Asset Management provides investment management services. Such clients include pensions, endowments and other external investment managers and wealth management organizations.

Investment Contracts: Products that do not contain insurance risk (as defined under IFRS) and are accounted for as financial liabilities at amortized cost or fair value.

Leveraged Leases: In these leases the financing provided by the long-term creditor is nonrecourse as to the general credit of the lessor. The amount of the financing is sufficient to provide the lessor with substantial "leverage" in the transaction. Income is recognized on a constant yield basis.

Long-Term Care (LTC): Insurance coverage available on an individual or group basis to provide reimbursement for medical and other services to the chronically ill, disabled or mentally challenged.

Minimum Continuing Capital and Surplus Requirements (MCCSR): The ratio of the available capital of a life insurance company to its required capital, each as calculated under the Office of the Superintendent of Financial Institutions' (OSFI) published guidelines.

Premiums and Deposits: Include general fund premiums, segregated fund deposits, institutional advisory account deposits, mutual fund deposits, other fund deposits and ASO premium equivalents.

- **General Fund Premiums:** Premiums earned on insurance and fixed annuity contracts as reflected in the Company's statement of operations.

- **Segregated Fund Deposits:** Deposits related to insurance, annuity and pension products which are invested in segregated funds.

- **Mutual Fund Deposits:** Deposits received in proprietary mutual funds.

- **Institutional Advisory Account Deposits:** Deposits received in the Institutional Advisory Accounts.

- **Other Fund Deposits:** Deposits received from customers related to non-proprietary funds for Manulife-branded products.

- **ASO Premium Equivalents:** ASO ("administrative services only") contracts are group insurance contracts administered by the Company on behalf of the client on which the Company earns a fee for its services but the client retains all risks inherent in the group insurance. ASO premium equivalents are a measure of the business volume calculated as expected claims plus administrative fees charged.

Sales: Sales are measured according to product type.

- **Individual Insurance:** Sales include 100 per cent of new annualized premiums expected in the first year of a policy that requires premium payments for more than one year and 10 per cent of both excess and single premiums. Single premium is the lump sum premium from the sale of a single premium product e.g. travel insurance. Sales are reported gross before the impact of reinsurance.

- **Group Insurance:** Sales include new annualized premiums and ASO premium equivalents on new cases, as well as the addition of new coverages and amendments to contracts, excluding rate increases.

- **Other Wealth:** All new deposits are reported as sales. This includes certain single premium wealth accumulation products in Asia and individual annuities, both fixed and variable. As we have discontinued sales of new VA contracts in the U.S. beginning in the first quarter of 2013, subsequent deposits into existing U.S. VA contracts are not reported as sales.

- **Group Pensions:** Sales include both new regular premiums and deposits and single premiums sales. New regular premiums and deposits reflect an estimate of expected deposits in the first year of the plan with the Company. Single premium sales reflect the assets transferred from the previous plan provider.

Gross Flows: For wealth and asset management business, all new deposits are reported as gross flows. This includes mutual funds; group pensions/retirement savings; and, college 529 plans.

Total Capital: Capital funding that is both unsecured and permanent in nature. Comprises total equity (excluding AOCI on cash flow hedges) and liabilities for preferred shares and capital instruments.

Universal Life Insurance: A form of permanent life insurance with flexible premiums. The customer may vary the premium payment and death benefit within certain restrictions. The contract is credited with a rate of interest based on the return of a portfolio of assets held by the Company, possibly with a minimum rate guarantee, which may be reset periodically at the discretion of the Company.

Variable Universal Life Insurance: A form of permanent life insurance with flexible premiums in which the cash value and possibly the death benefit of the policy fluctuate according to the investment performance of segregated funds (or separate accounts).

GENERAL INFORMATION

MANULIFE FINANCIAL CORPORATION HEAD OFFICE

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Toronto, Ontario
Canada M4W 1E5
Web Site: www.manulife.com

TRANSFER AGENT

Canada
CIBC Mellon Trust Company
1-800-783-9495
www.cibcmellon.com/investor

United States
Mellon Investor Services
1-800-249-7702
www.melloninvestor.com

COMMON STOCK

Common Stock of Manulife Financial is traded on:

<u>Stock Exchange</u>	<u>Symbol</u>
Toronto	MFC
New York	MFC
Hong Kong	945
Philippines	MFC

INVESTOR INFORMATION

Robert Veloso, VP, Investor Relations
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INDUSTRY RATING INFORMATION

The following credit rating agencies each assigned financial strength ratings to our main operating subsidiaries, The Manufacturers Life Insurance Company and John Hancock Life Insurance Company (U.S.A.), thereby recognizing these companies as having strong credit ratings in the insurance industry.

The Manufacturers Life Insurance Company

(as at August 4, 2016)

<u>Purpose</u>	<u>Rating agency</u>	<u>Rating</u>
Financial strength	Standard & Poor's	AA-
	Moody's	A1
	Fitch Ratings	AA-
	DBRS	AA (low)
	A.M. Best	A+ (Superior)

John Hancock Life Insurance Company (U.S.A)

(as at August 4, 2016)

<u>Purpose</u>	<u>Rating agency</u>	<u>Rating</u>
Financial strength	Standard & Poor's	AA-
	Moody's	A1
	Fitch Ratings	AA-
	DBRS	not rated
	A.M. Best	A+ (Superior)