



# **Statistical Information Package**

## **Q3 2016**



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## MFC

ASIA DIVISION	CANADIAN DIVISION	U.S. DIVISION	CORPORATE & OTHER
<b>INSURANCE</b>	<b>INSURANCE</b>	<b>INSURANCE</b>	<b>CORPORATE</b>
<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>
			<b>REINSURANCE</b>
			<i>Property and Casualty</i> <i>JH Accident and Health (discontinued)</i>
<b>WEALTH AND ASSET MANAGEMENT</b>	<b>WEALTH AND ASSET MANAGEMENT</b>	<b>WEALTH AND ASSET MANAGEMENT</b>	<b>WEALTH AND ASSET MANAGEMENT</b>
<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>
<b>OTHER WEALTH</b>	<b>OTHER WEALTH</b>	<b>OTHER WEALTH</b>	
<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.

**Use of this document:**

Information in the document is supplementary to the Company's third 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 Q3 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 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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## Shareholders' Net Income (Loss) by Division<sup>1</sup>

Asia	561	28	121	409	111	405%	710	696	2%	1,105
Canadian	435	359	600	(104)	276	58%	1,394	584	139%	480
U.S.	559	407	241	323	507	10%	1,207	1,137	6%	1,460
Corporate and other	(438)	(90)	83	(382)	(272)	-	(445)	(472)	-	(854)
<b>Net income attributed to shareholders</b>	<b>1,117</b>	<b>704</b>	<b>1,045</b>	<b>246</b>	<b>622</b>	<b>80%</b>	<b>2,866</b>	<b>1,945</b>	<b>47%</b>	<b>2,191</b>
Preferred share dividends	(34)	(37)	(29)	(29)	(29)	17%	(100)	(87)	15%	(116)
<b>Common shareholders' net income</b>	<b>1,083</b>	<b>667</b>	<b>1,016</b>	<b>217</b>	<b>593</b>	<b>83%</b>	<b>2,766</b>	<b>1,858</b>	<b>49%</b>	<b>2,075</b>
<b>Common shareholders' net income on a constant currency basis</b>	<b>1,083</b>	<b>679</b>	<b>1,000</b>	<b>229</b>	<b>599</b>	<b>81%</b>	<b>2,762</b>	<b>1,902</b>	<b>45%</b>	<b>2,131</b>

## Earnings Analysis<sup>1</sup>

<b>Core earnings</b>										
Asia	394	342	371	334	338	17%	1,107	900	23%	1,234
Canadian	354	333	338	352	336	5%	1,025	900	14%	1,252
U.S.	394	361	389	332	375	5%	1,144	1,134	1%	1,466
Corporate and other (excl. expected cost of macro hedges and core investment gains)	(102)	(125)	(107)	(85)	(66)	-	(334)	(213)	-	(298)
Expected cost of macro hedges	(61)	(78)	(86)	(74)	(62)	-	(225)	(152)	-	(226)
Investment-related experience in core earnings	17	-	-	-	(51)	-	17	-	-	-
<b>Total core earnings</b>	<b>996</b>	<b>833</b>	<b>905</b>	<b>859</b>	<b>870</b>	<b>14%</b>	<b>2,734</b>	<b>2,569</b>	<b>6%</b>	<b>3,428</b>
Investment-related experience outside of core earnings	280	60	(340)	(361)	(169)	-	-	(169)	-	(530)
<b>Total core earnings and investment-related experience in excess of amounts included in core earnings</b>	<b>1,276</b>	<b>893</b>	<b>565</b>	<b>498</b>	<b>701</b>	<b>82%</b>	<b>2,734</b>	<b>2,400</b>	<b>14%</b>	<b>2,898</b>
<b>Items excluded from core earnings</b>										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	414	(170)	474	(29)	232	78%	718	(64)	-	(93)
Change in actuarial methods and assumptions	(455)	-	12	(97)	(285)	-	(443)	(354)	-	(451)
Integration and acquisition costs	(23)	(19)	(14)	(39)	(26)	-	(56)	(110)	-	(149)
Tax related items	2	-	1	2	-	-	3	61	-95%	63
Other items	(97)	-	7	(89)	-	-	(90)	12	-	(77)
<b>Net income attributed to shareholders</b>	<b>1,117</b>	<b>704</b>	<b>1,045</b>	<b>246</b>	<b>622</b>	<b>80%</b>	<b>2,866</b>	<b>1,945</b>	<b>47%</b>	<b>2,191</b>

<sup>1</sup> 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	\$0.55	\$0.34	\$0.51	\$0.11	\$0.30	83%	\$ 1.40	\$0.95	47%	\$ 1.06
Basic earnings per common share on a constant currency basis	\$0.55	\$0.35	\$0.51	\$0.12	\$0.30	83%				
Diluted core earnings per common share	\$0.49	\$0.40	\$0.44	\$0.42	\$0.43	14%	\$ 1.34	\$1.27	6%	\$ 1.68
Diluted earnings per common share	\$0.55	\$0.34	\$0.51	\$0.11	\$0.30	83%	\$ 1.40	\$0.94	49%	\$ 1.05
Return on common shareholders' equity (annualized) (%)	11.1%	7.1%	10.8%	2.3%	6.5%	460 bps	9.7%	7.1%	260 bps	5.8%
Core ROE (annualized) (%)	9.8%	8.4%	9.3%	8.7%	9.2%	60 bps	9.2%	9.5%	-30 bps	9.2%

# FINANCIAL HIGHLIGHTS (CONT'D)

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

	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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## Earnings Analysis (Pre-tax)<sup>1</sup>

<b>Core earnings</b>										
Asia	466	396	444	388	397	17%	1,306	1,025	27%	1,413
Canadian	416	401	424	440	413	1%	1,241	1,103	13%	1,543
U.S.	511	475	515	439	454	13%	1,501	1,472	2%	1,911
Corporate and other (excl. expected cost of macro hedges and core investment gains)	(167)	(205)	(204)	(114)	(144)	-	(576)	(434)	33%	(548)
Expected cost of macro hedges	(88)	(114)	(126)	(108)	(90)	-	(328)	(222)	48%	(330)
Investment-related experience in core earnings	24	-	-	-	(61)	-	24	13	85%	13
<b>Total core earnings</b>	1,162	953	1,053	1,045	969	20%	3,168	2,957	7%	4,002
Investment-related experience outside of core earnings	396	142	(470)	(496)	(202)	-	68	(182)	-	(678)
<b>Total core earnings and investment-related experience in excess of amounts included in core earnings</b>	1,558	1,095	583	549	767	103%	3,236	2,775	17%	3,324
<b>Items excluded from core earnings</b>										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	493	(138)	750	(71)	578	-15%	1,105	190	482%	119
Change in actuarial methods and assumptions	(637)	-	35	(119)	(361)	-	(602)	(472)	28%	(591)
Integration and acquisition costs	(31)	(22)	(18)	(52)	(38)	-	(71)	(155)	-54%	(207)
Other items	(149)	-	(7)	(137)	(8)	-	(156)	11	-	(126)
<b>Net income attributed to shareholders</b>	1,234	935	1,343	170	938	32%	3,512	2,349	50%	2,519

## Earnings Analysis (Tax Rate)<sup>1</sup>

<b>Core earnings</b>										
Asia	15%	14%	16%	14%	15%		15%	12%		13%
Canadian	15%	17%	20%	20%	19%		17%	18%		19%
U.S.	23%	24%	24%	24%	17%		24%	23%		23%
Corporate and other (excl. expected cost of macro hedges and core investment gains)	39%	39%	48%	25%	54%		42%	51%		46%
Expected cost of macro hedges	31%	32%	32%	31%	31%		31%	32%		32%
Investment-related experience in core earnings	29%	0%	0%	0%	16%		29%	100%		100%
<b>Total core earnings</b>	14%	13%	14%	18%	10%					14%
Investment-related experience outside of core earnings	29%	58%	28%	27%	16%		100%	7%		22%
<b>Total core earnings and investment-related experience in excess of amounts included in core earnings</b>	18%	18%	3%	9%	9%		16%	14%		13%
<b>Items excluded from core earnings</b>										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	16%	-23%	37%	59%	60%		0%	0%		
Change in actuarial methods and assumptions	29%	0%	66%	18%	21%		35%	134%		178%
Integration and acquisition costs	26%	14%	22%	25%	32%		26%	25%		24%
Other items	35%	0%	200%	35%	100%		21%	29%		28%
<b>Net income attributed to shareholders</b>	9%	25%	22%	-45%	34%		42%	-9%		39%
							18%	17%		13%

## Core earnings by line of business<sup>1</sup>

<b>Insurance<sup>2</sup></b>										
Asia	240	232	249	222	227	6%	721	589	22%	811
Canadian	207	174	172	202	165	25%	553	419	32%	621
U.S.	191	151	183	134	167	14%	525	531	-1%	665
<b>Total insurance</b>	638	557	604	558	559	14%	1,799	1,539	17%	2,097
<b>Wealth and asset management<sup>3</sup></b>										
Asia	52	37	38	36	38	37%	127	123	3%	159
Canadian	33	46	39	35	40	-18%	118	106	11%	141
U.S.	82	68	64	78	90	-9%	214	232	-8%	310
Corporate and other <sup>5,6</sup>	(8)	1	(1)	6	(1)	700%	(8)	14	-	20
<b>Total wealth and asset management</b>	159	152	140	155	167	-5%	451	475	-5%	630
<b>Other wealth<sup>2,4</sup></b>										
Asia	101	73	84	76	73	38%	258	188	37%	264
Canadian Manulife Bank	30	25	30	27	26	15%	85	96	-11%	123
Canadian excluding Manulife Bank	84	88	97	88	105	-20%	269	279	-4%	367
Canadian	114	113	127	115	131	-13%	354	375	-6%	490
U.S.	122	142	142	120	118	3%	406	371	9%	491
<b>Total other wealth</b>	337	328	353	311	322	5%	1,018	934	9%	1,245
<b>Corporate and other<sup>5,6</sup></b>	(138)	(204)	(192)	(165)	(178)	-22%	(534)	(379)	41%	(544)
<b>Total core earnings</b>	996	833	905	859	870	14%	2,734	2,569	6%	3,428

<sup>1</sup> 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.

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

<sup>3</sup> 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.

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

<sup>5</sup> Corporate and other results are net of internal allocations to other divisions.

<sup>6</sup> 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 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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## Premiums and Deposits - Insurance

Life and health insurance premiums <sup>1</sup>	5,928	5,476	5,706	5,306	5,066	17%	17,110	14,323	19%	19,629
Segregated fund deposits	613	571	578	569	594	3%	1,762	1,690	4%	2,259
ASO premium equivalents	748	869	868	833	804	-7%	2,485	2,492	0%	3,325
Group Benefits ceded	1,058	1,506	1,034	1,051	1,012	5%	3,598	3,245	11%	4,296
<b>Premiums and deposits - Insurance</b>	<b>8,347</b>	<b>8,422</b>	<b>8,186</b>	<b>7,759</b>	<b>7,476</b>	<b>12%</b>	<b>24,955</b>	<b>21,750</b>	<b>15%</b>	<b>29,509</b>
<b>Premiums and deposits - Insurance on a constant currency basis</b>	<b>8,347</b>	<b>8,530</b>	<b>8,081</b>	<b>7,796</b>	<b>7,624</b>	<b>9%</b>	<b>24,958</b>	<b>22,627</b>	<b>10%</b>	<b>30,423</b>

<sup>1</sup> 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 <sup>2</sup>

Pension premiums and investment contract deposits	15	12	14	10	11	36%	41	34	21%	44
Segregated fund deposits	6,651	6,357	7,045	6,606	6,802	-2%	20,053	19,274	4%	25,880
Mutual fund deposits	19,152	17,270	17,812	18,361	16,768	14%	54,234	47,743	14%	66,104
Institutional advisory accounts	1,477	2,879	3,213	5,972	2,165	-32%	7,569	16,176	-53%	22,148
Other fund deposits <sup>3</sup>	123	126	144	140	116	6%	393	370	6%	510
<b>Premiums and deposits - Wealth and Asset Management</b>	<b>27,418</b>	<b>26,644</b>	<b>28,228</b>	<b>31,089</b>	<b>25,862</b>	<b>6%</b>	<b>82,290</b>	<b>83,597</b>	<b>-2%</b>	<b>114,686</b>
<b>Premiums and deposits - Wealth and Asset Management on a constant currency basis</b>	<b>27,418</b>	<b>26,883</b>	<b>27,073</b>	<b>30,432</b>	<b>25,775</b>	<b>6%</b>	<b>81,374</b>	<b>85,351</b>	<b>-5%</b>	<b>115,783</b>

<sup>2</sup> 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.

<sup>3</sup> Other funds include College Savings (529 plan) and Privately Managed Accounts.

## Premiums and Deposits - Other Wealth

Annuity and investment contract deposits	1,270	1,264	1,026	1,398	1,137	12%	3,560	2,964	20%	4,362
Segregated fund deposits	206	448	415	565	458	-55%	1,069	1,791	-40%	2,356
<b>Premiums and deposits - Other Wealth</b>	<b>1,476</b>	<b>1,712</b>	<b>1,441</b>	<b>1,963</b>	<b>1,595</b>	<b>-7%</b>	<b>4,629</b>	<b>4,755</b>	<b>-3%</b>	<b>6,718</b>
<b>Premiums and deposits - Other Wealth on a constant currency basis</b>	<b>1,476</b>	<b>1,740</b>	<b>1,427</b>	<b>1,967</b>	<b>1,623</b>	<b>-9%</b>	<b>4,643</b>	<b>4,938</b>	<b>-6%</b>	<b>6,905</b>

## Premiums and Deposits - Corporate & Other

	22	21	22	26	24	-8%	65	64	2%	90
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# FINANCIAL HIGHLIGHTS (CONT'D)

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

	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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## Insurance Sales <sup>1</sup>

Asia - US \$	525	510	460	416	379	39%	1,495	1,091	37%	1,507
Canadian - C \$	181	120	155	303	142	27%	456	522	-13%	825
U.S. - US \$	110	107	122	127	126	-13%	339	361	-6%	488
<b>Insurance sales - C \$</b>	<b>1,010</b>	<b>914</b>	<b>954</b>	<b>1,027</b>	<b>803</b>	<b>26%</b>	<b>2,878</b>	<b>2,353</b>	<b>22%</b>	<b>3,380</b>
<b>Insurance sales on a constant currency basis - C \$</b>	<b>1,010</b>	<b>934</b>	<b>944</b>	<b>1,049</b>	<b>840</b>	<b>20%</b>	<b>2,888</b>	<b>2,520</b>	<b>15%</b>	<b>3,569</b>

<sup>1</sup> Insurance sales consist of recurring premiums and 10% of both excess and single premiums.

## Wealth and Asset Management <sup>2</sup> Gross Flows by Division

Asia - US \$	3,519	3,506	2,482	2,509	1,871	88%	9,507	9,731	-2%	12,240
Canadian - C \$	4,599	4,201	4,165	3,932	4,213	9%	12,965	12,542	3%	16,474
U.S. - US \$	12,820	11,672	12,710	13,344	13,016	-2%	37,202	33,836	10%	47,180
Corporate and Other - C \$	1,497	2,879	3,213	5,974	2,165	-31%	7,589	16,176	-53%	22,150
<b>Wealth &amp; asset management gross flows - C \$</b>	<b>27,418</b>	<b>26,644</b>	<b>28,228</b>	<b>31,089</b>	<b>25,862</b>	<b>6%</b>	<b>82,290</b>	<b>83,597</b>	<b>-2%</b>	<b>114,686</b>
<b>Wealth &amp; asset management gross flows on a constant currency basis - C \$</b>	<b>27,418</b>	<b>26,883</b>	<b>27,073</b>	<b>30,432</b>	<b>25,775</b>	<b>6%</b>	<b>81,374</b>	<b>85,351</b>	<b>-5%</b>	<b>115,783</b>

<sup>2</sup> 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 \$	1,033	1,280	196	848	(2,281)	-	2,509	1,031	143%	1,879
Canadian - C \$	1,328	1,298	771	765	1,566	-15%	3,397	4,718	-28%	5,483
U.S. - US \$	652	82	20	2,815	3,446	-81%	754	6,666	-89%	9,481
Corporate and Other - C \$	(832)	1,769	607	3,087	1,426	-	1,544	11,339	-86%	14,426
<b>Total net flows - C\$</b>	<b>2,694</b>	<b>4,822</b>	<b>1,676</b>	<b>8,748</b>	<b>4,514</b>	<b>-40%</b>	<b>9,192</b>	<b>25,639</b>	<b>-64%</b>	<b>34,387</b>
<b>Net flows on a constant currency basis - C\$</b>	<b>2,694</b>	<b>4,858</b>	<b>1,630</b>	<b>8,512</b>	<b>4,675</b>	<b>-42%</b>	<b>9,182</b>	<b>26,138</b>	<b>-65%</b>	<b>34,650</b>

## Other Wealth Sales excluding Manulife Bank

Asia - US \$	1,011	919	1,049	929	813	24%	2,979	2,093	42%	3,022
Canadian - C \$	719	816	944	868	781	-8%	2,479	2,741	-10%	3,609
<b>Other wealth sales - C \$</b>	<b>2,038</b>	<b>2,000</b>	<b>2,384</b>	<b>2,109</b>	<b>1,845</b>	<b>10%</b>	<b>6,422</b>	<b>5,385</b>	<b>19%</b>	<b>7,494</b>
<b>Other wealth sales on a constant currency basis - C \$</b>	<b>2,038</b>	<b>2,065</b>	<b>2,456</b>	<b>2,274</b>	<b>2,011</b>	<b>1%</b>	<b>6,559</b>	<b>5,833</b>	<b>12%</b>	<b>8,107</b>

## New Business Value <sup>3</sup>

Asia	256	227	221	229	202	27%	704	462	52%	691
Canadian	39	35	47	50	50	-22%	121	138	-12%	188
U.S.	5	10	19	17	35	-86%	34	59	-42%	76
<b>Total new business value</b>	<b>300</b>	<b>272</b>	<b>287</b>	<b>296</b>	<b>287</b>	<b>5%</b>	<b>859</b>	<b>659</b>	<b>30%</b>	<b>955</b>

<sup>3</sup> 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 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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## Common Share Statistics

Share Price - Toronto (in Canadian \$)										
high	18.84	19.68	20.53	22.65	21.13	-11%	20.53	24.20	-15%	24.20
low	16.53	16.43	15.32	20.12	20.05	-18%	15.32	19.80	-23%	19.80
close	18.51	17.67	18.38	20.74	20.64	-10%	18.51	20.64	-10%	20.74
Share Price - New York (in U.S \$)										
high	14.49	15.22	14.73	16.95	16.00	-9%	15.22	19.61	-22%	19.61
low	12.69	12.55	10.99	14.52	15.03	-16%	10.99	15.03	-27%	14.52
close	14.11	13.67	14.13	14.98	15.48	-9%	14.11	15.48	-9%	14.98
Common shares outstanding (millions)										
- end of period	1,973	1,973	1,972	1,972	1,971	0%	1,973	1,971	0%	1,972
- weighted average	1,973	1,972	1,972	1,972	1,971	0%	1,972	1,959	1%	1,962
- diluted weighted average	1,976	1,976	1,976	1,977	1,977	0%	1,976	1,976	0%	1,977
Dividend per common share paid in the quarter <sup>1</sup>	0.185	0.185	0.185	0.17	0.17	9%	0.555	0.495	12%	0.665
Common share dividend payout ratio	33.6%	54.6%	33.5%	154.8%	56.5%	-41%	38.6%	51.9%	-26%	62.7%

<sup>1</sup> On November 9, 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 December 19, 2016 to shareholders of record at the close of business on November 22, 2016.

## Valuation Data

Book value per common share	19.92	19.49	18.98	19.51	18.98	5%	19.92	18.98	5%	19.51
Market value to book value ratio	0.93	0.91	0.97	1.06	1.09	-15%	0.93	1.09	-15%	1.06
Book value excluding goodwill per common share	17.03	16.62	16.16	16.62	16.12	6%	17.03	16.12	6%	16.62
Market value to book value excluding goodwill ratio	1.09	1.06	1.14	1.25	1.28	-15%	1.09	1.28	-15%	1.25
Market capitalization (\$ billions)	36.5	34.9	36.2	40.9	40.7	-10%	36.5	40.7	-10%	40.9

## Assets Under Management and Administration<sup>3</sup>

<b>Assets Under Management</b>										
General fund	328,756	321,664	306,827	307,506	297,835	10%	328,756	297,835	10%	307,506
Segregated funds excluding institutional advisory accounts	311,804	300,966	296,537	310,952	298,679	4%	311,804	298,679	4%	310,952
Mutual funds	162,994	154,804	151,087	160,020	147,185	11%	162,994	147,185	11%	160,020
Institutional advisory accounts	74,035	73,625	69,674	71,237	65,528	13%	74,035	65,528	13%	71,237
Other funds <sup>2</sup>	8,649	8,293	7,674	7,552	6,549	32%	8,649	6,549	32%	7,552
<b>Total assets under management</b>	<b>886,238</b>	<b>859,352</b>	<b>831,799</b>	<b>857,267</b>	<b>815,776</b>	<b>9%</b>	<b>886,238</b>	<b>815,776</b>	<b>9%</b>	<b>857,267</b>
Assets under administration	79,719	74,868	72,052	77,909	72,199	10%	79,719	72,199	10%	77,909
<b>Total assets under management and administration</b>	<b>965,957</b>	<b>934,220</b>	<b>903,851</b>	<b>935,176</b>	<b>887,975</b>	<b>9%</b>	<b>965,957</b>	<b>887,975</b>	<b>9%</b>	<b>935,176</b>
<b>Total assets under management and administration on a constant currency basis</b>	<b>965,957</b>	<b>939,578</b>	<b>912,877</b>	<b>910,274</b>	<b>882,157</b>	<b>9%</b>	<b>965,957</b>	<b>882,157</b>	<b>9%</b>	<b>910,274</b>

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

## Assets Under Management and Administration<sup>3</sup>

Insurance	266,966	257,529	245,551	246,102	234,943	14%	266,966	234,943	14%	246,102
Wealth and asset management <sup>4</sup>	525,043	502,590	487,536	510,455	476,600	10%	525,043	476,600	10%	510,455
Other wealth	182,165	180,785	175,184	178,307	176,138	3%	182,165	176,138	3%	178,307
Corporate and other	(8,217)	(6,684)	(4,420)	312	294	-	(8,217)	294	-	312
<b>Total assets under management and administration</b>	<b>965,957</b>	<b>934,220</b>	<b>903,851</b>	<b>935,176</b>	<b>887,975</b>	<b>9%</b>	<b>965,957</b>	<b>887,975</b>	<b>9%</b>	<b>935,176</b>

<sup>3</sup> 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

<sup>4</sup> 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 <sup>5</sup>	51,840	50,930	49,384	49,897	47,880	8%	51,840	47,880	8%	49,897
MCCSR - The Manufacturers Life Insurance Company <sup>6</sup>	234%	236%	233%	223%	226%	8 pts	234%	226%	8 pts	223%

<sup>5</sup> 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.

<sup>6</sup> 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 Information<sup>7</sup>

- Statements of Financial Position	(CDN to \$ 1 US)	1.3116	1.3009	1.2970	1.3841	1.3394	-2%
	(CDN to 1 YEN)	0.0130	0.0127	0.0115	0.0115	0.0112	16%
- Statements of Income	(CDN to \$ 1 US)	1.3050	1.2889	1.3724	1.3360	1.3089	0%
	(CDN to 1 YEN)	0.0128	0.0119	0.0119	0.0110	0.0107	19%

<sup>7</sup> 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 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
<b>Revenue</b>										
<b>Premium income</b>										
Gross premiums	9,207	9,155	9,118	8,984	8,198	12%	27,480	23,036	19%	32,020
Premiums ceded to reinsurers	(2,010)	(2,449)	(2,390)	(2,272)	(1,965)	2%	(6,849)	(5,823)	18%	(8,095)
Net premium income prior to New York Life reinsurance	7,197	6,706	6,728	6,712	6,233	15%	20,631	17,213	20%	23,925
Premiums ceded, net of ceded commissions and additional consideration relating to Closed Block reinsurance transaction <sup>1</sup>	-	-	-	-	(7,996)	-	-	(7,996)	-	(7,996)
Net premium income (ceded)	7,197	6,706	6,728	6,712	(1,763)	-	20,631	9,217	124%	15,929
<b>Investment income</b>										
Investment income <sup>2</sup>	3,568	3,213	3,300	2,899	2,708	32%	10,081	8,566	18%	11,465
Realized/ unrealized gains (losses) on assets supporting insurance and investment contract liabilities and on macro hedge program <sup>3</sup>	771	7,922	8,862	(1,916)	3,672	-79%	17,555	(1,146)	-	(3,062)
Net investment income (loss)	4,339	11,135	12,162	983	6,380	-32%	27,636	7,420	272%	8,403
<b>Other revenue</b>	2,921	2,794	2,829	2,694	2,487	17%	8,544	7,404	15%	10,098
<b>Total revenue</b>	14,457	20,635	21,719	10,389	7,104	104%	56,811	24,041	136%	34,430
<b>Contract benefits and expenses</b>										
To contract holders and beneficiaries										
Gross claims and benefits	6,118	6,112	6,498	6,225	5,741	7%	18,728	17,536	7%	23,761
Change in insurance contract liabilities <sup>2</sup>	5,393	12,107	12,158	2,063	5,741	-6%	29,658	5,389	450%	7,452
Change in investment contract liabilities	47	(2)	(57)	26	56	-16%	(12)	177	-	203
Benefits and expenses ceded to reinsurers	(1,947)	(2,069)	(2,056)	(1,965)	(1,868)	4%	(6,072)	(5,300)	15%	(7,265)
Change in reinsurance assets <sup>1</sup>	(562)	(313)	129	(48)	(7,160)	-92%	(746)	(6,762)	-89%	(6,810)
<b>Net benefits and claims</b>	9,049	15,835	16,672	6,301	2,510	261%	41,556	11,040	276%	17,341
General expenses	1,834	1,690	1,637	1,752	1,519	21%	5,161	4,469	15%	6,221
Investment expenses	391	409	385	453	402	-3%	1,185	1,162	2%	1,615
Commissions	1,487	1,394	1,381	1,401	1,314	13%	4,262	3,775	13%	5,176
Interest expense	288	258	201	252	282	2%	747	849	-12%	1,101
Net premium taxes	94	102	90	94	89	6%	286	264	8%	358
<b>Total contract benefits and expenses</b>	13,143	19,688	20,366	10,253	6,116	115%	53,197	21,559	147%	31,812
<b>Income before income taxes</b>	1,314	947	1,353	136	988	33%	3,614	2,482	46%	2,618
Income tax (expense) recovery	(117)	(231)	(298)	76	(316)	-63%	(646)	(404)	60%	(328)
<b>Net income</b>	1,197	716	1,055	212	672	78%	2,968	2,078	43%	2,290
Less: net income (loss) attributed to non-controlling interests	67	27	26	(7)	24	179%	120	76	58%	69
Less: net income (loss) attributed to participating policyholders	13	(15)	(16)	(27)	26	-50%	(18)	57	-	30
<b>Net income attributed to shareholders</b>	1,117	704	1,045	246	622	80%	2,866	1,945	47%	2,191
Preferred share dividends	(34)	(37)	(29)	(29)	(29)	17%	(100)	(87)	15%	(116)
<b>Common shareholders' net income</b>	1,083	667	1,016	217	593	83%	2,766	1,858	49%	2,075

<sup>1</sup> 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.

<sup>2</sup> 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).

<sup>3</sup> 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 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3
<b>ASSETS</b>					
Invested assets					
Cash and short-term securities	18,179	20,902	17,864	17,885	19,005
Securities					
Debt securities	176,634	171,912	161,425	157,827	150,788
Public equities	18,142	17,082	16,641	16,983	16,068
Loans					
Mortgages	43,853	43,506	42,987	43,818	43,864
Private placements	28,492	26,869	26,224	27,578	26,043
Policy loans	5,952	5,691	5,675	5,912	5,721
Loans to bank clients	1,770	1,801	1,822	1,778	1,761
Real estate	13,907	13,385	14,870	15,347	14,848
Other invested assets	21,827	20,516	19,319	20,378	19,737
<b>Total invested assets</b>	<b>328,756</b>	<b>321,664</b>	<b>306,827</b>	<b>307,506</b>	<b>297,835</b>
Other assets					
Accrued investment income	2,117	2,130	2,126	2,264	2,056
Outstanding premiums	849	767	813	878	840
Derivatives	41,621	42,929	34,432	24,272	25,615
Goodwill and intangible assets	9,669	9,773	9,624	9,384	9,127
Reinsurance assets	34,164	33,395	33,017	35,426	34,740
Deferred tax asset	4,195	3,855	3,724	4,067	3,766
Miscellaneous	7,024	6,919	6,469	5,825	6,597
<b>Total other assets</b>	<b>99,639</b>	<b>99,768</b>	<b>90,205</b>	<b>82,116</b>	<b>82,741</b>
<b>Segregated funds net assets</b>	<b>313,904</b>	<b>303,154</b>	<b>298,684</b>	<b>313,249</b>	<b>301,276</b>
<b>Total assets</b>	<b>742,299</b>	<b>724,586</b>	<b>695,716</b>	<b>702,871</b>	<b>681,852</b>

**LIABILITIES AND EQUITY**

Policy liabilities					
Insurance contract liabilities	307,493	299,849	284,885	285,288	276,680
Investment contract liabilities	3,268	3,249	3,253	3,497	3,910
Deposits from bank clients	18,269	18,570	18,135	18,114	18,222
Deferred tax liability	1,984	1,899	1,507	1,235	1,274
Derivatives	23,631	25,419	20,618	15,050	16,581
Other liabilities	16,916	16,582	15,582	14,952	14,509
	371,561	365,568	343,980	338,136	331,176
Long-term debt	5,385	5,349	4,048	1,853	1,829
Liabilities for preferred shares and capital instruments	8,134	8,132	7,653	7,695	6,681
<b>Segregated funds net liabilities</b>	<b>313,904</b>	<b>303,154</b>	<b>298,684</b>	<b>313,249</b>	<b>301,276</b>
<b>Total liabilities</b>	<b>698,984</b>	<b>682,203</b>	<b>654,365</b>	<b>660,933</b>	<b>640,962</b>
<b>Equity</b>					
Issued share capital					
Preferred shares	3,110	3,110	3,110	2,693	2,693
Common shares	22,819	22,815	22,804	22,799	22,790
Contributed surplus	289	287	286	277	276
Shareholders' retained earnings	10,096	9,377	9,074	8,398	8,517
Shareholders' accumulated other comprehensive income (loss)					
Pension and other post-employment plans	(507)	(504)	(503)	(521)	(561)
Available-for-sale securities	672	856	452	345	422
Cash flow hedges	(391)	(415)	(380)	(264)	(309)
Translation of foreign operations and real estate revaluation surplus	6,331	6,040	5,706	7,432	6,271
<b>Total shareholders' equity</b>	<b>42,419</b>	<b>41,566</b>	<b>40,549</b>	<b>41,159</b>	<b>40,099</b>
Participating policyholders' equity	169	156	171	187	214
Non-controlling interests	727	661	631	592	577
<b>Total equity</b>	<b>43,315</b>	<b>42,383</b>	<b>41,351</b>	<b>41,938</b>	<b>40,890</b>
<b>Total liabilities and equity</b>	<b>742,299</b>	<b>724,586</b>	<b>695,716</b>	<b>702,871</b>	<b>681,852</b>

# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Canadian \$ in millions, unaudited)



	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	YTD 2016	YTD 2015	Fiscal 2015
<b>Preferred shares</b>								
Balance, beginning of period	3,110	3,110	2,693	2,693	2,693	2,693	2,693	2,693
Issued	-	-	425	-	-	425	-	-
Issuance costs, net of tax	-	-	(8)	-	-	(8)	-	-
<b>Balance, end of period</b>	<b>3,110</b>	<b>3,110</b>	<b>3,110</b>	<b>2,693</b>	<b>2,693</b>	<b>3,110</b>	<b>2,693</b>	<b>2,693</b>
<b>Common shares</b>								
Balance, beginning of period	22,815	22,804	22,799	22,790	22,785	22,799	20,556	20,556
Issued on exercise of stock options and deferred share units	4	11	5	9	5	20	28	37
Issued in exchange of subscription receipts	-	-	-	-	-	-	2,206	2,206
<b>Balance, end of period</b>	<b>22,819</b>	<b>22,815</b>	<b>22,804</b>	<b>22,799</b>	<b>22,790</b>	<b>22,819</b>	<b>22,790</b>	<b>22,799</b>
<b>Contributed surplus</b>								
Balance, beginning of period	287	286	277	276	275	277	267	267
Exercise of stock options and deferred share units	(1)	(2)	(1)	(1)	(1)	(4)	(5)	(6)
Stock option expense	3	3	10	2	2	16	14	16
<b>Balance, end of period</b>	<b>289</b>	<b>287</b>	<b>286</b>	<b>277</b>	<b>276</b>	<b>289</b>	<b>276</b>	<b>277</b>
<b>Shareholders' retained earnings</b>								
Balance, beginning of period	9,377	9,074	8,398	8,517	8,259	8,398	7,624	7,624
Net income attributed to shareholders	1,117	704	1,045	246	622	2,866	1,945	2,191
Preferred share dividends	(34)	(37)	(29)	(29)	(29)	(100)	(87)	(116)
Common share dividends	(364)	(364)	(340)	(336)	(335)	(1,068)	(965)	(1,301)
<b>Balance, end of period</b>	<b>10,096</b>	<b>9,377</b>	<b>9,074</b>	<b>8,398</b>	<b>8,517</b>	<b>10,096</b>	<b>8,517</b>	<b>8,398</b>
<b>Shareholders' accumulated other comprehensive income (loss)</b>								
Balance, beginning of period	5,977	5,275	6,992	5,823	3,940	6,992	2,166	2,166
Other comprehensive income (loss)								
Remeasurement of pension and other post-employment plans, net of tax recovery of \$1	(3)	(1)	18	40	(18)	14	(32)	8
Real estate revaluation reserve, net of tax expense of nil	-	-	-	-	-	-	1	1
Available-for-sale ("AFS") securities unrealized gains (losses), net of tax recovery of \$6	46	443	355	(33)	(58)	844	(130)	(163)
AFS securities realized losses (gains) & impairments (recoveries), net of tax recovery of \$80	(230)	(40)	(247)	(44)	(130)	(517)	(239)	(283)
Cash flow hedges unrealized gains (losses), net of tax expense of \$6	21	(37)	(119)	42	(107)	(135)	(106)	(64)
Cash flow hedges realized (gains) losses, net of tax expense of \$1	3	2	3	3	3	8	8	11
Unrealized foreign exchange gains (losses), net of \$66 hedges and tax recovery of \$19	291	334	(1,726)	1,161	2,194	(1,101)	4,158	5,319
Share of other comprehensive income (loss) of associates, net of tax expense of nil	-	1	(1)	-	(1)	-	(3)	(3)
<b>Balance, end of period</b>	<b>6,105</b>	<b>5,977</b>	<b>5,275</b>	<b>6,992</b>	<b>5,823</b>	<b>6,105</b>	<b>5,823</b>	<b>6,992</b>
<b>Total shareholders' equity, end of period</b>	<b>42,419</b>	<b>41,566</b>	<b>40,549</b>	<b>41,159</b>	<b>40,099</b>	<b>42,419</b>	<b>40,099</b>	<b>41,159</b>
<b>Participating policyholders' equity</b>								
Balance, beginning of period	156	171	187	214	188	187	156	156
Net income (loss) attributed to participating policyholders	13	(15)	(16)	(27)	26	(18)	57	30
Other comprehensive income attributed to participating policyholders	-	-	-	-	-	-	1	1
<b>Balance, end of period</b>	<b>169</b>	<b>156</b>	<b>171</b>	<b>187</b>	<b>214</b>	<b>169</b>	<b>214</b>	<b>187</b>
<b>Non-controlling interests</b>								
Balance, beginning of period	661	631	592	577	537	592	464	464
Net income (loss) attributed to non-controlling interests	67	27	26	(7)	24	120	76	69
Other comprehensive income (loss) attributed to non-controlling interests	-	1	-	(1)	(2)	1	(1)	(2)
Contributions (distributions), net	(1)	2	13	23	18	14	38	61
<b>Balance, end of period</b>	<b>727</b>	<b>661</b>	<b>631</b>	<b>592</b>	<b>577</b>	<b>727</b>	<b>577</b>	<b>592</b>
<b>Total equity, end of period</b>	<b>43,315</b>	<b>42,383</b>	<b>41,351</b>	<b>41,938</b>	<b>40,890</b>	<b>43,315</b>	<b>40,890</b>	<b>41,938</b>

# CONSOLIDATED STATEMENTS OF CASH FLOWS

(Canadian \$ in millions, unaudited)

	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
<b>Operating activities</b>										
Net income (loss)	1,197	716	1,055	212	672	78%	2,968	2,078	43%	2,290
Adjustments	-	-	-	-	-					
Increase (decrease) in insurance contract liabilities	5,393	12,107	12,158	2,063	5,741	-6%	29,658	5,389	450%	7,452
Increase (decrease) in investment contract liabilities	47	(2)	(57)	26	56	-16%	(12)	177	-	203
Decrease (increase) in reinsurance assets	(562)	(313)	129	(48)	1,041	-	(746)	1,439	-	1,391
Amortization of premium/discount on invested assets	4	16	21	18	36	-89%	41	72	-43%	90
Other amortization	282	130	137	141	135	109%	549	439	25%	580
Net realized (gains) losses, including impairments on assets	(1,450)	(8,808)	(9,914)	2,080	(3,400)	-57%	(20,172)	1,407	-	3,487
Deferred income tax expense (recovery)	(180)	113	410	(212)	84	-	343	(131)	-	(343)
Stock option expense	3	3	10	2	2	50%	16	14	14%	16
Cash provided by operating activities before undernoted items	4,734	3,962	3,949	4,282	4,367	8%	12,645	10,884	16%	15,166
Net cash decrease due to Closed Block reinsurance transaction	-	-	-	-	(2,023)	-	-	(2,023)	-	(2,023)
Changes in policy related and operating receivables and payables	481	304	(1,221)	(158)	(1,588)	-	(436)	(2,611)	-83%	(2,769)
<b>Cash provided by operating activities</b>	<b>5,215</b>	<b>4,266</b>	<b>2,728</b>	<b>4,124</b>	<b>756</b>	<b>590%</b>	<b>12,209</b>	<b>6,250</b>	<b>95%</b>	<b>10,374</b>
<b>Investing activities</b>										
Purchases and mortgage advances	(30,820)	(26,727)	(23,576)	(19,353)	(19,784)	56%	(81,123)	(57,788)	40%	(77,141)
Disposals and repayments	23,331	23,457	18,168	12,945	22,061	6%	64,956	53,997	20%	66,942
Changes in investment broker net receivables and payables	(119)	(10)	160	(212)	1,270	-109%	31	314	-90%	102
Net cash decrease from sale and purchase of subsidiaries and businesses	(14)	(78)	(11)	-	-	-	(103)	(3,808)	-97%	(3,808)
<b>Cash provided by (used in) investing activities</b>	<b>(7,622)</b>	<b>(3,358)</b>	<b>(5,259)</b>	<b>(6,620)</b>	<b>3,547</b>	<b>-</b>	<b>(16,239)</b>	<b>(7,285)</b>	<b>123%</b>	<b>(13,905)</b>
<b>Financing activities</b>										
Increase (decrease) in repurchase agreements and securities sold but not yet purchased	116	(168)	820	57	31	274%	768	(269)	-	(212)
Issue of long-term debt, net	-	1,292	2,246	-	-	-	3,538	-	-	-
Repayment of long-term debt, net	-	-	(8)	-	(1,693)	-	(8)	(2,243)	-100%	(2,243)
Issue (redemption) of capital instruments, net	-	479	-	995	-	-	479	744	-36%	1,739
Changes in deposits from bank clients, net	(305)	428	75	(118)	148	-	198	(233)	-	(351)
Shareholder dividends paid in cash	(398)	(401)	(394)	(364)	(364)	9%	(1,193)	(1,063)	12%	(1,427)
NCI dividends paid in cash	-	(2)	-	-	-	-	(2)	-	-	-
Funds borrowed (repaid), net	-	(17)	(2)	(39)	(3)	-	(19)	(7)	171%	(46)
Secured borrowings from securitization transactions	174	399	149	161	175	-1%	722	275	163%	436
Contributions from (distributions to) non-controlling interest, net	(1)	4	13	23	18	-	16	38	-58%	61
Common shares issued, net	4	11	5	9	5	-20%	20	28	-29%	37
Preferred shares issued, net	-	-	417	-	-	-	417	-	-	-
<b>Cash provided by (used in) financing activities</b>	<b>(410)</b>	<b>2,025</b>	<b>3,321</b>	<b>724</b>	<b>(1,683)</b>	<b>-76%</b>	<b>4,936</b>	<b>(2,730)</b>	<b>-</b>	<b>(2,006)</b>
<b>Cash and short-term securities</b>										
Increase (decrease) during the period	(2,817)	2,933	790	(1,772)	2,620	-	906	(3,765)	-	(5,537)
Effect of foreign exchange rate changes on cash and short-term securities	117	126	(637)	447	735	-84%	(394)	1,655	-	2,102
Balance, beginning of period	20,214	17,155	17,002	18,327	14,972	35%	17,002	20,437	-17%	20,437
<b>Balance, end of period</b>	<b>17,514</b>	<b>20,214</b>	<b>17,155</b>	<b>17,002</b>	<b>18,327</b>	<b>-4%</b>	<b>17,514</b>	<b>18,327</b>	<b>-4%</b>	<b>17,002</b>
<b>Cash and short-term securities</b>										
<b>Beginning of period</b>										
Gross cash and short-term securities	20,902	17,864	17,885	19,005	15,647	34%	17,885	21,079	-15%	21,079
Net payments in transit, included in other liabilities	(688)	(709)	(883)	(678)	(675)	2%	(883)	(642)	38%	(642)
<b>Net cash and short-term securities, beginning of period</b>	<b>20,214</b>	<b>17,155</b>	<b>17,002</b>	<b>18,327</b>	<b>14,972</b>	<b>35%</b>	<b>17,002</b>	<b>20,437</b>	<b>-17%</b>	<b>20,437</b>
<b>End of period</b>										
Gross cash and short-term securities	18,179	20,902	17,864	17,885	19,005	-4%	18,179	19,005	-4%	17,885
Net payments in transit, included in other liabilities	(665)	(688)	(709)	(883)	(678)	-2%	(665)	(678)	-2%	(883)
<b>Net cash and short-term securities, end of period</b>	<b>17,514</b>	<b>20,214</b>	<b>17,155</b>	<b>17,002</b>	<b>18,327</b>	<b>-4%</b>	<b>17,514</b>	<b>18,327</b>	<b>-4%</b>	<b>17,002</b>

# CONSOLIDATED SOURCE OF EARNINGS

(Canadian \$ in millions, unaudited)

	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
<b>Source of Earnings</b> <sup>1</sup>										
Expected profit from in-force business	1,301	1,234	1,255	1,262	1,190	9%	3,790	3,423	11%	4,685
Impact of new business	31	(24)	(2)	(8)	33	-6%	5	(94)	-	(102)
Experience gains (losses)	318	(348)	(293)	(813)	255	25%	(323)	(440)	-27%	(1,253)
Management actions and changes in assumptions	(540)	(80)	228	(421)	(495)	9%	(392)	(804)	-51%	(1,225)
Earnings on surplus funds	169	138	173	153	(17)	-	480	263	83%	416
Other	(45)	15	(18)	(3)	(28)	61%	(48)	1	-	(2)
<b>Income before income taxes</b>	1,234	935	1,343	170	938	32%	3,512	2,349	50%	2,519
Income tax (expense) recovery	(117)	(231)	(298)	76	(316)	-63%	(646)	(404)	60%	(328)
<b>Net income attributed to shareholders</b>	1,117	704	1,045	246	622	80%	2,866	1,945	47%	2,191
Preferred share dividends	(34)	(37)	(29)	(29)	(29)	17%	(100)	(87)	15%	(116)
<b>Common shareholders' net income</b>	1,083	667	1,016	217	593	83%	2,766	1,858	49%	2,075
Constant currency, expected profit from in-force business	1,301	1,237	1,208	1,247	1,226	6%	3,746	3,581	5%	

## Source of Earnings<sup>1,2</sup> excluding Wealth and Asset Management

Expected profit from in-force business	999	941	975	948	895	12%	2,915	2,550	14%	3,498
Impact of new business	157	96	121	115	140	12%	374	205	82%	320
Experience gains (losses)	324	(353)	(298)	(819)	245	32%	(327)	(454)	-28%	(1,273)
Management actions and changes in assumptions	(533)	(77)	234	(408)	(480)	11%	(376)	(730)	-48%	(1,138)
Earnings on surplus funds	163	131	167	152	(18)	-	461	257	79%	409
Other	(44)	15	(18)	(3)	(28)	57%	(47)	1	-	(2)
<b>Income (loss) before income taxes</b>	1,066	753	1,181	(15)	754	41%	3,000	1,829	64%	1,814
Income tax (expense) recovery	(102)	(199)	(269)	115	(289)	-65%	(570)	(310)	84%	(195)
<b>Net income attributed to shareholders</b>	964	554	912	100	465	107%	2,430	1,519	60%	1,619

<sup>1</sup> 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.

<sup>2</sup> 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 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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**Statements of Income<sup>1</sup>**

<b>Revenue</b>										
<b>Premium income</b>										
Gross premiums	3,180	3,000	3,026	2,700	2,433	31%	9,206	6,601	39%	9,301
Premiums ceded to reinsurers	(109)	(116)	8	(85)	(87)	25%	(217)	(263)	-17%	(348)
<b>Investment income</b>	329	362	288	280	325	1%	979	908	8%	1,188
<b>Other revenue</b>	327	287	177	276	282	16%	791	845	-6%	1,121
<b>Subtotal revenue</b>	3,727	3,533	3,499	3,171	2,953	26%	10,759	8,091	33%	11,262
Realized/ unrealized gains on invested assets supporting insurance and investment contract liabilities <sup>2</sup>	(155)	722	1,139	369	(486)	-68%	1,706	(734)	-	(365)
<b>Total revenue</b>	3,572	4,255	4,638	3,540	2,467	45%	12,465	7,357	69%	10,897
<b>Contract benefits and expenses</b>										
To contract holders and beneficiaries										
Gross benefits and claims paid and change in insurance contract liabilities <sup>2</sup>	2,207	3,419	3,917	2,486	1,670	32%	9,543	4,808	98%	7,294
Ceded benefits and expenses and change in reinsurance assets	(74)	(82)	(60)	(46)	(48)	54%	(216)	(161)	34%	(207)
Change in investment contract liabilities	14	14	(93)	(1)	33	-58%	(65)	72	-	71
General expenses	389	386	325	352	301	29%	1,100	870	26%	1,222
Investment expenses	29	25	24	24	27	7%	78	90	-13%	114
Commissions	412	387	355	349	299	38%	1,154	845	37%	1,194
Other	35	33	33	31	30	17%	101	89	13%	120
<b>Total contract benefits and expenses</b>	3,012	4,182	4,501	3,195	2,312	30%	11,695	6,613	77%	9,808
<b>Income (loss) before income taxes</b>	560	73	137	345	155	261%	770	744	3%	1,089
Income tax (expense) recovery	(65)	(23)	(30)	(40)	(45)	44%	(118)	(94)	26%	(134)
<b>Net income (loss)</b>	495	50	107	305	110	350%	652	650	0%	955
Less net income (loss) attributed to non-controlling interests	30	22	21	4	15	100%	73	57	28%	61
Less net income (loss) attributed to participating policyholders	35	6	(2)	(6)	11	218%	39	35	11%	29
<b>Net income (loss) attributed to shareholders <sup>3</sup></b>	430	22	88	307	84	412%	540	558	-3%	865

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

<sup>2</sup> 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.

<sup>3</sup> See the Q3 press release for a description of Q3 2016 results compared to Q3 2015.

**Earnings Analysis<sup>1</sup>**

<b>Total core earnings</b>	302	266	270	250	258	17%	838	713	18%	963
<b>Total core earnings - on constant currency basis</b>	302	269	285	270	276	9%	856	754	14%	1,024
Investment gains related to fixed income trading, market value increases in excess of expected alternative assets investment returns, asset mix changes	48	(20)	(15)	(2)	16	200%	13	22	-41%	20
<b>Total core earnings and investment related gains</b>	350	246	255	248	274	28%	851	735	16%	983
<b>Items excluded from core earnings</b>										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	82	(223)	(173)	57	(190)	-	(314)	(191)	64%	(134)
Net impact of acquisitions and divestitures	(2)	(1)	(2)	-	-	-	(5)	-	-	-
Reinsurance recapture and tax rate changes	-	-	8	2	-	-	8	14	-43%	16
<b>Total shareholders' net income (loss)</b>	430	22	88	307	84	412%	540	558	-3%	865

**ASIA DIVISION (CONT'D)**

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



	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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**Source of Earnings<sup>1</sup>**

Expected profit from in-force business	241	235	219	209	203	19%	695	639	9%	848
Impact of new business	113	66	73	63	74	53%	252	125	102%	188
Experience gains (losses)	112	(275)	(213)	35	(176)	-	(376)	(187)	101%	(152)
Management actions and changes in assumptions	1	(1)	15	-	(5)	-	15	(5)	-	(5)
Earnings on surplus funds	39	27	30	35	31	26%	96	89	8%	124
Other	(11)	(7)	(6)	5	2	-	(24)	(9)	167%	(4)
<b>Income (loss) before income taxes</b>	<b>495</b>	<b>45</b>	<b>118</b>	<b>347</b>	<b>129</b>	<b>284%</b>	<b>658</b>	<b>652</b>	<b>1%</b>	<b>999</b>
Income tax (expense) recovery	(65)	(23)	(30)	(40)	(45)	44%	(118)	(94)	26%	(134)
<b>Net income (loss) attributed to shareholders</b>	<b>430</b>	<b>22</b>	<b>88</b>	<b>307</b>	<b>84</b>	<b>412%</b>	<b>540</b>	<b>558</b>	<b>-3%</b>	<b>865</b>

<sup>1</sup> 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	113	120	105	127	97	16%	338	251	35%	378
Japan <sup>2</sup>	167	151	158	148	160	4%	476	492	-3%	640
Asia Other <sup>3</sup>	245	239	197	141	122	101%	681	348	96%	489
<b>Total insurance sales</b>	<b>525</b>	<b>510</b>	<b>460</b>	<b>416</b>	<b>379</b>	<b>39%</b>	<b>1,495</b>	<b>1,091</b>	<b>37%</b>	<b>1,507</b>
<b>Total insurance sales - on constant currency basis</b>	<b>525</b>	<b>516</b>	<b>483</b>	<b>444</b>	<b>410</b>	<b>28%</b>	<b>1,524</b>	<b>1,171</b>	<b>30%</b>	<b>1,615</b>

<sup>2</sup> Japan Q3'16 insurance sales are down 12% compared to the prior year on a constant currency basis. YTD Q3'16 insurance sales are down 13% compared to the prior year on a constant currency basis.

<sup>3</sup> Asia Other Q3'16 insurance sales are up 102% compared to the prior year on a constant currency basis. YTD Q3'16 insurance sales are up 102% compared to the prior year on a constant currency basis.

**Wealth and Asset Management Gross Flows**

Hong Kong	688	601	562	660	660	4%	1,851	1,907	-3%	2,567
Japan <sup>4</sup>	28	130	21	27	68	-59%	179	342	-48%	369
Asia Other <sup>5,6</sup>	2,803	2,775	1,899	1,822	1,143	145%	7,477	- 7,482	0%	9,304
<b>Total wealth and asset management gross flows</b>	<b>3,519</b>	<b>3,506</b>	<b>2,482</b>	<b>2,509</b>	<b>1,871</b>	<b>88%</b>	<b>9,507</b>	<b>9,731</b>	<b>-2%</b>	<b>12,240</b>
<b>Total wealth and asset management gross flows - on constant currency basis</b>	<b>3,519</b>	<b>3,480</b>	<b>2,468</b>	<b>2,474</b>	<b>1,854</b>	<b>90%</b>	<b>9,467</b>	<b>9,397</b>	<b>1%</b>	<b>11,871</b>

<sup>4</sup> Japan Q3'16 wealth and asset management gross flows are down 66% compared to the prior year on a constant currency basis. YTD Q3'16 wealth and asset management gross flows are down 53% compared to the prior year on a constant currency basis.

<sup>5</sup> Asia Other Q3'16 wealth and asset management gross flows are up 152% compared to the prior year on a constant currency basis. YTD Q3'16 wealth and asset management gross flows are up 5% compared to the prior year on a constant currency basis.

<sup>6</sup> This line includes the 49% interest in Manulife TEDA

**Other Wealth Sales**

Hong Kong	46	10	16	19	27	70%	72	104	-31%	123
Japan <sup>7</sup>										
- Fixed Annuities and unit linked products	730	674	791	741	637	15%	2,195	1,473	49%	2,214
- Variable Annuities	41	35	38	28	29	41%	114	86	33%	114
Asia Other <sup>8</sup>	194	200	204	141	120	62%	598	430	39%	571
<b>Total other wealth sales</b>	<b>1,011</b>	<b>919</b>	<b>1,049</b>	<b>929</b>	<b>813</b>	<b>24%</b>	<b>2,979</b>	<b>2,093</b>	<b>42%</b>	<b>3,022</b>
<b>Total other wealth sales - on constant currency basis</b>	<b>1,011</b>	<b>957</b>	<b>1,158</b>	<b>1,078</b>	<b>942</b>	<b>7%</b>	<b>3,126</b>	<b>2,370</b>	<b>32%</b>	<b>3,448</b>

<sup>7</sup> Japan Q3'16 other wealth sales are down 3% compared to the prior year on a constant currency basis. YTD Q3'16 other wealth sales are up 33% compared to the prior year on a constant currency basis.

<sup>8</sup> Asia Other Q3'16 other wealth sales are up 61% compared to the prior year on a constant currency basis. YTD Q3'16 other wealth sales are up 44% compared to the prior year on a constant currency basis.

**Pension<sup>9</sup> Sales - for reference only**

Asia Group Pensions	395	303	327	381	382	3%	1,025	1,015	1%	1,396
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<sup>9</sup> 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 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	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) <sup>1</sup>**

Hong Kong	121	123	109	129	101	20%	353	262	35%	391
Japan <sup>2</sup>	277	245	264	240	237	17%	786	658	19%	898
Asia Other <sup>3,4</sup>	265	259	217	155	134	98%	741	392	89%	547
<b>Total APE</b>	<b>663</b>	<b>627</b>	<b>590</b>	<b>524</b>	<b>472</b>	<b>40%</b>	<b>1,880</b>	<b>1,312</b>	<b>43%</b>	<b>1,836</b>
<b>Total APE - on constant currency basis</b>	<b>663</b>	<b>639</b>	<b>626</b>	<b>570</b>	<b>517</b>	<b>28%</b>	<b>1,928</b>	<b>1,421</b>	<b>36%</b>	<b>1,991</b>

<sup>1</sup> 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.

<sup>2</sup> Japan Q3'16 APE are down 2% compared to the prior year on a constant currency basis. YTD Q3'16 APE are up 7% compared to the prior year on a constant currency basis.

<sup>3</sup> Asia Other Q3'16 APE are up 99% compared to the prior year on a constant currency basis. YTD Q3'16 APE are up 95% compared to the prior year on a constant currency basis.

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

**Premiums and Deposits**

Premiums and investment contract deposits	3,083	2,892	3,045	2,625	2,355	31%	9,020	6,369	42%	8,994
Segregated fund and other deposits	696	586	570	537	544	28%	1,852	1,624	14%	2,161
Mutual fund and other deposits <sup>4</sup>	3,285	3,294	2,237	2,293	1,659	98%	8,816	9,164	-4%	11,457
<b>Total premiums and deposits</b>	<b>7,064</b>	<b>6,772</b>	<b>5,852</b>	<b>5,455</b>	<b>4,558</b>	<b>55%</b>	<b>19,688</b>	<b>17,157</b>	<b>15%</b>	<b>22,612</b>
<b>Total premiums and deposits - on constant currency basis</b>	<b>7,064</b>	<b>6,822</b>	<b>6,072</b>	<b>5,694</b>	<b>4,795</b>	<b>47%</b>	<b>19,958</b>	<b>17,409</b>	<b>15%</b>	<b>23,103</b>

**Premiums and Deposits by Business Units**

Hong Kong	1,457	1,307	1,267	1,375	1,296	12%	4,031	3,735	8%	5,110
Japan	1,650	1,538	1,759	1,404	1,377	20%	4,947	3,830	29%	5,234
Asia Other <sup>4</sup>	3,957	3,927	2,826	2,676	1,885	110%	10,710	9,592	12%	12,268
<b>Total premiums and deposits</b>	<b>7,064</b>	<b>6,772</b>	<b>5,852</b>	<b>5,455</b>	<b>4,558</b>	<b>55%</b>	<b>19,688</b>	<b>17,157</b>	<b>15%</b>	<b>22,612</b>

**Premiums and Deposits**

Insurance	2,546	2,359	2,338	2,027	1,889	35%	7,243	5,329	36%	7,356
Wealth and asset management	3,519	3,506	2,482	2,510	1,871	88%	9,507	9,731	-2%	12,241
Other wealth	999	907	1,032	918	798	25%	2,938	2,097	40%	3,015
<b>Total premiums and deposits</b>	<b>7,064</b>	<b>6,772</b>	<b>5,852</b>	<b>5,455</b>	<b>4,558</b>	<b>55%</b>	<b>19,688</b>	<b>17,157</b>	<b>15%</b>	<b>22,612</b>

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

Hong Kong	1,038	1,003	950	979	935	11%	2,991	2,712	10%	3,691
Japan <sup>5</sup>	965	803	1,015	702	726	33%	2,783	2,129	31%	2,831
Asia Other <sup>4,6</sup>	954	942	774	778	662	44%	2,670	2,287	17%	3,065
<b>TWPI</b>	<b>2,957</b>	<b>2,748</b>	<b>2,739</b>	<b>2,459</b>	<b>2,323</b>	<b>27%</b>	<b>8,444</b>	<b>7,128</b>	<b>18%</b>	<b>9,587</b>
<b>TWPI - on constant currency basis</b>	<b>2,957</b>	<b>2,786</b>	<b>2,871</b>	<b>2,592</b>	<b>2,463</b>	<b>20%</b>	<b>8,614</b>	<b>7,438</b>	<b>16%</b>	<b>10,030</b>

<sup>5</sup> Japan Q3'16 TWPI is up 11% compared to the prior year on a constant currency basis. YTD Q3'16 TWPI are up 17% compared to the prior year on a constant currency basis.

<sup>6</sup> Asia Other Q3'16 TWPI is up 45% compared to the prior year on a constant currency basis. YTD Q3'16 TWPI are up 21% compared to the prior year on a constant currency basis.

**ASIA DIVISION (CONT'D)**

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



	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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**Assets Under Management<sup>1</sup>**

General fund	50,321	48,037	43,914	39,162	36,996	36%	50,321	36,996	36%	39,162
Segregated funds	19,498	18,804	18,228	17,612	17,067	14%	19,498	17,067	14%	17,612
Mutual funds <sup>2</sup>	21,079	19,151	18,447	19,132	17,800	18%	21,079	17,800	18%	19,132
Other funds <sup>3</sup>	1,854	1,757	1,401	989	532	248%	1,854	532	248%	989
<b>Total assets under management</b>	<b>92,752</b>	<b>87,749</b>	<b>81,990</b>	<b>76,895</b>	<b>72,395</b>	<b>28%</b>	<b>92,752</b>	<b>72,395</b>	<b>28%</b>	<b>76,895</b>
<b>Total assets under management - on constant currency basis</b>	<b>92,752</b>	<b>88,141</b>	<b>84,372</b>	<b>81,501</b>	<b>76,847</b>	<b>21%</b>	<b>92,752</b>	<b>76,847</b>	<b>21%</b>	<b>81,501</b>

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

<sup>2</sup> This line includes the 49% interest in Manulife TEDA

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

**Changes in Assets Under Management<sup>1</sup>**

<b>Beginning balance</b>	<b>87,749</b>	<b>81,990</b>	<b>76,895</b>	<b>72,395</b>	<b>78,834</b>	<b>11%</b>	<b>76,895</b>	<b>75,067</b>	<b>2%</b>	<b>75,067</b>
Premiums and deposits	7,064	6,772	5,852	5,455	4,558	55%	19,688	17,157	15%	22,612
Investment income (loss) <sup>4</sup>	1,946	1,038	365	2,262	(4,023)	-	3,349	(1,172)	-	1,090
Benefits and withdrawals	(3,844)	(3,375)	(3,354)	(2,749)	(5,350)	-28%	(10,573)	(13,269)	-20%	(16,018)
Other <sup>5</sup>	(163)	1,324	2,232	(468)	(1,624)	-90%	3,393	(5,388)	-	(5,856)
<b>Ending balance</b>	<b>92,752</b>	<b>87,749</b>	<b>81,990</b>	<b>76,895</b>	<b>72,395</b>	<b>28%</b>	<b>92,752</b>	<b>72,395</b>	<b>28%</b>	<b>76,895</b>

<sup>4</sup> 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.

<sup>5</sup> 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 Management<sup>1</sup>**

Insurance	44,845	43,154	39,799	35,723	34,017	32%	44,845	34,017	32%	35,723
Wealth and asset management	28,455	26,106	24,906	25,134	23,100	23%	28,455	23,100	23%	25,134
Other wealth	19,452	18,489	17,285	16,038	15,278	27%	19,452	15,278	27%	16,038
<b>Total assets under management</b>	<b>92,752</b>	<b>87,749</b>	<b>81,990</b>	<b>76,895</b>	<b>72,395</b>	<b>28%</b>	<b>92,752</b>	<b>72,395</b>	<b>28%</b>	<b>76,895</b>

**Number of Agents**

Hong Kong	6,657	6,538	6,715	7,092	6,508	2%	6,657	6,508	2%	7,092
Japan	2,420	2,500	2,535	2,589	2,593	-7%	2,420	2,593	-7%	2,589
Asia Other	57,689	54,766	51,892	53,399	51,520	12%	57,689	51,520	12%	53,399
<b>Total</b>	<b>66,766</b>	<b>63,804</b>	<b>61,142</b>	<b>63,080</b>	<b>60,621</b>	<b>10%</b>	<b>66,766</b>	<b>60,621</b>	<b>10%</b>	<b>63,080</b>

**Canadian \$ in millions - Key Metrics**

Sales - Insurance	685	656	632	554	496	38%	1,973	1,376	43%	1,930
Gross Flows - Wealth and asset management	4,592	4,519	3,407	3,353	2,448	88%	12,518	12,142	3%	15,495
Sales - Other wealth	1,319	1,184	1,440	1,241	1,064	24%	3,943	2,644	49%	3,885
Net income (loss) attributed to shareholders <sup>1</sup>	561	28	121	409	111	405%	710	696	2%	1,105
Total premiums and deposits	9,222	8,729	8,031	7,289	5,965	55%	25,982	21,511	21%	28,800
<b>Total assets under management<sup>1</sup></b>	<b>121,657</b>	<b>114,161</b>	<b>106,314</b>	<b>106,438</b>	<b>96,962</b>	<b>25%</b>	<b>121,657</b>	<b>96,962</b>	<b>25%</b>	<b>106,438</b>

## ASIA DIVISION (CONT'D)

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

	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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### New Business Value (NBV)<sup>1</sup>

Hong Kong	63	68	49	83	71	-12%	180	177	2%	260
Japan <sup>2</sup>	79	51	70	65	63	27%	200	133	51%	198
Asia Other <sup>3</sup>	54	57	42	23	21	156%	153	56	173%	79
<b>Total</b>	<b>196</b>	<b>176</b>	<b>161</b>	<b>171</b>	<b>155</b>	<b>27%</b>	<b>533</b>	<b>366</b>	<b>46%</b>	<b>537</b>
<b>Total NBV - on a constant currency basis</b>	<b>196</b>	<b>179</b>	<b>170</b>	<b>184</b>	<b>166</b>	<b>18%</b>	<b>545</b>	<b>388</b>	<b>40%</b>	<b>572</b>

<sup>1</sup> NBV is not calculated for Wealth and Asset Management business and Manulife Bank.

<sup>2</sup> Japan Q3'16 NBV is up 7% compared to the prior year on a constant currency basis. YTD Q3'16 NBV is up 35% compared to the prior year on a constant currency basis.

<sup>3</sup> Asia Other Q3'16 NBV is up 160% compared to the prior year on a constant currency basis. YTD Q3'16 NBV is up 184% compared to the prior year on a constant currency basis.

### NBV Margin<sup>4</sup>

Hong Kong	52.1%	55.5%	44.9%	64.2%	70.7%	51.1%	67.6%	66.5%
Japan	28.7%	20.7%	26.5%	27.1%	26.4%	25.5%	20.1%	22.0%
Asia Other	22.8%	25.4%	22.6%	17.4%	18.4%	23.7%	17.0%	17.1%
<b>Total</b>	<b>31.0%</b>	<b>29.7%</b>	<b>28.8%</b>	<b>34.0%</b>	<b>34.3%</b>	<b>29.9%</b>	<b>29.3%</b>	<b>30.7%</b>
<b>Total NBV Margin - on a constant currency basis</b>	<b>31.0%</b>	<b>29.5%</b>	<b>28.6%</b>	<b>33.4%</b>	<b>33.5%</b>	<b>29.7%</b>	<b>28.5%</b>	<b>29.9%</b>

<sup>4</sup> 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 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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**Statements of Income<sup>1</sup>**

<b>Revenue</b>										
<b>Premium income</b>										
Gross premiums	2,517	3,021	2,518	2,583	2,473	2%	8,056	7,530	7%	10,113
Premiums ceded to reinsurers	(1,304)	(1,757)	(1,284)	(1,559)	(1,306)	0%	(4,345)	(4,124)	5%	(5,683)
<b>Investment income</b>	982	945	936	844	730	35%	2,863	2,403	19%	3,247
<b>Other revenue</b>	924	937	820	825	716	29%	2,681	2,299	17%	3,124
<b>Subtotal revenue</b>	3,119	3,146	2,990	2,693	2,613	19%	9,255	8,108	14%	10,801
Realized/ unrealized gains on invested assets supporting insurance and investment contract liabilities <sup>2</sup>	910	2,208	1,796	(235)	76	nm	4,914	(501)	-	(736)
<b>Total revenue</b>	4,029	5,354	4,786	2,458	2,689	50%	14,169	7,607	86%	10,065
<b>Contract benefits and expenses</b>										
To contract holders and beneficiaries										
Gross benefits and claims paid and change in insurance contract liabilities <sup>2</sup>	3,467	4,937	3,917	2,620	1,926	80%	12,321	6,061	103%	8,681
Ceded benefits and expenses and change in reinsurance assets	(1,070)	(1,108)	(1,021)	(1,164)	(859)	25%	(3,199)	(2,780)	15%	(3,944)
Change in investment contract liabilities	12	(36)	54	10	(1)	-	30	38	-21%	48
General expenses	450	448	420	475	408	10%	1,318	1,240	6%	1,715
Investment expenses	155	149	139	149	146	6%	443	416	6%	565
Commissions	407	403	404	381	401	1%	1,214	1,209	0%	1,590
Other	137	138	92	154	175	-22%	367	504	-27%	658
<b>Total contract benefits and expenses</b>	3,558	4,931	4,005	2,625	2,196	62%	12,494	6,688	87%	9,313
<b>Income (loss) before income taxes</b>	471	423	781	(167)	493	-4%	1,675	919	82%	752
Income tax (expense) recovery	(69)	(87)	(194)	44	(206)	-67%	(350)	(323)	8%	(279)
<b>Net income (loss)</b>	402	336	587	(123)	287	40%	1,325	596	122%	473
Less net income (loss) attributed to participating policyholders	(33)	(23)	(13)	(19)	11	-	(69)	12	-	(7)
<b>Net income (loss) attributed to shareholders<sup>3</sup></b>	435	359	600	(104)	276	58%	1,394	584	139%	480

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

<sup>2</sup> 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.

<sup>3</sup> See the Q3 press release for a description of Q3 2016 results compared to Q3 2015.

**Earnings Analysis<sup>1</sup>**

<b>Total core earnings</b>	354	333	338	352	336	5%	1,025	900	14%	1,252
Investment gains related to fixed income trading, market value increases in excess of expected alternative assets investment returns, asset mix changes	35	(88)	(78)	(180)	(144)	-	(131)	(211)	-38%	(391)
<b>Total core earnings and investment related gains</b>	389	245	260	172	192	103%	894	689	30%	861
<b>Items excluded from core earnings</b>										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities <sup>4</sup>	60	130	346	(201)	97	-38%	536	(82)	-	(283)
Tax items	-	-	-	-	-	-	-	1	-100%	1
Reinsurance recapture	-	-	-	(52)	-	-	-	12	-100%	(40)
Integration and acquisition costs	(14)	(16)	(6)	(23)	(13)	8%	(36)	(36)	0%	(59)
<b>Total shareholders' net income (loss)</b>	435	359	600	(104)	276	58%	1,394	584	139%	480

<sup>4</sup> Segregated fund products include guarantees. These products are also referred to as variable annuities.

**CANADIAN DIVISION (CONT'D)**

(Canadian \$ millions, Unaudited)



	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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**Source of Earnings<sup>1</sup>**

Expected profit from in-force business	388	364	366	375	393	-1%	1,118	1,098	2%	1,473
Impact of new business	(41)	(49)	(44)	(32)	(39)	5%	(134)	(136)	-1%	(168)
Experience gains (losses)	80	70	397	(446)	67	19%	547	(295)	-	(741)
Management actions and changes in assumptions	4	(19)	(8)	(107)	(18)	-	(23)	(5)	360%	(112)
Earnings on surplus funds	88	89	88	71	70	26%	265	226	17%	297
Other	(15)	(9)	(5)	(9)	9	-	(29)	19	-	10
<b>Income (loss) before income taxes</b>	<b>504</b>	<b>446</b>	<b>794</b>	<b>(148)</b>	<b>482</b>	<b>5%</b>	<b>1,744</b>	<b>907</b>	<b>92%</b>	<b>759</b>
Income tax (expense) recovery	(69)	(87)	(194)	44	(206)	-67%	(350)	(323)	8%	(279)
<b>Net income (loss) attributed to shareholders</b>	<b>435</b>	<b>359</b>	<b>600</b>	<b>(104)</b>	<b>276</b>	<b>58%</b>	<b>1,394</b>	<b>584</b>	<b>139%</b>	<b>480</b>

<sup>1</sup> 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	53	47	41	49	47	13%	141	132	7%	181
Institutional Markets	128	73	114	254	95	35%	315	390	-19%	644
<b>Total insurance sales</b>	<b>181</b>	<b>120</b>	<b>155</b>	<b>303</b>	<b>142</b>	<b>27%</b>	<b>456</b>	<b>522</b>	<b>-13%</b>	<b>825</b>

**Wealth and Asset Management Gross Flows**

Mutual funds and other funds gross deposits <sup>2</sup>	2,761	2,367	2,355	2,149	2,000	38%	7,483	6,628	13%	8,777
Less: Investments in mutual funds from proprietary group segregated fund products	(52)	(40)	(40)	(36)	(29)	79%	(132)	(85)	55%	(121)
Group Retirement Solutions	1,890	1,874	1,850	1,819	2,242	-16%	5,614	5,999	-6%	7,818
<b>Total wealth and asset management gross flows</b>	<b>4,599</b>	<b>4,201</b>	<b>4,165</b>	<b>3,932</b>	<b>4,213</b>	<b>9%</b>	<b>12,965</b>	<b>12,542</b>	<b>3%</b>	<b>16,474</b>

**Other Wealth Sales excluding Manulife Bank**

Retail segregated fund products <sup>3</sup>	559	604	751	712	629	-11%	1,914	2,245	-15%	2,957
Fixed products	160	212	193	156	152	5%	565	496	14%	652
<b>Total other wealth sales</b>	<b>719</b>	<b>816</b>	<b>944</b>	<b>868</b>	<b>781</b>	<b>-8%</b>	<b>2,479</b>	<b>2,741</b>	<b>-10%</b>	<b>3,609</b>

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

Retail segregated fund products <sup>3</sup>	821	523	655	584	547	50%	1,999	1,706	17%	2,290
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**Pension<sup>4</sup> Sales - for reference only**

Group Retirement Solutions	679	520	340	562	933	-27%	1,539	2,128	-28%	2,690
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**Premiums and Deposits**

Premiums and investment contract deposits	1,234	1,320	1,260	1,039	1,172	5%	3,814	3,539	8%	4,578
Mutual funds and other funds gross deposits <sup>2</sup>	2,761	2,367	2,355	2,149	2,000	38%	7,483	6,628	13%	8,777
Less: Investments in mutual funds from proprietary segregated fund products	(872)	(564)	(695)	(620)	(576)	51%	(2,131)	(1,791)	19%	(2,411)
Segregated fund deposits	2,450	2,479	2,602	2,531	2,873	-15%	7,531	8,248	-9%	10,779
ASO premium equivalents	748	869	868	833	804	-7%	2,485	2,492	0%	3,325
Group Benefits ceded premiums	1,058	1,506	1,034	1,051	1,012	5%	3,598	3,245	11%	4,296
<b>Total premiums and deposits</b>	<b>7,379</b>	<b>7,977</b>	<b>7,424</b>	<b>6,983</b>	<b>7,285</b>	<b>1%</b>	<b>22,780</b>	<b>22,361</b>	<b>2%</b>	<b>29,344</b>

<sup>2</sup> Mutual funds and other funds gross deposits includes investments from proprietary segregated fund products.

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

<sup>4</sup> 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 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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**Premiums and Deposits by Business**

Retail Markets	661	655	628	428	570	16%	1,944	1,705	14%	2,133
Institutional Markets	2,221	2,828	2,342	2,339	2,267	-2%	7,391	7,079	4%	9,418
<b>Insurance</b>	<b>2,882</b>	<b>3,483</b>	<b>2,970</b>	<b>2,767</b>	<b>2,837</b>	<b>2%</b>	<b>9,335</b>	<b>8,784</b>	<b>6%</b>	<b>11,551</b>
<b>Wealth and asset management</b>	<b>4,599</b>	<b>4,201</b>	<b>4,165</b>	<b>3,932</b>	<b>4,213</b>	<b>9%</b>	<b>12,965</b>	<b>12,542</b>	<b>3%</b>	<b>16,474</b>
Retail segregated fund products <sup>1</sup>	559	604	751	712	630	-11%	1,914	2,245	-15%	2,957
Fixed products	160	212	193	156	152	5%	565	496	14%	652
<b>Other wealth</b>	<b>719</b>	<b>816</b>	<b>944</b>	<b>868</b>	<b>782</b>	<b>-8%</b>	<b>2,479</b>	<b>2,741</b>	<b>-10%</b>	<b>3,609</b>
Less: Investments in mutual funds from proprietary retail segregated fund products	(821)	(523)	(655)	(584)	(547)	50%	(1,999)	(1,706)	17%	(2,290)
<b>Total premiums and deposits</b>	<b>7,379</b>	<b>7,977</b>	<b>7,424</b>	<b>6,983</b>	<b>7,285</b>	<b>1%</b>	<b>22,780</b>	<b>22,361</b>	<b>2%</b>	<b>29,344</b>

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

**Assets Under Management<sup>2</sup>**

General fund, excluding Manulife Bank net lending assets	94,474	92,918	88,672	84,146	84,527	12%	94,474	84,527	12%	84,146
Manulife Bank net lending assets	19,505	19,598	19,474	19,350	19,352	1%	19,505	19,352	1%	19,350
Segregated funds	97,191	93,767	91,775	92,447	90,076	8%	97,191	90,076	8%	92,447
Mutual funds and other funds, including assets held by segregated funds	49,781	47,280	45,402	44,884	43,201	15%	49,781	43,201	15%	44,884
Less: Mutual funds held by proprietary segregated fund products	(23,019)	(22,230)	(21,596)	(21,587)	(20,971)	10%	(23,019)	(20,971)	10%	(21,587)
<b>Total assets under management</b>	<b>237,932</b>	<b>231,333</b>	<b>223,727</b>	<b>219,240</b>	<b>216,185</b>	<b>10%</b>	<b>237,932</b>	<b>216,185</b>	<b>10%</b>	<b>219,240</b>

<sup>2</sup> 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 Management<sup>2</sup>**

Insurance	63,632	62,045	60,385	57,490	56,521	13%	63,632	56,521	13%	57,490
Wealth and asset management <sup>3</sup>	109,540	104,508	101,218	100,850	97,356	13%	109,540	97,356	13%	100,850
Manulife Bank net lending assets	19,504	19,598	19,473	19,350	19,352	1%	19,504	19,352	1%	19,350
Other wealth, excluding Manulife Bank net lending assets	66,955	66,148	63,095	61,956	62,845	7%	66,955	62,845	7%	61,956
Less: Mutual funds held by proprietary retail segregated fund products	(21,699)	(20,966)	(20,444)	(20,406)	(19,889)	9%	(21,699)	(19,889)	9%	(20,406)
<b>Total assets under management</b>	<b>237,932</b>	<b>231,333</b>	<b>223,727</b>	<b>219,240</b>	<b>216,185</b>	<b>10%</b>	<b>237,932</b>	<b>216,185</b>	<b>10%</b>	<b>219,240</b>

<sup>3</sup> Wealth & asset management includes investments from proprietary retail segregated funds.

**Changes in Assets Under Management<sup>2</sup>**

<b>Beginning balance</b>	<b>231,333</b>	<b>223,727</b>	<b>219,240</b>	<b>216,185</b>	<b>218,030</b>	<b>6%</b>	<b>219,240</b>	<b>158,904</b>	<b>38%</b>	<b>158,904</b>
Assets acquired (Standard Life)	-	-	-	-	-	-	-	54,416	-100%	54,416
Premiums and deposits	5,573	5,602	5,522	5,100	5,468	2%	16,697	16,623	0%	21,723
Investment income (loss) <sup>4</sup>	6,521	5,416	1,651	4,102	(1,602)	-	13,588	2,860	375%	6,962
Mutual fund withdrawals	(916)	(981)	(1,103)	(889)	(755)	21%	(3,000)	(2,356)	27%	(3,245)
Other benefits and withdrawals	(3,540)	(3,659)	(3,827)	(3,811)	(3,422)	3%	(11,026)	(10,463)	5%	(14,274)
Other <sup>5</sup>	(1,039)	1,228	2,244	(1,447)	(1,534)	-32%	2,433	(3,799)	-	(5,246)
<b>Ending balance</b>	<b>237,932</b>	<b>231,333</b>	<b>223,727</b>	<b>219,240</b>	<b>216,185</b>	<b>10%</b>	<b>237,932</b>	<b>216,185</b>	<b>10%</b>	<b>219,240</b>

<sup>4</sup> 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.

<sup>5</sup> 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 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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**Statements of Income<sup>1</sup>**

<b>Revenue</b>										
<b>Premium income</b>										
Gross premiums	1,934	1,744	1,767	2,070	1,927	0%	5,445	5,665	-4%	7,735
Premiums ceded to reinsurers	(437)	(423)	(814)	(448)	(421)	4%	(1,674)	(1,104)	52%	(1,552)
Premiums ceded, net of ceded commissions and additional consideration relating to Closed Block reinsurance transaction <sup>2</sup>	-	-	-	-	(6,109)	-	-	(6,109)	-	(6,109)
<b>Investment income</b>	1,328	1,304	1,186	1,283	1,172	13%	3,818	3,862	-1%	5,145
<b>Other revenue</b>	1,160	1,089	1,066	1,052	1,084	7%	3,315	3,130	6%	4,182
<b>Subtotal revenue</b>	3,985	3,714	3,205	3,957	(2,347)	-	10,904	5,444	100%	9,401
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>3</sup>	231	3,726	4,074	(1,465)	3,033	-92%	8,031	(156)	-	(1,621)
<b>Total revenue</b>	4,216	7,440	7,279	2,492	686	515%	18,935	5,288	258%	7,780
<b>Contract benefits and expenses</b>										
To contract holders and beneficiaries										
Gross benefits and claims paid and change in insurance contract liabilities <sup>3</sup>	3,106	6,896	6,721	1,889	5,388	-42%	16,723	8,113	106%	10,002
Ceded benefits and expenses and change in reinsurance assets <sup>2</sup>	(629)	(921)	(662)	(803)	(6,250)	-90%	(2,212)	(7,118)	-69%	(7,921)
Change in investment contract liabilities	12	13	12	13	12	0%	37	38	-3%	51
General expenses	471	364	358	361	351	34%	1,193	1,075	11%	1,436
Investment expenses	212	220	207	260	219	-3%	639	648	-1%	908
Commissions	431	390	378	431	410	5%	1,199	1,236	-3%	1,667
Other	38	33	31	39	37	3%	102	117	-13%	156
<b>Total contract benefits and expenses</b>	3,641	6,995	7,045	2,190	167	nm	17,681	4,109	330%	6,299
<b>Income (loss) before income taxes</b>	575	445	234	302	519	11%	1,254	1,179	6%	1,481
Income tax (expense) recovery	(147)	(129)	(58)	(61)	(132)	11%	(334)	(282)	18%	(343)
<b>Net income (loss) attributed to shareholders <sup>4</sup></b>	428	316	176	241	387	11%	920	897	3%	1,138

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

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> See the Q3 press release for a description of Q3 2016 results compared to Q3 2015.

**Earnings Analysis<sup>1</sup>**

<b>Total core earnings</b>	302	280	283	248	286	6%	865	901	-4%	1,149
Investment gains related to fixed income trading, market value increases in excess of expected alternative assets investment returns, asset mix changes	147	72	(170)	(109)	(26)	-	49	18	172%	(91)
<b>Total core earnings and investment related gains</b>	449	352	113	139	260	73%	914	919	-1%	1,058
<b>Items excluded from core earnings</b>										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	55	(36)	60	106	134	-59%	79	11	618%	117
Integration and acquisition costs	(3)	-	(3)	(4)	(7)	-57%	(6)	(33)	-82%	(37)
Intangibles write-off (LTC, Annuities)	(74)	-	-	-	-	-	(74)	-	-	-
Other	1	-	6	-	-	-	7	-	-	-
<b>Total shareholders' net income (loss)</b>	428	316	176	241	387	11%	920	897	3%	1,138

**U.S. DIVISION (CONT'D)**

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



	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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**U.S. INSURANCE**
**Source of Earnings<sup>1</sup>**

Expected profit from in-force business <sup>2</sup>	203	181	185	179	185	10%	569	471	21%	650
Impact of new business	3	11	15	16	35	-91%	29	61	-52%	77
Experience gains (losses) <sup>2</sup>	321	52	(99)	(304)	67	379%	274	146	88%	(158)
Management actions and changes in assumptions	(117)	-	37	-	-	-	(80)	-	-	-
Earnings on surplus funds	69	69	69	70	70	-1%	207	210	-1%	280
Other	(18)	1	(6)	(7)	(33)	-45%	(23)	(12)	92%	(19)
<b>Income (loss) before income taxes</b>	<b>461</b>	<b>314</b>	<b>201</b>	<b>(46)</b>	<b>324</b>	<b>42%</b>	<b>976</b>	<b>876</b>	<b>11%</b>	<b>830</b>
Income tax (expense) recovery	(140)	(110)	(70)	36	(105)	33%	(320)	(264)	21%	(228)
<b>Net income (loss) attributed to shareholders</b>	<b>321</b>	<b>204</b>	<b>131</b>	<b>(10)</b>	<b>219</b>	<b>47%</b>	<b>656</b>	<b>612</b>	<b>7%</b>	<b>602</b>

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

<sup>2</sup> 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 Earnings<sup>1</sup>**

Expected profit from in-force business	221	242	227	240	238	-7%	690	727	-5%	967
Impact of new business	(47)	(49)	(49)	(49)	(46)	2%	(145)	(134)	8%	(183)
Experience gains (losses)	(90)	(95)	(151)	133	(16)	463%	(336)	(320)	5%	(187)
Management actions and changes in assumptions	(3)	-	(26)	(6)	(9)	-67%	(29)	(50)	-42%	(56)
Earnings on surplus funds	32	32	31	26	25	28%	95	77	23%	103
Other	1	1	1	4	3	-67%	3	3	0%	7
<b>Income (loss) before income taxes</b>	<b>114</b>	<b>131</b>	<b>33</b>	<b>348</b>	<b>195</b>	<b>-42%</b>	<b>278</b>	<b>303</b>	<b>-8%</b>	<b>651</b>
Income tax (expense) recovery	(7)	(19)	12	(97)	(27)	-74%	(14)	(18)	-22%	(115)
<b>Net income (loss) attributed to shareholders</b>	<b>107</b>	<b>112</b>	<b>45</b>	<b>251</b>	<b>168</b>	<b>-36%</b>	<b>264</b>	<b>285</b>	<b>-7%</b>	<b>536</b>

**Source of Earnings<sup>1</sup>**

Expected profit from in-force business	424	423	412	419	423	0%	1,259	1,198	5%	1,617
Impact of new business	(44)	(38)	(34)	(33)	(11)	300%	(116)	(73)	59%	(106)
Experience gains (losses)	231	(43)	(250)	(171)	51	353%	(62)	(174)	-64%	(345)
Management actions and changes in assumptions	(120)	-	11	(6)	(9)	nm	(109)	(50)	118%	(56)
Earnings on surplus funds	101	101	100	96	95	6%	302	287	5%	383
Other	(17)	2	(5)	(3)	(30)	-43%	(20)	(9)	122%	(12)
<b>Income (loss) before income taxes</b>	<b>575</b>	<b>445</b>	<b>234</b>	<b>302</b>	<b>519</b>	<b>11%</b>	<b>1,254</b>	<b>1,179</b>	<b>6%</b>	<b>1,481</b>
Income tax (expense) recovery	(147)	(129)	(58)	(61)	(132)	11%	(334)	(282)	18%	(343)
<b>Net income (loss) attributed to shareholders</b>	<b>428</b>	<b>316</b>	<b>176</b>	<b>241</b>	<b>387</b>	<b>11%</b>	<b>920</b>	<b>897</b>	<b>3%</b>	<b>1,138</b>

**Insurance Sales**

JH Life	102	98	105	119	114	-11%	305	328	-7%	447
JH Long-Term Care	8	9	17	8	12	-33%	34	33	3%	41
<b>Total Insurance Sales</b>	<b>110</b>	<b>107</b>	<b>122</b>	<b>127</b>	<b>126</b>	<b>-13%</b>	<b>339</b>	<b>361</b>	<b>-6%</b>	<b>488</b>

**Wealth and Asset Management Gross Flows (Premiums and Deposits)**

JH Investments	6,008	6,488	7,092	7,430	7,763	-23%	19,588	20,779	-6%	28,209
JH Retirement Plan Services	6,812	5,184	5,618	5,914	5,253	30%	17,614	13,057	35%	18,971
<b>Total wealth and asset management gross flows</b>	<b>12,820</b>	<b>11,672</b>	<b>12,710</b>	<b>13,344</b>	<b>13,016</b>	<b>-2%</b>	<b>37,202</b>	<b>33,836</b>	<b>10%</b>	<b>47,180</b>

**Pension Sales<sup>3</sup> - for reference only**

JH Retirement Plan Services	3,311	1,728	1,626	3,139	1,801	84%	6,665	4,032	65%	7,171
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<sup>3</sup> 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 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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**Premiums and Deposits**

Premiums and investment contract deposits <sup>1</sup>	1,497	1,321	953	1,622	1,506	-1%	3,771	4,561	-17%	6,183
Segregated fund deposits	3,752	3,619	3,860	3,710	3,641	3%	11,231	11,212	0%	14,922
Mutual fund deposits	9,421	8,396	9,169	10,056	9,766	-4%	26,986	23,877	13%	33,933
<b>Total premiums and deposits</b>	<b>14,670</b>	<b>13,336</b>	<b>13,982</b>	<b>15,388</b>	<b>14,913</b>	<b>-2%</b>	<b>41,988</b>	<b>39,650</b>	<b>6%</b>	<b>55,038</b>

**Premiums and Deposits - Insurance**

JH Life <sup>1</sup>	1,088	927	932	1,145	1,100	-1%	2,947	3,322	-11%	4,467
JH Long-Term Care	553	543	531	561	557	-1%	1,627	1,639	-1%	2,200
<b>Total premiums and deposits - insurance</b>	<b>1,641</b>	<b>1,470</b>	<b>1,463</b>	<b>1,706</b>	<b>1,657</b>	<b>-1%</b>	<b>4,574</b>	<b>4,961</b>	<b>-8%</b>	<b>6,667</b>

**Premiums and Deposits - Other Wealth**

JH Annuities	209	194	(191)	338	240	-13%	212	853	-75%	1,191
<b>Total premiums and deposits - other wealth</b>	<b>209</b>	<b>194</b>	<b>(191)</b>	<b>338</b>	<b>240</b>	<b>-13%</b>	<b>212</b>	<b>853</b>	<b>-75%</b>	<b>1,191</b>

**Assets Under Management and Administration<sup>2</sup>**

<b>Assets Under Management</b>										
General fund	119,556	117,739	112,557	107,883	107,470	11%	119,556	107,470	11%	107,883
Segregated funds	144,258	140,596	139,785	140,377	138,802	4%	144,258	138,802	4%	140,377
Mutual funds and other funds	87,525	85,209	84,203	84,117	79,849	10%	87,525	79,849	10%	84,117
<b>Total assets under management</b>	<b>351,339</b>	<b>343,544</b>	<b>336,545</b>	<b>332,377</b>	<b>326,121</b>	<b>8%</b>	<b>351,339</b>	<b>326,121</b>	<b>8%</b>	<b>332,377</b>
Assets under administration	60,778	57,551	55,553	56,290	53,904	13%	60,778	53,904	13%	56,290
<b>Total assets under management and administration</b>	<b>412,117</b>	<b>401,095</b>	<b>392,098</b>	<b>388,667</b>	<b>380,025</b>	<b>8%</b>	<b>412,117</b>	<b>380,025</b>	<b>8%</b>	<b>388,667</b>

**Assets Under Management and Administration<sup>2</sup>**

<b>Assets Under Management</b>										
Insurance	110,178	107,115	102,972	100,549	99,195	11%	110,178	99,195	11%	100,549
Wealth and asset management	171,102	165,749	163,681	163,043	157,218	9%	171,102	157,218	9%	163,043
Other wealth	70,059	70,680	69,892	68,785	69,708	1%	70,059	69,708	1%	68,785
<b>Total assets under management</b>	<b>351,339</b>	<b>343,544</b>	<b>336,545</b>	<b>332,377</b>	<b>326,121</b>	<b>8%</b>	<b>351,339</b>	<b>326,121</b>	<b>8%</b>	<b>332,377</b>
Assets under administration	60,778	57,551	55,553	56,290	53,904	13%	60,778	53,904	13%	56,290
<b>Total assets under management and administration</b>	<b>412,117</b>	<b>401,095</b>	<b>392,098</b>	<b>388,667</b>	<b>380,025</b>	<b>8%</b>	<b>412,117</b>	<b>380,025</b>	<b>8%</b>	<b>388,667</b>

**Changes in Assets Under Management and Administration<sup>2</sup>**

<b>Beginning balance</b>	<b>401,095</b>	<b>392,098</b>	<b>388,667</b>	<b>380,025</b>	<b>400,596</b>	<b>0%</b>	<b>388,667</b>	<b>343,533</b>	<b>13%</b>	<b>343,533</b>
Assets acquired (New York Life Pension)	-	-	-	-	-	-	-	56,587	-100%	56,587
Premiums and deposits <sup>1</sup>	14,670	13,336	13,982	15,388	14,913	-2%	41,988	39,650	6%	55,038
Investment income (loss) <sup>3</sup>	12,045	10,854	5,660	6,996	(11,466)	-	28,559	(8,152)	-	(1,156)
JH Investment withdrawals	(6,549)	(6,804)	(6,682)	(4,802)	(4,455)	47%	(20,035)	(13,022)	54%	(17,824)
Retirement Plan Services withdrawals	(5,862)	(5,341)	(6,233)	(5,876)	(5,120)	14%	(17,436)	(14,153)	23%	(20,029)
Other benefits and withdrawals	(2,889)	(2,860)	(2,688)	(3,109)	(2,949)	-2%	(8,437)	(10,040)	-16%	(13,149)
Other <sup>4</sup>	(393)	(188)	(608)	45	(11,494)	-97%	(1,189)	(14,378)	-92%	(14,333)
<b>Ending balance</b>	<b>412,117</b>	<b>401,095</b>	<b>392,098</b>	<b>388,667</b>	<b>380,025</b>	<b>8%</b>	<b>412,117</b>	<b>380,025</b>	<b>8%</b>	<b>388,667</b>

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

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

<sup>3</sup> 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.

<sup>4</sup> 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	144	138	167	170	165	-13%	449	455	-1%	625
Gross Flows - Wealth and asset management	16,730	15,045	17,443	17,830	17,036	-2%	49,218	42,737	15%	60,567
Net income (loss) attributed to shareholders <sup>2</sup>	559	407	241	323	507	10%	1,207	1,137	6%	1,460
Total premiums and deposits <sup>1</sup>	19,143	17,194	19,186	20,562	19,520	-2%	55,523	50,056	11%	70,618
Total assets under management and administration <sup>2</sup>	540,550	521,782	508,556	537,947	509,005	6%	540,550	509,005	6%	537,947

**CORPORATE AND OTHER**

(Canadian \$ in millions, unaudited)



	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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**Statements of Income<sup>1</sup>**

<b>Revenue</b>										
Gross investment income before items below	272	311	261	157	198	37%	844	631	34%	788
Gains (losses) on AFS equities	68	55	35	60	45	51%	158	175	-10%	235
Gains (losses) on AFS bonds and related derivative positions	336	56	300	(17)	-	-	692	10	nm	(7)
Gains (losses) on macro hedges	(244)	(78)	(88)	(214)	262	-	(410)	218	-	4
Interest on surplus funds allocated to divisions	(256)	(254)	(263)	(244)	(237)	8%	(773)	(681)	14%	(925)
Other revenue	54	82	303	93	(15)	-	439	94	367%	187
<b>Total revenue, net</b>	<b>230</b>	<b>172</b>	<b>548</b>	<b>(165)</b>	<b>253</b>	<b>-9%</b>	<b>950</b>	<b>447</b>	<b>113%</b>	<b>282</b>
<b>Contract benefits and expenses</b>										
General expenses	258	275	278	321	256	1%	811	774	5%	1,095
Investment expenses, net	(79)	(56)	(71)	(77)	(66)	20%	(206)	(182)	13%	(259)
Changes in actuarial methods and assumptions	614	16	(38)	149	346	77%	592	457	30%	606
Other	119	105	337	41	135	-12%	561	356	58%	397
<b>Total contract benefits and expenses</b>	<b>912</b>	<b>340</b>	<b>506</b>	<b>434</b>	<b>671</b>	<b>36%</b>	<b>1,758</b>	<b>1,405</b>	<b>25%</b>	<b>1,839</b>
<b>Income (loss) before income taxes</b>	<b>(682)</b>	<b>(168)</b>	<b>42</b>	<b>(599)</b>	<b>(418)</b>	<b>63%</b>	<b>(808)</b>	<b>(958)</b>	<b>-16%</b>	<b>(1,557)</b>
Income tax (expense) recovery	236	53	16	172	124	90%	305	406	-25%	578
<b>Net income (loss)</b>	<b>(446)</b>	<b>(115)</b>	<b>58</b>	<b>(427)</b>	<b>(294)</b>	<b>52%</b>	<b>(503)</b>	<b>(552)</b>	<b>-9%</b>	<b>(979)</b>
Less net income (loss) attributed to non-controlling interest	27	(1)	(3)	(13)	6	350%	23	5	360%	(8)
<b>Net income (loss) attributed to shareholders - Corporate and Investments</b>	<b>(473)</b>	<b>(114)</b>	<b>61</b>	<b>(414)</b>	<b>(300)</b>	<b>58%</b>	<b>(526)</b>	<b>(557)</b>	<b>-6%</b>	<b>(971)</b>
Net income attributed to shareholders' for Reinsurance business	35	24	22	32	28	25%	81	85	-5%	117
<b>Net income (loss) attributed to shareholders<sup>2</sup></b>	<b>(438)</b>	<b>(90)</b>	<b>83</b>	<b>(382)</b>	<b>(272)</b>	<b>61%</b>	<b>(445)</b>	<b>(472)</b>	<b>-6%</b>	<b>(854)</b>

<sup>1</sup> 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.

<sup>2</sup> See the Q3 press release for a description of Q3 2016 results compared to Q3 2015.

**Earnings Analysis<sup>1</sup>**

<b>Total core loss</b>	(146)	(203)	(193)	(159)	(179)	-18%	(542)	(365)	48%	(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)	(9)	80	(9)	(32)	(12)	-25%	62	(7)	-	(39)
<b>Total core loss and investment related gains in excess of core investment gains</b>	<b>(155)</b>	<b>(123)</b>	<b>(202)</b>	<b>(191)</b>	<b>(191)</b>	<b>-19%</b>	<b>(480)</b>	<b>(372)</b>	<b>29%</b>	<b>(563)</b>
<b>Items excluded from core loss</b>										
Direct impact of equity markets and interest rates	175	34	284	(46)	209	-16%	493	246	100%	200
Change in actuarial methods and assumptions (excl. URR changes)	(455)	-	12	(97)	(285)	60%	(443)	(354)	25%	(451)
Integration and acquisition costs	(3)	(1)	(2)	(11)	(5)	-40%	(6)	(34)	-82%	(45)
Other items	-	-	(9)	(37)	-	-	(9)	42	-	5
<b>Net income (loss) attributed to shareholders</b>	<b>(438)</b>	<b>(90)</b>	<b>83</b>	<b>(382)</b>	<b>(272)</b>	<b>61%</b>	<b>(445)</b>	<b>(472)</b>	<b>-6%</b>	<b>(854)</b>

**Wealth and Asset Management Gross Flows**

Institutional advisory accounts <sup>3</sup>	1,497	2,879	3,213	5,974	2,165	-31%	7,589	16,176	-53%	22,150
<b>Total wealth and asset management gross flows</b>	<b>1,497</b>	<b>2,879</b>	<b>3,213</b>	<b>5,974</b>	<b>2,165</b>	<b>-31%</b>	<b>7,589</b>	<b>16,176</b>	<b>-53%</b>	<b>22,150</b>

**Premiums and Deposits**

Institutional advisory accounts <sup>3</sup>	1,497	2,879	3,213	5,974	2,165	-31%	7,589	16,176	-53%	22,150
Premiums - Reinsurance business	22	21	22	26	24	-8%	65	64	2%	90
<b>Total premiums and deposits</b>	<b>1,519</b>	<b>2,900</b>	<b>3,235</b>	<b>6,000</b>	<b>2,189</b>	<b>-31%</b>	<b>7,654</b>	<b>16,240</b>	<b>-53%</b>	<b>22,240</b>

**Assets Under Management**

General fund - Corporate and Investments <sup>1</sup>	(8,965)	(7,396)	(5,106)	(574)	(553)	nm	(8,965)	(553)	nm	(574)
General fund - Reinsurance	923	893	863	1,059	1,023	-10%	923	1,023	-10%	1,059
Segregated funds - elimination of amounts held by the Company	(177)	(173)	(169)	(171)	(167)	6%	(177)	(167)	6%	(171)
Institutional advisory accounts <sup>3</sup>	74,035	73,625	69,674	71,237	65,528	13%	74,035	65,528	13%	71,237
<b>Total assets under management</b>	<b>65,816</b>	<b>66,949</b>	<b>65,262</b>	<b>71,551</b>	<b>65,831</b>	<b>0%</b>	<b>65,816</b>	<b>65,831</b>	<b>0%</b>	<b>71,551</b>

<sup>3</sup> 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 Q3 2016	%	As at Q2 2016	%	As at Q1 2016	%	As at Q4 2015	%	As at Q3 2015	%
<b>Carrying value</b>										
<b>Cash and short-term securities</b>	<b>18,179</b>	<b>5.6 %</b>	<b>20,902</b>	<b>6.5 %</b>	<b>17,864</b>	<b>5.9 %</b>	<b>17,885</b>	<b>5.9 %</b>	<b>19,005</b>	<b>6.5 %</b>
Debt securities										
Government										
Canadian government & agency	25,357	7.7 %	25,284	7.9 %	23,122	7.5 %	21,283	6.9 %	19,690	6.6 %
US government & agency	30,044	9.1 %	29,731	9.2 %	28,989	9.4 %	28,652	9.3 %	26,277	8.8 %
Foreign governments & agency	23,456	7.1 %	23,042	7.2 %	20,883	6.8 %	19,583	6.4 %	18,532	6.2 %
Corporate	94,062	28.7 %	90,802	28.1 %	85,275	27.9 %	85,194	27.7 %	82,999	27.9 %
Securitized										
CMBS	864	0.3 %	866	0.3 %	799	0.3 %	841	0.3 %	883	0.3 %
RMBS	79	0.0 %	30	0.0 %	63	0.0 %	76	0.0 %	191	0.1 %
ABS	2,772	0.8 %	2,157	0.7 %	2,294	0.7 %	2,198	0.7 %	2,216	0.7 %
<b>Total debt securities</b>	<b>176,634</b>	<b>53.7 %</b>	<b>171,912</b>	<b>53.4 %</b>	<b>161,425</b>	<b>52.6 %</b>	<b>157,827</b>	<b>51.3 %</b>	<b>150,788</b>	<b>50.6 %</b>
<b>Private placement debt</b>	<b>28,492</b>	<b>8.8 %</b>	<b>26,869</b>	<b>8.4 %</b>	<b>26,224</b>	<b>8.5 %</b>	<b>27,578</b>	<b>9.0 %</b>	<b>26,043</b>	<b>8.7 %</b>
Mortgages										
Commercial										
Retail	8,055	2.5 %	7,811	2.4 %	7,716	2.6 %	7,985	2.6 %	7,768	2.6 %
Office	7,167	2.2 %	7,204	2.2 %	6,902	2.2 %	7,137	2.3 %	7,369	2.5 %
Multi family residential	4,728	1.4 %	4,475	1.4 %	4,430	1.4 %	4,624	1.5 %	4,543	1.5 %
Industrial	2,864	0.9 %	2,846	0.9 %	2,871	0.9 %	2,831	0.9 %	2,803	0.9 %
Other commercial	2,544	0.8 %	2,595	0.8 %	2,610	0.9 %	2,780	0.9 %	2,770	0.9 %
Other mortgages										
Manulife Bank single family residential	17,672	5.2 %	17,736	5.5 %	17,597	5.7 %	17,523	5.7 %	17,547	5.9 %
Agriculture	823	0.3 %	839	0.3 %	861	0.3 %	938	0.3 %	1,064	0.4 %
<b>Total mortgages<sup>1</sup></b>	<b>43,853</b>	<b>13.3 %</b>	<b>43,506</b>	<b>13.5 %</b>	<b>42,987</b>	<b>14.0 %</b>	<b>43,818</b>	<b>14.2 %</b>	<b>43,864</b>	<b>14.7 %</b>
<b>Policy loans</b>	<b>5,952</b>	<b>1.8 %</b>	<b>5,691</b>	<b>1.8 %</b>	<b>5,675</b>	<b>1.9 %</b>	<b>5,912</b>	<b>1.9 %</b>	<b>5,721</b>	<b>1.9 %</b>
<b>Loans to bank clients</b>	<b>1,770</b>	<b>0.4 %</b>	<b>1,801</b>	<b>0.6 %</b>	<b>1,822</b>	<b>0.6 %</b>	<b>1,778</b>	<b>0.6 %</b>	<b>1,761</b>	<b>0.6 %</b>
<b>Public equities</b>										
Par, equity-linked and pass-through	11,559	3.5 %	10,995	3.4 %	10,309	3.4 %	10,516	3.4 %	9,933	3.3 %
Nonpar and surplus	6,583	2.0 %	6,087	1.9 %	6,332	2.0 %	6,467	2.1 %	6,135	2.1 %
<b>Total public equities</b>	<b>18,142</b>	<b>5.5 %</b>	<b>17,082</b>	<b>5.3 %</b>	<b>16,641</b>	<b>5.4 %</b>	<b>16,983</b>	<b>5.5 %</b>	<b>16,068</b>	<b>5.4 %</b>
<b>Real estate &amp; other invested assets</b>										
Alternative long-duration assets										
Office	9,091	2.7 %	8,793	2.8 %	10,370	3.4 %	10,804	3.6 %	10,323	3.5 %
Industrial	944	0.3 %	931	0.3 %	908	0.3 %	928	0.3 %	898	0.3 %
Company use	1,337	0.4 %	1,319	0.4 %	1,310	0.4 %	1,379	0.4 %	1,495	0.5 %
Other	2,535	0.8 %	2,342	0.7 %	2,282	0.7 %	2,236	0.7 %	2,132	0.7 %
<b>Total real estate</b>	<b>13,907</b>	<b>4.2 %</b>	<b>13,385</b>	<b>4.2 %</b>	<b>14,870</b>	<b>4.8 %</b>	<b>15,347</b>	<b>5.0 %</b>	<b>14,848</b>	<b>5.0 %</b>
Power & infrastructure	6,236	2.0 %	5,695	1.8 %	5,127	1.8 %	5,260	1.7 %	5,051	1.8 %
Private equity	4,373	1.3 %	3,969	1.2 %	3,743	1.2 %	3,754	1.2 %	3,537	1.2 %
Timberland	3,593	1.1 %	3,490	1.1 %	3,426	1.1 %	3,553	1.2 %	3,350	1.1 %
Oil & gas	2,016	0.6 %	1,833	0.6 %	1,593	0.5 %	1,740	0.6 %	1,871	0.6 %
Farmland	1,293	0.4 %	1,250	0.4 %	1,143	0.4 %	1,539	0.5 %	1,485	0.5 %
Other	477	0.1 %	471	0.1 %	418	0.1 %	435	0.1 %	416	0.1 %
<b>Total alternative long-duration assets</b>	<b>31,895</b>	<b>9.7 %</b>	<b>30,093</b>	<b>9.4 %</b>	<b>30,320</b>	<b>9.9 %</b>	<b>31,628</b>	<b>10.3 %</b>	<b>30,558</b>	<b>10.3 %</b>
Leveraged leases	3,312	1.0 %	3,300	0.9 %	3,353	1.0 %	3,549	1.1 %	3,415	1.1 %
Other	527	0.2 %	508	0.2 %	516	0.2 %	548	0.2 %	612	0.2 %
<b>Total real estate &amp; other invested assets</b>	<b>35,734</b>	<b>10.9 %</b>	<b>33,901</b>	<b>10.5 %</b>	<b>34,189</b>	<b>11.1 %</b>	<b>35,725</b>	<b>11.6 %</b>	<b>34,585</b>	<b>11.6 %</b>
<b>Total invested assets</b>	<b>328,756</b>	<b>100.0 %</b>	<b>321,664</b>	<b>100.0 %</b>	<b>306,827</b>	<b>100.0 %</b>	<b>307,506</b>	<b>100.0 %</b>	<b>297,835</b>	<b>100.0 %</b>

<sup>1</sup> Includes government insured mortgages (\$8,366 or 19% as at Sept 30, 2016).

**Fair value<sup>2</sup>**

Real estate	15,039	14,506	15,959	16,425	15,645
Total alternative long-duration assets	33,301	31,507	31,705	32,686	31,339
Total real estate & other invested assets	37,140	35,315	35,574	36,783	35,366

<sup>2</sup> 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 <sup>1</sup>	NAIC designation	As at Q3 2016	%	As at Q2 2016	%	As at Q1 2016	%	As at Q4 2015	%	As at Q3 2015	%
Debt Securities	AAA	1	43,569	24%	43,699	25%	43,050	27%	40,972	26%	37,330	25%
	AA	1	24,042	14%	23,283	14%	20,606	13%	21,998	14%	20,410	14%
	A	1	75,769	43%	73,716	43%	68,126	42%	65,507	41%	65,095	43%
	BBB	2	29,659	17%	27,854	16%	26,439	16%	26,144	17%	24,838	16%
	BB	3	3,191	2%	2,912	2%	2,651	2%	2,698	2%	2,528	2%
	B & lower, and unrated	4 & below	404	0%	448	0%	553	0%	508	0%	587	0%
	Total		176,634	100%	171,912	100%	161,425	100%	157,827	100%	150,788	100%
Private Placements	AAA	1	1,037	4%	995	4%	961	4%	1,030	4%	1,010	4%
	AA	1	4,303	15%	3,573	13%	3,579	14%	3,886	14%	3,813	15%
	A	1	9,983	35%	9,557	36%	9,309	35%	9,813	36%	8,913	34%
	BBB	2	11,204	39%	10,811	40%	10,395	40%	10,791	39%	10,312	39%
	BB	3	999	4%	1,073	4%	1,150	4%	1,113	4%	1,242	5%
	B & lower, and unrated	4 & below	966	3%	860	3%	830	3%	945	3%	753	3%
	Total		28,492	100%	26,869	100%	26,224	100%	27,578	100%	26,043	100%
Total	AAA	1	44,606	21%	44,694	22%	44,011	23%	42,002	23%	38,340	21%
	AA	1	28,345	14%	26,856	14%	24,185	13%	25,884	14%	24,223	14%
	A	1	85,752	42%	83,273	42%	77,435	41%	75,320	40%	74,008	42%
	BBB	2	40,863	20%	38,665	19%	36,834	20%	36,935	20%	35,150	20%
	BB	3	4,190	2%	3,985	2%	3,801	2%	3,811	2%	3,770	2%
	B & lower, and unrated	4 & below	1,370	1%	1,308	1%	1,383	1%	1,453	1%	1,340	1%
	Total		205,126	100%	198,781	100%	187,649	100%	185,405	100%	176,831	100%

<sup>1</sup> 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 September 30, 2016, the Company had \$821 (June 30, 2016: \$807) notional outstanding of CDS protection sold.

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

	Country	As at Q3 2016	%	As at Q2 2016	%	As at Q1 2016	%	As at Q4 2015	%	As at Q3 2015	%
Debt Securities	U.S.	78,472	44%	76,663	44%	73,324	45%	73,333	47%	70,093	46%
	Canada	50,143	28%	49,442	29%	46,529	29%	44,708	28%	43,363	29%
	Europe	4,599	3%	4,566	3%	4,593	3%	4,830	3%	4,576	3%
	Asia & Other	43,420	25%	41,241	24%	36,979	23%	34,956	22%	32,756	22%
	Total	176,634	100%	171,912	100%	161,425	100%	157,827	100%	150,788	100%
Private Placements	U.S.	16,820	59%	15,478	58%	15,157	58%	16,254	59%	15,311	59%
	Canada	8,765	31%	8,716	32%	8,327	32%	8,375	31%	7,952	31%
	Europe	1,760	6%	1,715	6%	1,629	6%	1,745	6%	1,688	6%
	Asia & Other	1,147	4%	960	4%	1,111	4%	1,204	4%	1,092	4%
	Total	28,492	100%	26,869	100%	26,224	100%	27,578	100%	26,043	100%
Total	U.S.	95,292	46%	92,141	47%	88,481	47%	89,587	48%	85,404	48%
	Canada	58,908	29%	58,158	29%	54,856	29%	53,083	29%	51,315	29%
	Europe	6,359	3%	6,281	3%	6,222	4%	6,575	4%	6,264	4%
	Asia & Other	44,567	22%	42,201	21%	38,090	20%	36,160	19%	33,848	19%
	Total	205,126	100%	198,781	100%	187,649	100%	185,405	100%	176,831	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 Q3 2016				As at Q2 2016				As at Q1 2016				As at Q4 2015				As at Q3 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	78,857	45%	98%	78,057	45%	98%	72,994	45%	98%	69,518	44%	98%	64,499	43%	98%				
	Utilities	23,735	13%	99%	23,517	14%	99%	21,642	13%	99%	21,326	14%	99%	20,697	14%	99%				
	Financial	23,689	13%	98%	23,132	13%	97%	22,159	14%	97%	22,669	14%	96%	22,190	15%	96%				
	Energy	13,942	8%	96%	13,170	8%	96%	11,756	7%	96%	11,528	7%	96%	11,482	7%	97%				
	Consumer (non-cyclical)	9,043	5%	100%	8,587	5%	100%	8,295	5%	100%	8,382	5%	100%	8,138	5%	100%				
	Industrial	10,794	6%	99%	10,243	6%	100%	9,646	6%	100%	9,366	6%	100%	9,006	6%	100%				
	Basic materials	2,786	2%	90%	2,576	1%	88%	2,494	2%	87%	2,506	2%	89%	2,537	2%	89%				
	Consumer (cyclical)	2,900	2%	99%	2,855	2%	99%	2,655	2%	99%	2,812	2%	99%	2,557	2%	99%				
	Securitized MBS/ABS	3,715	2%	99%	3,053	2%	99%	3,156	2%	98%	3,115	2%	98%	3,290	2%	95%				
	Telecommunications	3,102	2%	99%	2,865	2%	99%	3,017	2%	99%	2,983	2%	99%	2,943	2%	100%				
	Technology	2,173	1%	97%	2,037	1%	100%	1,801	1%	100%	1,811	1%	100%	1,721	1%	100%				
	Media & internet	1,155	1%	100%	1,110	1%	100%	1,187	1%	100%	1,155	1%	100%	1,156	1%	100%				
	Diversified & miscellaneous	743	0%	99%	710	0%	99%	623	0%	100%	656	0%	100%	572	0%	99%				
	<b>Total</b>	<b>176,634</b>	<b>100%</b>	<b>98%</b>	<b>171,912</b>	<b>100%</b>	<b>98%</b>	<b>161,425</b>	<b>100%</b>	<b>98%</b>	<b>157,827</b>	<b>100%</b>	<b>98%</b>	<b>150,788</b>	<b>100%</b>	<b>98%</b>				
Private Placements	Government & agency	2,938	10%	100%	2,817	11%	100%	2,731	10%	100%	2,914	11%	100%	2,821	11%	100%				
	Utilities	13,947	49%	95%	13,504	50%	94%	12,967	50%	94%	13,564	49%	94%	12,548	48%	94%				
	Financial	1,668	6%	96%	1,617	6%	96%	1,758	7%	96%	1,849	7%	96%	1,692	7%	96%				
	Energy	1,582	6%	82%	1,633	6%	82%	1,718	7%	82%	1,894	7%	85%	1,889	7%	84%				
	Consumer (non-cyclical)	3,257	11%	91%	2,533	9%	89%	2,343	9%	89%	2,450	9%	90%	2,359	9%	90%				
	Industrial	2,236	8%	94%	2,025	8%	94%	2,025	8%	94%	2,088	8%	93%	2,065	8%	93%				
	Basic materials	879	3%	85%	863	3%	84%	835	3%	84%	832	3%	83%	849	3%	80%				
	Consumer (cyclical)	1,496	5%	88%	1,488	6%	88%	1,513	6%	87%	1,613	6%	86%	1,467	6%	90%				
	Securitized MBS/ABS	251	1%	97%	150	1%	94%	92	0%	91%	100	0%	91%	92	0%	100%				
	Telecommunications	42	0%	100%	43	0%	100%	74	0%	100%	76	0%	100%	50	0%	92%				
	Technology	115	1%	66%	114	0%	67%	113	0%	67%	120	0%	67%	119	1%	68%				
	Media & internet	81	0%	42%	82	0%	42%	55	0%	8%	78	0%	6%	92	0%	15%				
	Diversified & miscellaneous	0	0%	n/a	0	0%	n/a	0	0%	n/a	0	0%	n/a	0	0%	n/a				
	<b>Total</b>	<b>28,492</b>	<b>100%</b>	<b>93%</b>	<b>26,869</b>	<b>100%</b>	<b>93%</b>	<b>26,224</b>	<b>100%</b>	<b>93%</b>	<b>27,578</b>	<b>100%</b>	<b>93%</b>	<b>26,043</b>	<b>100%</b>	<b>92%</b>				
Total	Government & agency	81,795	40%	98%	80,874	41%	98%	75,725	40%	98%	72,432	39%	98%	67,320	38%	98%				
	Utilities	37,682	18%	98%	37,021	19%	98%	34,609	18%	97%	34,890	19%	97%	33,245	19%	97%				
	Financial	25,357	12%	98%	24,749	12%	97%	23,917	13%	97%	24,518	13%	96%	23,882	13%	96%				
	Energy	15,524	8%	95%	14,803	7%	95%	13,474	7%	95%	13,422	7%	95%	13,371	8%	95%				
	Consumer (non-cyclical)	12,300	6%	97%	11,120	6%	97%	10,638	6%	98%	10,832	6%	98%	10,497	6%	98%				
	Industrial	13,030	6%	98%	12,268	6%	99%	11,671	6%	99%	11,454	6%	99%	11,071	6%	99%				
	Basic materials	3,665	2%	89%	3,439	2%	87%	3,329	2%	86%	3,338	2%	87%	3,386	2%	87%				
	Consumer (cyclical)	4,396	2%	95%	4,343	2%	95%	4,168	2%	95%	4,425	2%	94%	4,024	2%	95%				
	Securitized MBS/ABS	3,966	2%	99%	3,203	2%	98%	3,248	2%	98%	3,215	2%	98%	3,382	2%	95%				
	Telecommunications	3,144	2%	99%	2,908	1%	99%	3,091	2%	99%	3,059	2%	99%	2,993	2%	100%				
	Technology	2,288	1%	95%	2,151	1%	98%	1,914	1%	98%	1,931	1%	98%	1,840	1%	98%				
	Media & internet	1,236	1%	96%	1,192	1%	96%	1,242	1%	96%	1,233	1%	94%	1,248	1%	94%				
	Diversified & miscellaneous	743	0%	99%	710	0%	99%	623	0%	100%	656	0%	100%	572	0%	99%				
	<b>Total</b>	<b>205,126</b>	<b>100%</b>	<b>97%</b>	<b>198,781</b>	<b>100%</b>	<b>97%</b>	<b>187,649</b>	<b>100%</b>	<b>97%</b>	<b>185,405</b>	<b>100%</b>	<b>97%</b>	<b>176,831</b>	<b>100%</b>	<b>97%</b>				

# INVESTED ASSETS - PROVISIONS, IMPAIRMENTS & UNREALIZED LOSSES

(Canadian \$ in millions, unaudited)

## Unrealized (losses)

	As at Q3 2016				As at Q2 2016				As at Q1 2016				As at Q4 2015				As at Q3 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
<b>Debt securities</b>																				
Government	71,617	(261)	0%	(1)	69,980	(171)	0%	(1)	67,461	(480)	1%	(13)	65,968	(966)	1%	(20)	61,036	(963)	2%	(1)
Corporate																				
Financials	22,131	(62)	0%	(28)	21,588	(74)	0%	(34)	20,934	(102)	0%	(26)	21,643	(145)	1%	(25)	21,038	(124)	1%	(25)
Non-financials	63,455	(261)	0%	(46)	61,207	(331)	1%	(45)	59,050	(840)	1%	(40)	60,303	(1,368)	2%	(10)	57,566	(883)	2%	(5)
Securitized																				
CMBS	857	(4)	0%	(2)	855	(3)	0%	-	792	(3)	0%	-	836	(6)	1%	-	866	(5)	1%	(3)
RMBS	76	-	0%	-	28	-	0%	-	62	(1)	2%	-	75	(1)	1%	-	195	(6)	3%	-
ABS	2,673	(3)	0%	-	2,066	(8)	0%	-	2,230	(16)	1%	-	2,141	(11)	1%	-	2,137	(7)	0%	-
Private placement debt	28,492	(76)	0%	(1)	26,869	(125)	0%	(4)	26,224	(252)	1%	(8)	27,578	(465)	2%	-	26,043	(279)	1%	-
<b>Fixed income securities<sup>1</sup></b>	<b>189,301</b>	<b>(667)</b>	<b>0%</b>	<b>(78)</b>	<b>182,593</b>	<b>(712)</b>	<b>0%</b>	<b>(84)</b>	<b>176,753</b>	<b>(1,694)</b>	<b>1%</b>	<b>(87)</b>	<b>178,544</b>	<b>(2,962)</b>	<b>2%</b>	<b>(55)</b>	<b>168,881</b>	<b>(2,267)</b>	<b>1%</b>	<b>(34)</b>

<sup>1</sup> 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<sup>2</sup>

	Q3 2016			Q2 2016			Q1 2016			Q4 2015			Q3 2015		
	Par	Non-par	Total	Par	Non-par	Total	Par	Non-par	Total	Par	Non-par	Total	Par	Non-par	Total
<b>Credit related</b>															
Loans	(1)	11	10	-	4	4	-	(69)	(69)	-	(24)	(24)	-	(1)	(1)
Debt securities - FVTPL	1	2	3	5	8	13	-	(1)	(1)	(1)	(2)	(3)	2	2	4
Debt securities - AFS	-	-	-	-	-	-	-	-	-	-	2	2	-	3	3
Other <sup>3</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>13</b>	<b>13</b>	<b>5</b>	<b>12</b>	<b>17</b>	<b>-</b>	<b>(70)</b>	<b>(70)</b>	<b>(1)</b>	<b>(24)</b>	<b>(25)</b>	<b>2</b>	<b>4</b>	<b>6</b>
<b>Equity related</b>															
Public - AFS	-	(14)	(14)	-	(20)	(20)	-	(10)	(10)	-	(10)	(10)	-	(17)	(17)
Private equities - AFS and Other <sup>3</sup>	-	-	-	-	-	-	-	-	-	-	(3)	(3)	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>(14)</b>	<b>(14)</b>	<b>-</b>	<b>(20)</b>	<b>(20)</b>	<b>-</b>	<b>(10)</b>	<b>(10)</b>	<b>-</b>	<b>(13)</b>	<b>(13)</b>	<b>-</b>	<b>(17)</b>	<b>(17)</b>
<b>Total</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	<b>5</b>	<b>(8)</b>	<b>(3)</b>	<b>-</b>	<b>(80)</b>	<b>(80)</b>	<b>(1)</b>	<b>(37)</b>	<b>(38)</b>	<b>2</b>	<b>(13)</b>	<b>(11)</b>

<sup>2</sup> 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.

<sup>3</sup> 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 Q3 2016			As at Q2 2016			As at Q1 2016			As at Q4 2015			As at Q3 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
<b>Loans</b>															
Mortgages and loans to bank clients	61	(28)	33	41	(22)	19	58	(29)	29	60	(29)	31	63	(28)	35
Private placements	248	(91)	157	222	(110)	112	221	(109)	112	186	(72)	114	212	(97)	115
<b>Sub-total</b>	<b>309</b>	<b>(119)</b>	<b>190</b>	<b>263</b>	<b>(132)</b>	<b>131</b>	<b>279</b>	<b>(138)</b>	<b>141</b>	<b>246</b>	<b>(101)</b>	<b>145</b>	<b>275</b>	<b>(125)</b>	<b>150</b>
<b>Other fixed income<sup>4</sup></b>															
Debt securities - FVTPL	23	-	23	21	-	21	12	-	12	15	-	15	27	-	27
Debt securities - AFS	-	-	-	-	-	-	-	-	-	-	-	-	5	-	5
Other	1	-	1	1	-	1	1	-	1	1	-	1	1	-	1
<b>Sub-total</b>	<b>24</b>	<b>-</b>	<b>24</b>	<b>22</b>	<b>-</b>	<b>22</b>	<b>13</b>	<b>-</b>	<b>13</b>	<b>16</b>	<b>-</b>	<b>16</b>	<b>33</b>	<b>-</b>	<b>33</b>
<b>Total</b>	<b>333</b>	<b>(119)</b>	<b>214</b>	<b>285</b>	<b>(132)</b>	<b>153</b>	<b>292</b>	<b>(138)</b>	<b>154</b>	<b>262</b>	<b>(101)</b>	<b>161</b>	<b>308</b>	<b>(125)</b>	<b>183</b>

<sup>4</sup> 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)


Q3 2016		Q2 2016		Q1 2016		Q4 2015		Q3 2015	
Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield

**Cash and short-term securities**

Investment income	32	n/a	32	n/a	36	n/a	22	n/a	81	n/a
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**Debt securities**

Interest income	1,420	3.7%	1,369	3.7%	1,409	3.8%	1,376	3.8%	1,347	3.8%
Recoveries (impairments), net <sup>1</sup>	3		13		(1)		(1)		6	
Gains (losses) on assets backing surplus	302		25		291		8		50	
<b>Total</b>	<b>1,725</b>	<b>3.9%</b>	<b>1,407</b>	<b>3.9%</b>	<b>1,699</b>	<b>4.3%</b>	<b>1,383</b>	<b>3.6%</b>	<b>1,403</b>	<b>3.6%</b>

<sup>1</sup> Includes impairments on debt securities classified as AFS and FVTPL.

**Public equities**

Dividend income	110	2.9%	149	3.1%	102	2.5%	160	3.0%	109	2.7%
Impairments, net	(14)		(19)		(10)		(10)		(17)	
Gains (losses) on assets backing surplus	68		55		35		44		45	
<b>Total</b>	<b>164</b>	<b>3.8%</b>	<b>185</b>	<b>3.8%</b>	<b>127</b>	<b>3.2%</b>	<b>194</b>	<b>4.1%</b>	<b>137</b>	<b>3.9%</b>

**Loans**

Mortgage loan interest income	414	3.9%	412	3.9%	424	4.0%	435	4.0%	431	4.0%
Private placement interest income	359	5.4%	364	5.5%	398	6.0%	349	5.4%	321	5.0%
Policy loan interest income	89	6.0%	86	4.7%	87	4.6%	86	4.8%	90	4.9%
Loans to bank clients interest income	17	3.9%	17	3.9%	17	3.9%	17	3.9%	17	4.0%
Recoveries (impairments), net	10		4		(69)		(23)		(1)	
<b>Total</b>	<b>889</b>	<b>4.6%</b>	<b>883</b>	<b>4.4%</b>	<b>857</b>	<b>4.3%</b>	<b>864</b>	<b>4.5%</b>	<b>858</b>	<b>4.5%</b>

**Real estate**

Rental and other income	124	3.8%	139	3.9%	144	3.8%	115	3.9%	138	4.2%
Gains on assets backing surplus	3		45		(8)		(16)		(18)	
<b>Total</b>	<b>127</b>	<b>4.2%</b>	<b>184</b>	<b>4.4%</b>	<b>136</b>	<b>3.6%</b>	<b>99</b>	<b>3.6%</b>	<b>120</b>	<b>4.0%</b>

**Other investments**

Investment income	290	n/a	267	n/a	140	n/a	138	n/a	(46)	n/a
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**Derivatives**

Investment income	341	n/a	255	n/a	305	n/a	199	n/a	155	n/a
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<b>Investment income <sup>2</sup></b>	<b>3,568</b>	<b>4.5%</b>	<b>3,213</b>	<b>4.4%</b>	<b>3,300</b>	<b>4.4%</b>	<b>2,899</b>	<b>3.9%</b>	<b>2,708</b>	<b>3.9%</b>
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<sup>2</sup> 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	297		4,617		3,979		(905)		344	
Public equities	616		205		(2)		351		(1,222)	
Loans	11		(53)		2		76		359	
Real estate	122		(38)		32		210		185	
Other investments	417		261		(39)		(65)		206	
Derivatives, including macro equity hedging program	(692)		2,930		4,890		(1,583)		3,800	
<b>Total</b>	<b>771</b>	<b>n/a</b>	<b>7,922</b>	<b>n/a</b>	<b>8,862</b>	<b>n/a</b>	<b>(1,916)</b>	<b>n/a</b>	<b>3,672</b>	<b>n/a</b>

<b>Total investment income (loss)</b>	<b>4,339</b>	<b>12.4%</b>	<b>11,135</b>	<b>16.1%</b>	<b>12,162</b>	<b>16.8%</b>	<b>983</b>	<b>2.8%</b>	<b>6,380</b>	<b>3.4%</b>
<b>Investment expenses related to invested assets</b>	<b>(147)</b>	<b>n/a</b>	<b>(142)</b>	<b>n/a</b>	<b>(127)</b>	<b>n/a</b>	<b>(184)</b>	<b>n/a</b>	<b>(134)</b>	<b>n/a</b>
<b>Investment income (loss) less investment expenses</b>	<b>4,192</b>	<b>5.5%</b>	<b>10,993</b>	<b>15.1%</b>	<b>12,035</b>	<b>16.6%</b>	<b>799</b>	<b>1.1%</b>	<b>6,246</b>	<b>8.7%</b>



# **Actuarial Liabilities Information**

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# VARIABLE ANNUITY AND SEGREGATED FUND GUARANTEES

(Canadian \$millions, unaudited)

	Guarantee Value			Net Amount at Risk <sup>2</sup>			Policy Liabilities Held <sup>3,5</sup>	Target Capital (200 % of MCCSR)	Policy Liabilities Held plus Target Capital
	Gross Amount <sup>4</sup>	Amount Reinsured	Net of Reinsurance <sup>1</sup>	Gross Amount <sup>4</sup>	Amount Reinsured	Net of Reinsurance <sup>1</sup>			
<b>Q3 2016</b>	106,863	8,586	98,277	11,278	1,874	9,404	9,835	5,593	15,428
<b>Q2 2016</b>	107,451	8,672	98,779	12,511	2,027	10,484	11,281	5,377	16,658
<b>Q1 2016</b>	107,437	8,870	98,567	12,729	2,092	10,637	9,584	5,156	14,740
<b>Q4 2015</b>	113,175	9,669	103,506	12,747	2,168	10,579	7,469	5,156	12,625
<b>Q3 2015</b>	111,468	9,557	101,911	12,797	2,257	10,540	8,199	5,061	13,260

As at Q3 2016	Net of Reinsurance <sup>1</sup>		
	Total Guarantee Value <sup>4</sup>	Total Fund Value <sup>4</sup>	Net Amount at Risk <sup>2,4</sup>
<b>U.S.</b>			
Withdrawal Benefits	46,867	40,113	6,919
Income Benefits	510	414	100
Death Benefits	4,571	4,971	559
	51,948	45,498	7,578
<b>Canada</b>			
Withdrawal Benefits	16,128	15,188	940
Maturity Benefits	14,853	14,838	15
Death Benefits	2,204	6,605	52
	33,185	36,631	1,007
<b>Japan</b>			
Withdrawal Benefits	5,048	4,631	430
Maturity Benefits	3,921	4,225	13
Death Benefits	1,178	1,096	44
	10,147	9,952	487
<b>Reinsurance &amp; Other</b>	2,997	3,053	332

Key markets, closing levels	S&P 500	TSX	TOPIX	EAFE
<b>As at Q3 2016</b>	2,168	14,724	1,323	1,702
<b>As at Q2 2016</b>	2,099	14,065	1,246	1,608
<b>As at Q1 2016</b>	2,060	13,494	1,347	1,652
<b>As at Q4 2015</b>	2,044	13,010	1,547	1,716
<b>As at Q3 2015</b>	1,920	13,307	1,411	1,644

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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New Business Value (NBV)<sup>1</sup>

Asia										
Hong Kong	82	88	67	111	93	-12%	237	224	6%	335
Japan	104	65	96	87	82	27%	265	168	58%	255
Asia Other	70	74	58	31	27	159%	202	70	189%	101
Canadian	39	35	47	50	50	-22%	121	138	-12%	188
U.S.	5	10	19	17	35	-86%	34	59	-42%	76
Total	300	272	287	296	287	5%	859	659	30%	955

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

## REGULATORY CAPITAL

(Canadian \$ in millions, unaudited)



	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3
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### The Manufacturers Life Insurance Company's MCCR

#### Capital available:

Tier 1 capital					
Common shares	29,616	29,616	27,862	25,108	25,108
Retained earnings and CTA	15,642	13,958	12,907	13,857	16,617
Qualifying non-controlling interests	633	572	543	511	504
Innovative instruments	1,000	1,000	1,000	1,000	1,000
Other	2,239	2,224	2,121	2,259	2,635
Gross Tier 1 capital	49,130	47,370	44,433	42,735	45,864
Deductions:					
Goodwill	(5,699)	(5,673)	(5,566)	(5,685)	(5,692)
Other	(9,128)	(7,874)	(7,539)	(7,312)	(10,426)
Adjustments	(1,213)	(1,162)	(1,121)	(1,138)	(1,305)
Net Tier 1 capital - A	33,090	32,661	30,207	28,600	28,441

Tier 2 Capital					
Tier 2A	236	146	278	263	207
Tier 2B allowed	6,676	6,672	6,672	6,714	5,702
Tier 2C	7,886	6,905	6,858	7,318	6,994
Adjustments	(1,213)	(1,162)	(1,121)	(1,138)	(1,305)
Total Tier 2 capital allowed	13,585	12,561	12,687	13,157	11,598

Total Tier 1 and Tier 2 capital	46,675	45,222	42,894	41,757	40,039
Less Adjustments	-	-	-	-	-
<b>Total Capital Available - B</b>	<b>46,675</b>	<b>45,222</b>	<b>42,894</b>	<b>41,757</b>	<b>40,039</b>

#### Capital Required:

Asset default & market risk	12,508	11,916	11,555	11,687	11,140
Insurance risks	3,902	3,815	3,618	3,801	3,511
Interest rate risks	3,562	3,454	3,241	3,213	3,044
<b>Total Capital Required - C</b>	<b>19,972</b>	<b>19,185</b>	<b>18,414</b>	<b>18,701</b>	<b>17,695</b>

<b>MCCR Ratio: Total (B/C) x 100</b>	<b>234%</b>	<b>236%</b>	<b>233%</b>	<b>223%</b>	<b>226%</b>
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# **Supplementary Disclosure**

## Wealth and Asset Management

# WEALTH AND ASSET MANAGEMENT <sup>1</sup>

(Canadian \$ in millions, unaudited)



	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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## Shareholders' Income Statement<sup>2</sup>

<b>Revenue</b>										
Fee income	1,222	1,185	1,197	1,248	1,191	3%	3,604	3,430	5%	4,678
Investment income	7	9	5	(2)	(2)	-	21	-	-	(2)
<b>Total</b>	<b>1,229</b>	<b>1,194</b>	<b>1,202</b>	<b>1,246</b>	<b>1,189</b>	<b>3%</b>	<b>3,625</b>	<b>3,430</b>	<b>6%</b>	<b>4,676</b>
<b>Expenses</b>										
General, administrative and investment expenses	767	723	741	760	706	9%	2,231	2,024	10%	2,784
Commissions	294	289	299	301	299	-2%	882	886	0%	1,187
<b>Total</b>	<b>1,061</b>	<b>1,012</b>	<b>1,040</b>	<b>1,061</b>	<b>1,005</b>	<b>6%</b>	<b>3,113</b>	<b>2,910</b>	<b>7%</b>	<b>3,971</b>
<b>Income before income taxes</b>	<b>168</b>	<b>182</b>	<b>162</b>	<b>185</b>	<b>184</b>	<b>-9%</b>	<b>512</b>	<b>520</b>	<b>-2%</b>	<b>705</b>
Income tax (expense) recovery	(15)	(32)	(29)	(39)	(27)	-44%	(76)	(94)	-19%	(133)
<b>Net income attributed to shareholders</b>	<b>153</b>	<b>150</b>	<b>133</b>	<b>146</b>	<b>157</b>	<b>-3%</b>	<b>436</b>	<b>426</b>	<b>2%</b>	<b>572</b>

## Earnings (loss) Analysis<sup>2</sup>

<b>Core earnings</b>										
Asia	52	37	38	36	38	37%	127	123	3%	159
Canadian	33	46	39	35	40	-18%	118	106	11%	141
U.S.	82	68	64	78	90	-9%	214	232	-8%	310
Corporate and other <sup>3</sup>	(8)	1	(1)	6	(1)	700%	(8)	14	-	20
<b>Core earnings</b>	<b>159</b>	<b>152</b>	<b>140</b>	<b>155</b>	<b>167</b>	<b>-5%</b>	<b>451</b>	<b>475</b>	<b>-5%</b>	<b>630</b>
<b>Core earnings on a constant currency basis</b>	<b>159</b>	<b>154</b>	<b>135</b>	<b>153</b>	<b>167</b>	<b>-5%</b>	<b>448</b>	<b>488</b>	<b>-8%</b>	<b>641</b>
Material/exceptional items and tax rate changes	(6)	(2)	(7)	(10)	(10)	-40%	(15)	(49)	-69%	(59)
Direct impact of equity markets and interest rates & other investment experience	-	-	-	1	-	-	-	-	-	1
<b>Net income attributed to shareholders</b>	<b>153</b>	<b>150</b>	<b>133</b>	<b>146</b>	<b>157</b>	<b>-3%</b>	<b>436</b>	<b>426</b>	<b>2%</b>	<b>572</b>

## Core EBITDA by Division<sup>2</sup>

Asia	54	51	49	46	54	0%	154	169	-9%	215
Canadian	78	83	82	70	85	-8%	243	238	2%	308
U.S.	160	147	150	168	169	-5%	457	481	-5%	649
Corporate and other <sup>3</sup>	(4)	7	4	18	4	-	7	34	-79%	52
<b>Core EBITDA</b>	<b>288</b>	<b>288</b>	<b>285</b>	<b>302</b>	<b>312</b>	<b>-8%</b>	<b>861</b>	<b>922</b>	<b>-7%</b>	<b>1,224</b>
<b>Core EBITDA on a constant currency basis</b>	<b>288</b>	<b>290</b>	<b>275</b>	<b>297</b>	<b>312</b>	<b>-8%</b>	<b>853</b>	<b>948</b>	<b>-10%</b>	<b>1,245</b>
<b>Core EBITDA Margin <sup>4</sup></b>	<b>23.4%</b>	<b>24.1%</b>	<b>23.7%</b>	<b>24.2%</b>	<b>26.2%</b>	<b>-280 bps</b>	<b>23.8%</b>	<b>26.9%</b>	<b>-310 bps</b>	<b>26.2%</b>

## Core Earnings before income taxes, depreciation and amortization (Core EBITDA) <sup>2,4</sup>

<b>Core EBITDA</b>	<b>288</b>	<b>288</b>	<b>285</b>	<b>302</b>	<b>312</b>	<b>-8%</b>	<b>861</b>	<b>922</b>	<b>-7%</b>	<b>1,224</b>
Amortization of deferred acquisition costs and other depreciation	89	77	85	84	84	6%	251	243	3%	327
Amortization of deferred sales commissions	24	26	29	22	27	-11%	79	84	-6%	106
<b>Total depreciation and amortization</b>	<b>113</b>	<b>103</b>	<b>114</b>	<b>106</b>	<b>111</b>	<b>2%</b>	<b>330</b>	<b>327</b>	<b>1%</b>	<b>433</b>
<b>Core earnings before income taxes</b>	<b>175</b>	<b>185</b>	<b>171</b>	<b>196</b>	<b>201</b>	<b>-13%</b>	<b>531</b>	<b>595</b>	<b>-11%</b>	<b>791</b>
Core income tax (expense) recovery	(16)	(33)	(31)	(41)	(34)	-53%	(80)	(120)	-33%	(161)
<b>Core Earnings</b>	<b>159</b>	<b>152</b>	<b>140</b>	<b>155</b>	<b>167</b>	<b>-5%</b>	<b>451</b>	<b>475</b>	<b>-5%</b>	<b>630</b>

## Deferred Acquisition Costs and Deferred Sales Commissions

Asia	313	305	300	317	298	5%	313	298	5%	317
Canadian	247	248	247	243	268	-8%	247	268	-8%	243
U.S.	1,771	1,766	1,769	1,898	1,833	-3%	1,771	1,833	-3%	1,898
<b>Total deferred acquisition costs and deferred sales commissions</b>	<b>2,331</b>	<b>2,319</b>	<b>2,316</b>	<b>2,458</b>	<b>2,399</b>	<b>-3%</b>	<b>2,331</b>	<b>2,399</b>	<b>-3%</b>	<b>2,458</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Corporate and other results are net of allocations to other divisions.

<sup>4</sup> Core EBITDA margin is Core EBITDA divided by total revenue.

# WEALTH AND ASSET MANAGEMENT (CONT'D) <sup>1</sup>

(Canadian \$ in millions, unaudited)



	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2016 Q3 vs. 2015 Q3	YTD 2016	YTD 2015	YTD 2016 vs. YTD 2015	Fiscal 2015
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## Assets Under Management and Administration<sup>2</sup>

<b>Assets Under Management by Division</b>										
Asia	37,323	33,968	32,295	34,792	30,939	21%	37,323	30,939	21%	34,792
Canadian	109,540	104,508	101,218	100,850	97,356	13%	109,540	97,356	13%	100,850
U.S.	224,425	215,621	212,297	225,666	210,577	7%	224,425	210,577	7%	225,666
Corporate and other - Manulife Asset Management <sup>3</sup>	449,682	434,722	420,959	433,890	409,407	10%	449,682	409,407	10%	433,890
Less: Assets managed on behalf of wealth & asset management divisions <sup>4</sup>	(224,305)	(214,788)	(208,565)	(215,405)	(201,301)	11%	(224,305)	(201,301)	11%	(215,405)
<b>Total assets under management</b>	<b>596,665</b>	<b>574,031</b>	<b>558,204</b>	<b>579,793</b>	<b>546,978</b>	<b>9%</b>	<b>596,665</b>	<b>546,978</b>	<b>9%</b>	<b>579,793</b>
Less: Insurance and other wealth managed by Manulife Asset Management	(72,728)	(71,216)	(70,897)	(75,618)	(74,919)	-3%	(72,728)	(74,919)	-3%	(75,618)
Less: General fund assets managed by Manulife Asset Management <sup>3</sup>	(78,613)	(75,093)	(71,823)	(71,630)	(67,658)	16%	(78,613)	(67,658)	16%	(71,630)
<b>Assets under management excluding internally managed</b>	<b>445,324</b>	<b>427,722</b>	<b>415,484</b>	<b>432,545</b>	<b>404,401</b>	<b>10%</b>	<b>445,324</b>	<b>404,401</b>	<b>10%</b>	<b>432,545</b>
Assets under administration (U.S. division)	79,719	74,868	72,052	77,910	72,199	10%	79,719	72,199	10%	77,910
<b>Total assets under management and administration</b>	<b>525,043</b>	<b>502,590</b>	<b>487,536</b>	<b>510,455</b>	<b>476,600</b>	<b>10%</b>	<b>525,043</b>	<b>476,600</b>	<b>10%</b>	<b>510,455</b>

## Assets Under Management and Administration<sup>2</sup> by Client Segment

Pensions	274,854	260,439	253,911	267,961	252,473	9%	274,854	252,473	9%	267,961
Mutual funds	176,153	168,527	163,951	171,257	158,598	11%	176,153	158,598	11%	171,257
Institutional advisory accounts <sup>5</sup>	74,036	73,624	69,674	71,237	65,529	13%	74,036	65,529	13%	71,237
<b>Assets under management and administration</b>	<b>525,043</b>	<b>502,590</b>	<b>487,536</b>	<b>510,455</b>	<b>476,600</b>	<b>10%</b>	<b>525,043</b>	<b>476,600</b>	<b>10%</b>	<b>510,455</b>
<b>Assets under management and administration on a constant currency basis</b>										
	525,043	504,763	490,332	496,940	471,914	11%	525,043	471,914	11%	496,940

## Assets Under Management and Administration<sup>2</sup> by Client Geography

Asia region	55,360	51,724	48,140	51,194	42,234	31%	55,360	42,234	31%	51,194
Canadian region	134,062	128,822	124,324	123,942	121,427	10%	134,062	121,427	10%	123,942
U.S. region	330,896	317,644	310,698	331,980	310,016	7%	330,896	310,016	7%	331,980
Europe and other region	4,725	4,400	4,374	3,339	2,923	62%	4,725	2,923	62%	3,339
<b>Assets under management and administration</b>	<b>525,043</b>	<b>502,590</b>	<b>487,536</b>	<b>510,455</b>	<b>476,600</b>	<b>10%</b>	<b>525,043</b>	<b>476,600</b>	<b>10%</b>	<b>510,455</b>

## Changes in Assets Under Management and Administration<sup>2</sup>

<b>Beginning balance</b>	<b>502,590</b>	<b>487,536</b>	<b>510,455</b>	<b>476,600</b>	<b>474,382</b>	<b>6%</b>	<b>510,455</b>	<b>314,538</b>	<b>62%</b>	<b>314,538</b>
Assets acquired	-	-	-	-	-	-	-	109,163	-100%	109,163
Gross flows	27,418	26,644	28,228	31,089	25,862	6%	82,290	83,597	-2%	114,686
Redemptions	(24,724)	(21,822)	(26,552)	(22,341)	(21,348)	16%	(73,098)	(57,958)	26%	(80,299)
Investment income (loss) and other	19,759	10,232	(24,595)	25,107	(2,296)	-	5,396	27,260	-80%	52,367
<b>Ending balance</b>	<b>525,043</b>	<b>502,590</b>	<b>487,536</b>	<b>510,455</b>	<b>476,600</b>	<b>10%</b>	<b>525,043</b>	<b>476,600</b>	<b>10%</b>	<b>510,455</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

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

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

<sup>5</sup> 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) <sup>1</sup>

(Canadian \$ in millions, unaudited)



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

Asia	1,348	1,650	269	1,134	(2,987)	-	3,267	1,095	198%	2,229
Canadian	1,330	1,298	771	765	1,566	-15%	3,399	4,718	-28%	5,483
U.S.	849	105	29	3,762	4,509	-81%	983	8,487	-88%	12,249
Corporate and other - Manulife Asset Management - Institutional advisory accounts <sup>2</sup>	(833)	1,769	607	3,087	1,426	-	1,543	11,339	-86%	14,426
<b>Total net flows</b>	<b>2,694</b>	<b>4,822</b>	<b>1,676</b>	<b>8,748</b>	<b>4,514</b>	<b>-40%</b>	<b>9,192</b>	<b>25,639</b>	<b>-64%</b>	<b>34,387</b>
<b>Net flows on a constant currency basis</b>	<b>2,694</b>	<b>4,858</b>	<b>1,630</b>	<b>8,512</b>	<b>4,675</b>	<b>-42%</b>	<b>9,182</b>	<b>26,138</b>	<b>-65%</b>	<b>34,650</b>

## Net Flows by Client Segment

Pensions	2,393	1,229	197	844	1,546	55%	3,819	1,975	93%	2,819
Mutual funds	1,134	1,824	872	4,817	1,542	-26%	3,830	12,325	-69%	17,142
Institutional advisory accounts <sup>2</sup>	(833)	1,769	607	3,087	1,426	-	1,543	11,339	-86%	14,426
<b>Total net flows</b>	<b>2,694</b>	<b>4,822</b>	<b>1,676</b>	<b>8,748</b>	<b>4,514</b>	<b>-40%</b>	<b>9,192</b>	<b>25,639</b>	<b>-64%</b>	<b>34,387</b>

## Net Flows by Client Geography

Asia region	1,332	2,512	(108)	5,119	(1,775)	-	3,736	2,830	32%	7,949
Canadian region	1,277	1,489	869	501	1,616	-21%	3,635	12,770	-72%	13,271
U.S. region	50	677	923	2,920	4,508	-99%	1,650	9,568	-83%	12,488
Europe and other region	35	144	(8)	208	165	-79%	171	471	-64%	679
<b>Total net flows</b>	<b>2,694</b>	<b>4,822</b>	<b>1,676</b>	<b>8,748</b>	<b>4,514</b>	<b>-40%</b>	<b>9,192</b>	<b>25,639</b>	<b>-64%</b>	<b>34,387</b>

## Gross Flows by Division

Asia	4,592	4,520	3,406	3,353	2,448	88%	12,518	12,142	3%	15,495
Canadian	4,599	4,201	4,165	3,932	4,213	9%	12,965	12,542	3%	16,474
U.S.	16,731	15,044	17,443	17,830	17,036	-2%	49,218	42,737	15%	60,567
Corporate and other - Manulife Asset Management - Institutional advisory accounts <sup>2</sup>	1,496	2,879	3,214	5,974	2,165	-31%	7,589	16,176	-53%	22,150
<b>Total gross flows</b>	<b>27,418</b>	<b>26,644</b>	<b>28,228</b>	<b>31,089</b>	<b>25,862</b>	<b>6%</b>	<b>82,290</b>	<b>83,597</b>	<b>-2%</b>	<b>114,686</b>
<b>Gross flows on a constant currency basis</b>	<b>27,418</b>	<b>26,883</b>	<b>27,073</b>	<b>30,432</b>	<b>25,775</b>	<b>6%</b>	<b>81,374</b>	<b>85,351</b>	<b>-5%</b>	<b>115,783</b>

## Gross Flows by Client Segment

Pensions	11,752	9,416	10,486	10,684	10,051	17%	31,654	25,046	26%	35,730
Mutual funds	14,170	14,349	14,528	14,431	13,646	4%	43,047	42,375	2%	56,806
Institutional advisory accounts <sup>2</sup>	1,496	2,879	3,214	5,974	2,165	-31%	7,589	16,176	-53%	22,150
<b>Total gross flows</b>	<b>27,418</b>	<b>26,644</b>	<b>28,228</b>	<b>31,089</b>	<b>25,862</b>	<b>6%</b>	<b>82,290</b>	<b>83,597</b>	<b>-2%</b>	<b>114,686</b>

## Gross Flows by Client Geography

Asia region	4,981	5,606	4,075	7,939	3,654	36%	14,662	14,305	2%	22,244
Canadian region	5,215	4,731	5,072	4,812	4,570	14%	15,018	22,981	-35%	27,793
U.S. region	17,070	16,144	18,917	18,126	17,467	-2%	52,131	45,825	14%	63,951
Europe and other region	152	163	164	212	171	-11%	479	486	-1%	698
<b>Total gross flows</b>	<b>27,418</b>	<b>26,644</b>	<b>28,228</b>	<b>31,089</b>	<b>25,862</b>	<b>6%</b>	<b>82,290</b>	<b>83,597</b>	<b>-2%</b>	<b>114,686</b>

<sup>1</sup> 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.

<sup>2</sup> 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

200 Bloor Street East  
Toronto, Ontario  
Canada M4W 1E5  
Web Site: [www.manulife.com](http://www.manulife.com)

### TRANSFER AGENT

Canada  
CIBC Mellon Trust Company  
1-800-783-9495  
[www.cibcmellon.com/investor](http://www.cibcmellon.com/investor)

United States  
Mellon Investor Services  
1-800-249-7702  
[www.melloninvestor.com](http://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 November 10, 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 November 10, 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)