Statistical Information Package

Q1 2017

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FINANCIAL REPORTING STRUCTURE

Manulife

MFC

ASIA DIVISION

INSURANCE

Individual Insurance
Group Life
Group Health

WEALTH AND ASSET MANAGEMENT

Group Pensions
Mutual Funds
Institutional Advisory Accounts

OTHER WEALTH

Single Premium Products
Variable Annuities
Fixed Annuities

* 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.

CANADIAN DIVISION

INSURANCE

Retail Markets
Individual Life and Living Benefits

Institutional Markets
Group Benefits
Group Life
Group Health
Group Disability
Affinity Markets
(including International Group Program)

WEALTH AND ASSET MANAGEMENT

Mutual Funds
Group Retirement Solutions
Manulife Private Wealth
Institutional Advisory Accounts

OTHER WEALTH

Fixed Products
Annuities
GICs
Retail Segregated Fund Products
Manulife Bank

U.S. DIVISION

INSURANCE

John Hancock Life
Variable Universal Life
Universal Life
Whole Life
Term Life
COLI

John Hancock Long-Term Care (LTC)
Retail LTC
Group LTC
Federal LTC

WEALTH AND ASSET MANAGEMENT

Defined Contribution
Mutual Funds (Includes ETF assets)
College Savings
Institutional Advisory Accounts

OTHER WEALTH

Variable Annuities
Fixed Deferred Annuities
Payout Annuities
Spread-based Products
Fee-based Products
ETF Products

CORPORATE & OTHER

CORPORATE

Corporate

REINSURANCE

Property and Casualty
JH Accident and Health (discontinued)

Notes to Readers

Use of this document:
Information in the document is supplementary to the Company's first quarter Press Release, MD&A and audited financial statements in the Company's most recent 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 margin, 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 fllows 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 (includes ETFs) 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 Q1 2017 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)

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Shareholders' Net Income (loss) by Division[1]							
Asia	587	431	561	28	121	385%	1,141
Canadian	188	92	435	359	600	-69%	1,486
U.S.	768	(73)	559	407	241	219%	1,134
Corporate and other	(193)	(387)	(438)	(90)	83	-	(832)
Net income attributed to shareholders	1,350	63	1,117	704	1,045	29%	2,929
Preferred share dividends	(41)	(33)	(34)	(37)	(29)	41%	(133)
Common shareholders' net income	1,309	30	1,083	667	1,016	29%	2,796
Common shareholders' net income on a constant currency basis	1,309	24	1,125	688	997	31%	2,834
Earnings Analysis[1]							
Core earnings							
Asia	408	388	394	342	371	10%	1,495
Canadian	319	359	354	333	338	-6%	1,384
U.S.	515	471	394	361	389	32%	1,615
Corporate and other (excl. expected cost of macro hedges and core investment gains)	(166)	(75)	(102)	(125)	(107)	-	(409)
Expected cost of macro hedges	(21)	(36)	(61)	(78)	(86)	-	(261)
Investment-related experience in core earnings	46	180	17	-	-	-	197
Total core earnings	1,101	1,287	996	833	905	22%	4,021
Investment-related experience outside of core earnings	-	-	280	60	(340)	-	-
Total core earnings and investment-related experience in excess of amounts included in core earnings	1,101	1,287	1,276	893	565	95%	4,021
Items excluded from core earnings							
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	267	(1,202)	414	(170)	474	-44%	(484)
Change in actuarial methods and assumptions	-	(10)	(455)	-	12	-100%	(453)
Integration and acquisition costs	(18)	(25)	(23)	(19)	(14)	-	(81)
Tax related items	-	(2)	2	-	1	-100%	1
Other items	-	15	(97)	-	7	-100%	(75)
Net income attributed to shareholders	1,350	63	1,117	704	1,045	29%	2,929

[1] Effective January 1, 2017, the operations of Manulife Asset Management are being reflected in the respective Divisional results. Previously, they were reported in the Corporate and Other segment.

Selected Performance Measures							
Basic earnings per common share	$0.66	$0.01	$0.55	$0.34	$0.51	29%	$ 1.42
Basic earnings per common share on a constant currency basis	$0.66	$0.01	$0.57	$0.35	$0.51	29%	
Diluted core earnings per common share	$0.53	$0.63	$0.49	$0.40	$0.44	20%	$ 1.96
Diluted earnings per common share	$0.66	$0.01	$0.55	$0.34	$0.51	29%	$ 1.41
Return on common shareholders' equity (annualized) (%)	13.7%	0.3%	11.1%	7.1%	10.8%	290 bps	7.3%
Core ROE (annualized) (%)	11.1%	12.9%	9.8%	8.4%	9.3%	180 bps	10.1%

FINANCIAL HIGHLIGHTS (CONT'D)

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

Manulife

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Earnings Analysis (Pre-tax)							
Core earnings							
Asia	497	451	466	396	444	12%	1,757
Canadian	420	447	416	401	424	-1%	1,688
U.S.	713	535	511	475	515	38%	2,036
Corporate and other (excl. expected cost of macro hedges and core investment gains)	(261)	(181)	(167)	(205)	(204)	-	(757)
Expected cost of macro hedges	(28)	(52)	(88)	(114)	(126)	-	(380)
Investment-related experience in core earnings	53	260	24	-	-	-	284
Total core earnings	1,394	1,460	1,162	953	1,053	32%	4,628
Investment-related experience outside of core earnings	-	-	396	142	(470)	-	68
Total core earnings and investment-related experience in excess of amounts included in core earnings	1,394	1,460	1,558	1,095	583	139%	4,696
Items excluded from core earnings							
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	324	(1,827)	493	(138)	750	-57%	(722)
Change in actuarial methods and assumptions	-	(8)	(637)	-	35	-100%	(610)
Integration and acquisition costs	(22)	(50)	(31)	(22)	(18)	-	(121)
Other items	-	38	(149)	-	(7)	-	(118)
Net income attributed to shareholders	1,696	(387)	1,234	935	1,343	26%	3,125
Earnings Analysis (Tax Rate)							
Core earnings							
Asia	18%	14%	15%	14%	16%		15%
Canadian	24%	20%	15%	17%	20%		18%
U.S.	28%	12%	23%	24%	24%		21%
Corporate and other (excl. expected cost of macro hedges and core investment gains)	36%	59%	39%	39%	48%		46%
Expected cost of macro hedges	25%	31%	31%	32%	32%		31%
Investment-related experience in core earnings	13%	31%	29%	0%	0%		31%
Total core earnings	21%	12%	14%	13%	14%		13%
Investment-related experience outside of core earnings	0%	0%	29%	58%	28%		100%
Total core earnings and investment-related experience in excess of amounts included in core earnings	21%	12%	18%	18%	3%		14%
Items excluded from core earnings							
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	18%	34%	16%	-23%	37%		33%
Change in actuarial methods and assumptions	0%	-25%	29%	0%	66%		26%
Integration and acquisition costs	18%	50%	26%	14%	22%		33%
Other items	0%	61%	35%	0%	200%		36%
Net income attributed to shareholders	20%	116%	9%	25%	22%		6%
Core earnings by line of business							
Insurance[1]							
Asia	262	273	240	232	249	5%	994
Canadian	134	210	207	174	172	-22%	763
U.S.	295	210	191	151	183	61%	735
Total insurance	691	693	638	557	604	14%	2,492
Wealth and asset management[2,4]							
Asia	51	48	52	37	38	34%	175
Canadian	57	43	33	46	39	46%	161
U.S.	74	84	82	68	64	16%	298
Corporate and other	-	3	(8)	1	(1)	-	(5)
Total wealth and asset management	182	178	159	152	140	30%	629
Other wealth[1,3]							
Asia	95	69	101	73	84	13%	327
Canadian Manulife Bank	36	29	30	25	30	20%	114
Canadian excluding Manulife Bank	92	76	84	88	97	-5%	345
Canadian	128	105	114	113	127	1%	459
U.S.	146	176	122	142	142	3%	582
Total other wealth	369	350	337	328	353	5%	1,368
Corporate and other[4]	(141)	66	(138)	(204)	(192)	-27%	(468)
Total core earnings	1,101	1,287	996	833	905	22%	4,021

[1] Insurance and other wealth businesses are included in new business value calculations (see page 31).

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

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

[4] Effective January 1, 2017, the operations of Manulife Asset Management are being reflected in the respective Divisional results. Previously, they were reported in the Corporate and Other segment.

FINANCIAL HIGHLIGHTS (CONT'D)

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

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Premiums and Deposits - Insurance							
Life and health insurance premiums	5,973	6,070	5,928	5,476	5,706	5%	23,180
Segregated fund deposits	619	641	613	571	578	7%	2,403
ASO premium equivalents	841	833	748	869	868	-3%	3,318
Group Benefits ceded	1,038	1,095	1,058	1,506	1,034	0%	4,693
Premiums and deposits - Insurance	8,471	8,639	8,347	8,422	8,186	3%	33,594
Premiums and deposits - Insurance on a constant currency basis	8,471	8,547	8,285	8,479	7,996	6%	33,307
Premiums and Deposits - Wealth and Asset Management [1]							
Pension premiums and investment contract deposits	12	11	15	12	14	-14%	52
Segregated fund deposits	7,747	6,489	6,651	6,357	7,045	10%	26,542
Mutual fund deposits	21,048	20,349	18,760	16,285	17,193	22%	72,587
Institutional advisory accounts	4,011	11,168	1,869	3,864	3,832	5%	20,733
Other fund deposits [2]	136	143	123	126	144	-6%	536
Premiums and deposits - Wealth and Asset Management	32,954	38,160	27,418	26,644	28,228	17%	120,450
Premiums and deposits - Wealth and Asset Management on a constant currency basis	32,954	37,719	27,602	26,819	27,291	21%	119,431
Premiums and Deposits - Other Wealth							
Annuity and investment contract deposits	1,066	915	1,270	1,264	1,026	4%	4,475
Segregated fund deposits	607	490	206	448	415	46%	1,559
Premiums and deposits - Other Wealth	1,673	1,405	1,476	1,712	1,441	16%	6,034
Premiums and deposits - Other Wealth on a constant currency basis	1,673	1,394	1,483	1,743	1,417	18%	6,037
Premiums and Deposits - Corporate & Other	21	23	22	21	22	-5%	88

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

[2] Other funds include College Savings (529 plan).

FINANCIAL HIGHLIGHTS (CONT'D)

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

Manulife

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Insurance Sales [1]							
Asia - US $	632	507	525	510	460	37%	2,002
Canadian - C $	299	237	181	120	155	93%	693
U.S. - US $	113	120	110	107	122	-7%	459
Insurance sales - C $	1,285	1,074	1,010	914	954	35%	3,952
Insurance sales on a constant currency basis - C $	1,285	1,056	989	913	923	39%	3,881

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

Wealth and Asset Management [2] Gross Flows by Division							
Asia - US $	4,167	8,475	3,817	4,349	2,969	40%	19,610
Canadian - C $	6,558	9,639	5,215	4,731	5,072	29%	24,657
U.S. - US $	15,774	12,899	13,197	12,652	13,903	13%	52,651
Wealth & asset management gross flows - C $	32,954	38,160	27,418	26,644	28,228	17%	120,450
Wealth & asset management gross flows on a constant currency basis - C $	32,954	37,719	27,602	26,819	27,291	21%	119,431

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

Wealth and Asset Management Net Flows by Division[3]							
Asia - US $	785	3,475	1,020	1,949	(79)	-	6,365
Canadian - C $	1,046	4,723	1,277	1,489	869	20%	8,358
U.S. - US $	1,665	(2,461)	64	638	666	150%	(1,093)
Total net flows - C$	4,290	6,073	2,694	4,822	1,676	156%	15,265
Net flows on a constant currency basis - C$	4,290	6,055	2,689	4,866	1,647	160%	15,257

[3] Effective January 1, 2017, the operations of Manulife Asset Management are being reflected in the respective Divisional results. Previously, they were reported in the Corporate and Other segment.

Other Wealth Sales excluding Manulife Bank							
Asia - US $	920	747	1,011	919	1,049	-12%	3,726
Canadian - C $	864	740	719	816	944	-8%	3,219
Other wealth sales - C $	2,081	1,737	2,038	2,000	2,384	-13%	8,159
Other wealth sales on a constant currency basis - C $	2,081	1,704	1,944	1,973	2,343	-11%	7,964

New Business Value [4]							
Asia	326	294	256	227	221	48%	998
Canadian	66	48	39	35	47	40%	169
U.S.	2	25	5	10	19	-90%	59
Total new business value	394	367	300	272	287	37%	1,226
Total new business value on a constant currency basis - C $	394	360	291	272	278	42%	1,454

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

FINANCIAL HIGHLIGHTS (CONT'D)

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

Manulife

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Common Share Statistics							
Share Price - Toronto (in Canadian $)							
high	25.57	25.42	18.84	19.68	20.53	25%	25.42
low	22.39	18.35	16.53	16.43	15.32	46%	15.32
close	23.59	23.91	18.51	17.67	18.38	28%	23.91
Share Price - New York (in U.S $)							
high	19.52	19.04	14.49	15.22	14.73	33%	19.04
low	16.72	13.97	12.69	12.55	10.99	52%	10.99
close	17.74	17.82	14.11	13.67	14.13	26%	17.82
Common shares outstanding (millions)							
- end of period	1,977	1,975	1,973	1,973	1,972	0%	1,975
- weighted average	1,976	1,974	1,973	1,972	1,972	0%	1,973
- diluted weighted average	1,984	1,980	1,976	1,976	1,976	0%	1,977
Dividend per common share paid in the quarter[1]	0.205	0.185	0.185	0.185	0.185	11%	0.740
Common share dividend payout ratio	30.8%	nm	33.6%	54.6%	33.5%	-8%	nm

[1] On May 3, 2017, the Board of Directors approved a quarterly shareholders' dividend of 20.5 cents per share on the common shares of the Company, payable on or after June 19, 2017 to shareholders of record at the close of business on May 16, 2017.

Valuation Data							
Book value per common share	19.89	19.37	19.92	19.49	18.98	5%	19.37
Market value to book value ratio	1.19	1.23	0.93	0.91	0.97	22%	1.23
Book value excluding goodwill per common share	16.92	16.39	17.03	16.62	16.16	5%	16.39
Market value to book value excluding goodwill ratio	1.39	1.46	1.09	1.06	1.14	23%	1.46
Market capitalization ($ billions)	46.6	47.2	36.5	34.9	36.2	29%	47.2

Assets Under Management and Administration							
Assets Under Management							
General fund	328,237	321,869	328,756	321,664	306,827	7%	321,869
Segregated funds excluding institutional advisory accounts [2]	321,025	313,078	311,804	300,966	296,537	8%	313,078
Mutual funds [2]	177,286	169,919	161,933	153,851	150,423	18%	169,919
Institutional advisory accounts	86,591	83,403	77,528	76,863	72,155	20%	83,403
Other funds[3]	6,929	6,353	6,217	6,008	5,857	18%	6,353
Total assets under management	920,068	894,622	886,238	859,352	831,799	11%	894,622
Assets under administration	84,676	82,433	79,719	74,868	72,052	18%	82,433
Total assets under management and administration	1,004,744	977,055	965,957	934,220	903,851	11%	977,055
Total assets under management and administration on a constant currency basis	1,004,744	974,202	971,966	945,826	919,063	9%	974,202

[2] Includes ETF assets

[3] Other funds includes College Savings (529 plan).

Assets Under Management and Administration							
Insurance	269,471	262,794	266,966	257,529	245,551	10%	262,794
Wealth and asset management[4,5]	564,535	544,313	525,444	502,924	487,834	16%	544,313
Other wealth	174,856	174,353	182,165	180,785	175,184	0%	174,353
Corporate and other	(4,118)	(4,405)	(8,618)	(7,018)	(4,718)	-	(4,405)
Total assets under management and administration	1,004,744	977,055	965,957	934,220	903,851	11%	977,055

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

[5] The 2016 results have been restated to reflect the operations of Manulife Asset Management in the respective divisional results of WAM, previously included in Corporate and Other segment.

Assets Under Management and Administration							
Assets Managed by Manulife Asset Management including General Account [6]	477,307	460,718	449,682	434,722	420,959	13%	460,718
Assets Managed for General Account	247,319	245,126	250,143	246,571	235,004	5%	245,126
Other Managed Assets	195,417	188,778	186,413	178,059	175,836	11%	188,778
Assets under Administration	84,701	82,433	79,719	74,868	72,052	18%	82,433
Total assets under management and administration	1,004,744	977,055	965,957	934,220	903,851	11%	977,055

[6] Includes $80.9 billion of assets managed by Manulife Asset Management for the General Account.

Capital Information							
Total capital [7]	52,287	50,235	51,840	50,930	49,384	6%	50,235
MCCSR - The Manufacturers Life Insurance Company [8]	233%	230%	234%	236%	233%	0 pts	230%

[7] 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.

[8] 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[8]							
- Statements of Financial Position	(CDN to $ 1 US)	1.3323	1.3426	1.3116	1.3009	1.2970	3%
	(CDN to 1 YEN)	0.0120	0.0115	0.0130	0.0127	0.0115	4%
- Statements of Income	(CDN to $ 1 US)	1.3238	1.3343	1.3050	1.2889	1.3724	-4%
	(CDN to 1 YEN)	0.0117	0.0122	0.0128	0.0119	0.0119	-2%

[8] 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)

Manulife

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Revenue							
Premium income							
Gross premiums	9,085	9,179	9,207	9,155	9,118	0%	36,659
Premiums ceded to reinsurers	(2,035)	(2,178)	(2,010)	(2,449)	(2,390)	-15%	(9,027)
Net premium income (ceded)	7,050	7,001	7,197	6,706	6,728	5%	27,632
Investment income							
Investment income[1]	3,317	3,309	3,568	3,213	3,300	1%	13,390
Realized/ unrealized gains (losses) on assets supporting insurance and investment contract liabilities and on macro hedge program[1]	590	(16,421)	771	7,922	8,862	-93%	1,134
Net investment income (loss)	3,907	(13,112)	4,339	11,135	12,162	-68%	14,524
Other revenue	2,593	2,637	2,921	2,794	2,829	-8%	11,181
Total revenue	13,550	(3,474)	14,457	20,635	21,719	-38%	53,337
Contract benefits and expenses							
To contract holders and beneficiaries							
Gross claims and benefits	6,603	6,331	6,118	6,112	6,498	2%	25,059
Change in insurance contract liabilities[2]	1,451	(11,644)	5,393	12,107	12,158	-88%	18,014
Change in investment contract liabilities	54	12	47	(2)	(57)	-	-
Benefits and expenses ceded to reinsurers	(2,152)	(2,025)	(1,947)	(2,069)	(2,056)	5%	(8,097)
Change in reinsurance assets	1,790	(96)	(562)	(313)	129	nm	(842)
Net benefits and claims	7,746	(7,422)	9,049	15,835	16,672	-54%	34,134
General expenses	1,707	1,834	1,834	1,690	1,637	4%	6,995
Investment expenses	391	461	391	409	385	2%	1,646
Commissions	1,624	1,556	1,487	1,394	1,381	18%	5,818
Interest expense	259	266	288	258	201	29%	1,013
Net premium taxes	86	116	94	102	90	-4%	402
Total contract benefits and expenses	11,813	(3,189)	13,143	19,688	20,366	-42%	50,008
Income before income taxes	1,737	(285)	1,314	947	1,353	28%	3,329
Income tax (expense) recovery	(346)	450	(117)	(231)	(298)	16%	(196)
Net income	1,391	165	1,197	716	1,055	32%	3,133
Less: net income (loss) attributed to non-controlling interests	54	23	67	27	26	108%	143
Less: net income (loss) attributed to participating policyholders	(13)	79	13	(15)	(16)	-19%	61
Net income attributed to shareholders	1,350	63	1,117	704	1,045	29%	2,929
Preferred share dividends	(41)	(33)	(34)	(37)	(29)	41%	(133)
Common shareholders' net income	1,309	30	1,083	667	1,016	29%	2,796

[1] 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.

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Canadian $ in millions, unaudited)

Manulife

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1
ASSETS					
Invested assets					
Cash and short-term securities	16,011	15,151	18,179	20,902	17,864
Securities					
Debt securities	171,360	168,622	176,634	171,912	161,425
Public equities	20,767	19,496	18,142	17,082	16,641
Loans					
Mortgages	44,245	44,193	43,853	43,506	42,987
Private placements	30,555	29,729	28,492	26,869	26,224
Policy loans	5,999	6,041	5,952	5,691	5,675
Loans to bank clients	1,737	1,745	1,770	1,801	1,822
Real estate	14,226	14,132	13,907	13,385	14,870
Other invested assets	23,337	22,760	21,827	20,516	19,319
Total invested assets	328,237	321,869	328,756	321,664	306,827
Other assets					
Accrued investment income	2,236	2,260	2,117	2,130	2,126
Outstanding premiums	888	845	849	767	813
Derivatives	18,320	23,672	41,621	42,929	34,432
Goodwill and intangible assets	10,085	10,107	9,669	9,773	9,624
Reinsurance assets	32,784	34,952	34,164	33,395	33,017
Deferred tax asset	4,442	4,439	4,195	3,855	3,724
Miscellaneous	8,237	7,360	7,024	6,919	6,469
Total other assets	76,992	83,635	99,639	99,768	90,205
Segregated funds net assets	323,118	315,177	313,904	303,154	298,684
Total assets	728,347	720,681	742,299	724,586	695,716
LIABILITIES AND EQUITY					
Policy liabilities					
Insurance contract liabilities	298,816	297,505	307,493	299,849	284,885
Investment contract liabilities	3,249	3,275	3,268	3,249	3,253
Deposits from bank clients	18,283	17,919	18,269	18,570	18,135
Deferred tax liability	1,792	1,359	1,984	1,899	1,507
Derivatives	10,833	14,151	23,631	25,419	20,618
Other liabilities	14,485	15,596	16,916	16,582	15,582
	347,458	349,805	371,561	365,568	343,980
Long-term debt	5,661	5,696	5,385	5,349	4,048
Liabilities for preferred shares and capital instruments	8,179	7,180	8,134	8,132	7,653
Segregated funds net liabilities	323,118	315,177	313,904	303,154	298,684
Total liabilities	684,416	677,858	698,984	682,203	654,365
Equity					
Issued share capital					
Preferred shares	3,577	3,577	3,110	3,110	3,110
Common shares	22,891	22,865	22,819	22,815	22,804
Contributed surplus	287	284	289	287	286
Shareholders' retained earnings	10,665	9,759	10,096	9,377	9,074
Shareholders' accumulated other comprehensive income (loss)					
Pension and other post-employment plans	(416)	(417)	(507)	(504)	(503)
Available-for-sale securities	(188)	(394)	672	856	452
Cash flow hedges	(177)	(232)	(391)	(415)	(380)
Translation of foreign operations and real estate revaluation surplus	6,262	6,390	6,331	6,040	5,706
Total shareholders' equity	42,901	41,832	42,419	41,566	40,549
Participating policyholders' equity	235	248	169	156	171
Non-controlling interests	795	743	727	661	631
Total equity	43,931	42,823	43,315	42,383	41,351
Total liabilities and equity	728,347	720,681	742,299	724,586	695,716

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Canadian $ in millions, unaudited)

Manulife

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	Fiscal 2016
Preferred shares						
Balance, beginning of period	3,577	3,110	3,110	3,110	2,693	2,693
Issued	-	475	-	-	425	900
Issuance costs, net of tax	-	(8)	-	-	(8)	(16)
Balance, end of period	3,577	3,577	3,110	3,110	3,110	3,577
Common shares						
Balance, beginning of period	22,865	22,819	22,815	22,804	22,799	22,799
Issued on exercise of stock options and deferred share units	26	46	4	11	5	66
Balance, end of period	22,891	22,865	22,819	22,815	22,804	22,865
Contributed surplus						
Balance, beginning of period	284	289	287	286	277	277
Exercise of stock options and deferred share units	(5)	(9)	(1)	(2)	(1)	(13)
Stock option expense	9	3	3	3	10	19
Tax benefit (loss) of stock options exercised	(1)	1	-	-	-	1
Balance, end of period	287	284	289	287	286	284
Shareholders' retained earnings						
Balance, beginning of period	9,759	10,096	9,377	9,074	8,398	8,398
Net income attributed to shareholders	1,350	63	1,117	704	1,045	2,929
Preferred share dividends	(41)	(33)	(34)	(37)	(29)	(133)
Common share dividends	(403)	(367)	(364)	(364)	(340)	(1,435)
Balance, end of period	10,665	9,759	10,096	9,377	9,074	9,759
Shareholders' accumulated other comprehensive income (loss)						
Balance, beginning of period	5,347	6,105	5,977	5,275	6,992	6,992
Other comprehensive income (loss)						
Remeasurement of pension and other post-employment plans, net of tax expense of $1	1	90	(3)	(1)	18	104
Available-for-sale ("AFS") securities unrealized gains (losses), net of tax expense of $61	197	(1,060)	46	443	355	(216)
AFS securities realized losses (gains) & impairments (recoveries), net of tax expense of $4	8	(6)	(230)	(40)	(247)	(523)
Cash flow hedges unrealized gains (losses), net of tax expense of $23	53	156	21	(37)	(119)	21
Cash flow hedges realized (gains) losses, net of tax expense of $2	2	3	3	2	3	11
Unrealized foreign exchange gains (losses), net of $51 hedges and tax recovery of $14	(128)	59	291	334	(1,726)	(1,042)
Share of other comprehensive income (loss) of associates, net of tax expense of nil	1	-	-	1	(1)	-
Balance, end of period	5,481	5,347	6,105	5,977	5,275	5,347
Total shareholders' equity, end of period	42,901	41,832	42,419	41,566	40,549	41,832
Participating policyholders' equity						
Balance, beginning of period	248	169	156	171	187	187
Net income (loss) attributed to participating policyholders	(13)	79	13	(15)	(16)	61
Balance, end of period	235	248	169	156	171	248
Non-controlling interests						
Balance, beginning of period	743	727	661	631	592	592
Net income (loss) attributed to non-controlling interests	54	23	67	27	26	143
Other comprehensive income (loss) attributed to non-controlling interests	-	(3)	-	1	-	(2)
Contributions (distributions), net	(2)	(4)	(1)	2	13	10
Balance, end of period	795	743	727	661	631	743
Total equity, end of period	43,931	42,823	43,315	42,383	41,351	42,823

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Canadian $ in millions, unaudited)

Manulife

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Operating activities							
Net income (loss)	1,391	165	1,197	716	1,055	32%	3,133
Adjustments	-	-	-	-			
Increase (decrease) in insurance contract liabilities	1,451	(11,644)	5,393	12,107	12,158	-88%	18,014
Increase (decrease) in investment contract liabilities	54	12	47	(2)	(57)	-	-
Decrease (increase) in reinsurance assets	1,790	(96)	(562)	(313)	129	nm	(842)
Amortization of premium/discount on invested assets	35	37	4	16	21	67%	78
Other amortization	131	144	282	130	137	-4%	693
Net realized (gains) losses, including impairments on assets	(1,228)	17,368	(1,450)	(8,808)	(9,914)	-88%	(2,804)
Deferred income tax expense (recovery)	589	(578)	(180)	113	410	44%	(235)
Stock option expense	8	3	3	3	10	-20%	19
Cash provided by operating activities before undernoted items	4,221	5,411	4,734	3,962	3,949	7%	18,056
Changes in policy related and operating receivables and payables	(1,036)	(584)	481	304	(1,221)	-15%	(1,020)
Cash provided by operating activities	3,185	4,827	5,215	4,266	2,728	17%	17,036
Investing activities							
Purchases and mortgage advances	(21,366)	(22,936)	(30,820)	(26,727)	(23,576)	-9%	(104,059)
Disposals and repayments	17,746	17,045	23,331	23,457	18,168	-2%	82,001
Changes in investment broker net receivables and payables	134	(217)	(119)	(10)	160	-16%	(186)
Net cash decrease from sale and purchase of subsidiaries and businesses	-	(392)	(14)	(78)	(11)	-	(495)
Cash provided by (used in) investing activities	(3,486)	(6,500)	(7,622)	(3,358)	(5,259)	-34%	(22,739)
Financing activities							
Increase (decrease) in repurchase agreements and securities sold but not yet purchased	153	(791)	116	(168)	820	-81%	(23)
Issue of long-term debt, net	-	361	-	1,292	2,246	-100%	3,899
Repayment of long-term debt, net	-	(150)	-	-	(8)	-	(158)
Issue (redemption) of capital instruments, net	994	(949)	-	479	-	-	(470)
Changes in deposits from bank clients, net	378	(355)	(305)	428	75	404%	(157)
Shareholder dividends paid in cash	(444)	(400)	(398)	(401)	(394)	13%	(1,593)
NCI dividends paid in cash	-	-	-	(2)	-	-	(2)
Funds borrowed (repaid), net	-	-	-	(17)	(2)	-	(19)
Secured borrowings from securitization transactions	191	125	174	399	149	28%	847
Contributions from (distributions to) non-controlling interest, net	(2)	(4)	(1)	4	13	-	12
Common shares issued, net	26	46	4	11	5	420%	66
Preferred shares issued, net	-	467	-	-	417	-100%	884
Cash provided by (used in) financing activities	1,296	(1,650)	(410)	2,025	3,321	-61%	3,286
Cash and short-term securities							
Increase (decrease) during the period	995	(3,323)	(2,817)	2,933	790	26%	(2,417)
Effect of foreign exchange rate changes on cash and short-term securities	(25)	47	117	126	(637)	-96%	(347)
Balance, beginning of period	14,238	17,514	20,214	17,155	17,002	-16%	17,002
Balance, end of period	15,208	14,238	17,514	20,214	17,155	-11%	14,238
Cash and short-term securities							
Beginning of period							
Gross cash and short-term securities	15,151	18,179	20,902	17,864	17,885	-15%	17,885
Net payments in transit, included in other liabilities	(913)	(665)	(688)	(709)	(883)	3%	(883)
Net cash and short-term securities, beginning of period	14,238	17,514	20,214	17,155	17,002	-16%	17,002
End of period							
Gross cash and short-term securities	16,011	15,151	18,179	20,902	17,864	-10%	15,151
Net payments in transit, included in other liabilities	(803)	(913)	(665)	(688)	(709)	13%	(913)
Net cash and short-term securities, end of period	15,208	14,238	17,514	20,214	17,155	-11%	14,238

CONSOLIDATED SOURCE OF EARNINGS

(Canadian $ in millions, unaudited)

Manulife

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Source of Earnings [1]							
Expected profit from in-force business	1,356	1,288	1,301	1,234	1,255	8%	5,078
Impact of new business	116	23	31	(24)	(2)	-	28
Experience gains (losses)	205	(1,529)	318	(348)	(293)	-	(1,852)
Management actions and changes in assumptions	(58)	(203)	(540)	(80)	228	-	(595)
Earnings on surplus funds	116	4	169	138	173	-33%	484
Other[2]	(39)	30	(45)	15	(18)	117%	(18)
Income before income taxes	1,696	(387)	1,234	935	1,343	26%	3,125
Income tax (expense) recovery	(346)	450	(117)	(231)	(298)	16%	(196)
Net income attributed to shareholders	1,350	63	1,117	704	1,045	29%	2,929
Preferred share dividends	(41)	(33)	(34)	(37)	(29)	41%	(133)
Common shareholders' net income	1,309	30	1,083	667	1,016	29%	2,796
Constant currency, expected profit from in-force business	1,356	1,301	1,317	1,259	1,229	10%	
Source of Earnings [1,3] excluding Wealth and Asset Management							
Expected profit from in-force business	1,001	965	999	941	975	3%	3,880
Impact of new business	255	162	157	96	121	111%	536
Experience gains (losses)	207	(1,536)	324	(353)	(298)	-	(1,863)
Management actions and changes in assumptions	(48)	(196)	(533)	(77)	234	-	(572)
Earnings on surplus funds	109	(2)	163	131	167	-35%	459
Other[2]	(40)	30	(44)	15	(18)	122%	(17)
Income (loss) before income taxes	1,484	(577)	1,066	753	1,181	26%	2,423
Income tax (expense) recovery	(306)	469	(102)	(199)	(269)	14%	(101)
Net income attributed to shareholders	1,178	(108)	964	554	912	29%	2,322

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

[2] Includes the offsetting impact, net of tax, of the non-controlling interest primarily in China and Malaysia in the amounts included above.

[3] For Wealth and Asset Management businesses and Manulife Bank, all pre-tax 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. Includes the non-controlling interests primarily in China and Malaysia.
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. Includes the non-controlling interests primarily in China and Malaysia.
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. Includes the non-controlling interests primarily in China and Malaysia.
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. Includes the non-controlling interests primarily in China and Malaysia.
Earnings (loss) on surplus funds	Actual investment returns on the Company's surplus (shareholders' equity). Includes the non-controlling interests primarily in China and Malaysia.
Other	Earnings items not included in any other line of the SOE. Includes the offsetting impact, net of tax, of the non-controlling interest primarily in China and Malaysia in the amounts included above.
Income taxes	Tax charges to income, consistent with the amount on the statement of income.

ASIA DIVISION [1]

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

Manulife

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Statements of Income							
Revenue							
Premium income							
Gross premiums	3,147	2,878	3,180	3,000	3,026	4%	12,084
Premiums ceded to reinsurers	(133)	(110)	(109)	(116)	8	-	(327)
Investment income	352	421	329	362	288	22%	1,400
Other revenue	300	394	327	287	177	69%	1,185
Subtotal revenue	3,666	3,583	3,727	3,533	3,499	5%	14,342
Realized/ unrealized gains on invested assets supporting insurance and investment contract liabilities [2]	363	(1,502)	(155)	722	1,139	-68%	204
Total revenue	4,029	2,081	3,572	4,255	4,638	-13%	14,546
Contract benefits and expenses							
To contract holders and beneficiaries							
Gross benefits and claims paid and change in insurance contract liabilities [2]	2,554	855	2,207	3,419	3,917	-35%	10,398
Ceded benefits and expenses and change in reinsurance assets	(53)	(52)	(74)	(82)	(60)	-12%	(268)
Change in investment contract liabilities	19	(9)	14	14	(93)	-	(74)
General expenses	396	407	389	386	325	22%	1,507
Investment expenses	49	21	29	25	24	104%	99
Commissions	450	415	412	387	355	27%	1,569
Other	36	35	35	33	33	9%	136
Total contract benefits and expenses	3,451	1,672	3,012	4,182	4,501	-23%	13,367
Income (loss) before income taxes	578	409	560	73	137	322%	1,179
Income tax (expense) recovery	(80)	(65)	(65)	(23)	(30)	167%	(183)
Net income (loss)	498	344	495	50	107	365%	996
Less net income (loss) attributed to non-controlling interests	40	14	30	22	21	90%	87
Less net income (loss) attributed to participating policyholders	15	7	35	6	(2)	-	46
Net income (loss) attributed to shareholders [3]	443	323	430	22	88	403%	863

[1] Effective January 1, 2017, the operations of Manulife Asset Management are being reflected in the respective Divisional results. Previously, they were reported in the Corporate and Other segment.

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

[3] See the Q1 press release for a description of Q1 2017 results compared to Q1 2016.

Earnings Analysis[2]

Total core earnings (loss)	308	291	302	266	270	14%	1,129
Total core earnings - on constant currency basis	308	287	288	259	270	14%	1,104
Investment gains related to fixed income trading, market value increases in excess of expected alternative assets investment returns, asset mix changes	52	56	48	(20)	(15)	-	69
Total core earnings and investment related gains	360	347	350	246	255	41%	1,198
Items excluded from core earnings							
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	90	(12)	82	(223)	(173)	-	(326)
Net impact of acquisitions and divestitures	(7)	(3)	(2)	(1)	(2)	250%	(8)
Reinsurance recapture,tax rate changes and others	-	(9)	-	-	8	-100%	(1)
Total shareholders' net income (loss)	443	323	430	22	88	403%	863

ASIA DIVISION (CONT'D)[1]

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

Manulife

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Source of Earnings							
Expected profit from in-force business	242	243	241	235	219	11%	938
Impact of new business	165	96	113	66	73	126%	348
Experience gains (losses)	124	49	112	(275)	(213)	-	(327)
Management actions and changes in assumptions	(7)	(12)	1	(1)	15	-	3
Earnings on surplus funds	25	14	39	27	30	-17%	110
Other[2]	(26)	(2)	(11)	(7)	(6)	333%	(26)
Income (loss) before income taxes	523	388	495	45	118	343%	1,046
Income tax (expense) recovery	(80)	(65)	(65)	(23)	(30)	167%	(183)
Net income (loss) attributed to shareholders	443	323	430	22	88	403%	863

[1] Effective January 1, 2017, the operations of Manulife Asset Management are being reflected in the respective Divisional results. Previously, they were reported in the Corporate and Other segment. Also, the insitutional wealth advisory accounts previously reported under Asia Other are now included retrospectively in 'Institutional Advisory accounts'. The 2016 premiums and deposits, gross flows and assets under management have been restated to reflect the above mentioned changes.

[2] Includes the offsetting impact, net of tax, of the non-controlling interest primarily in China and Malaysia in the amounts included above.

Insurance Sales							
Hong Kong	117	127	113	120	105	11%	465
Japan [3]	236	156	167	151	158	49%	632
Asia Other [4]	279	224	245	239	197	42%	905
Total insurance sales	632	507	525	510	460	37%	2,002
Total insurance sales - on constant currency basis	632	500	501	492	458	38%	1,951

[3] Japan Q1'17 insurance sales are up 47% compared to the prior year on a constant currency basis.

[4] Asia Other Q1'17 insurance sales are up 45% compared to the prior year on a constant currency basis.

Wealth and Asset Management Gross Flows							
Hong Kong	778	751	688	601	562	38%	2,602
Japan [5]	228	92	28	130	21	986%	271
Asia Other [6,7]	2,668	4,205	2,586	2,078	1,463	82%	10,332
Institutional Advisory Accounts[7,8]	502	3,450	583	1,605	938	-46%	6,576
Less: Investment in mutual funds from Institutional Advisory accounts	(9)	(23)	(68)	(65)	(15)	-40%	(171)
Total wealth and asset management gross flows	4,167	8,475	3,817	4,349	2,969	40%	19,610
Total wealth and asset management gross flows - on constant currency basis	4,167	8,327	3,717	4,208	2,907	43%	19,159

[5] Japan Q1'17 wealth and asset management gross flows are up 983% compared to the prior year on a constant currency basis.

[6] Asia Other Q1'17 wealth and asset management gross flows are up 89% compared to the prior year on a constant currency basis.

[7] This line includes the 49% interest in Manulife TEDA

[8] Institutional Advisory Accounts Q1'17 wealth and asset management gross flows are down 46% compared to the prior year on a constant currency basis.

Other Wealth Sales							
Hong Kong	178	132	46	10	16	nm	204
Japan [9]							
- Fixed Annuities and unit linked products	475	407	730	674	791	-40%	2,602
- Variable Annuities	19	15	41	35	38	-50%	129
Asia Other [10]	248	193	194	200	204	22%	791
Total other wealth sales	920	747	1,011	919	1,049	-12%	3,726
Total other wealth sales - on constant currency basis	920	728	926	874	1,057	-13%	3,585

[9] Japan Q1'17 other wealth sales are down 41% compared to the prior year on a constant currency basis.

[10] Asia Other Q1'17 other wealth sales are up 24% compared to the prior year on a constant currency basis.

Pension[11] Sales - for reference only							
Asia Group Pensions	333	440	395	303	327	2%	1,465

[11] 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)[1]

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

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Annualized premium equivalents (insurance and other wealth excluding wealth and asset management) (APE) [2]							
Hong Kong	135	143	121	123	109	24%	496
Japan [3]	332	233	277	245	264	26%	1,019
Asia Other [4]	304	242	265	259	217	40%	983
Total APE	771	618	663	627	590	31%	2,498
Total APE - on constant currency basis	771	607	627	604	589	31%	2,427
Premiums and Deposits							
Premiums and investment contract deposits	3,024	2,777	3,083	2,892	3,045	-1%	11,797
Segregated fund and other deposits	745	759	696	586	570	31%	2,611
Mutual fund deposits[5]	3,438	4,785	3,068	2,597	1,801	91%	12,251
Institutional Advisory Accounts[5]	502	3,450	583	1,605	938	-46%	6,576
Less: Investment in mutual funds from Institutional Advisory accounts	(9)	(23)	(68)	(65)	(15)	-40%	(171)
Total premiums and deposits	7,700	11,748	7,362	7,615	6,339	21%	33,064
Total premiums and deposits - on constant currency basis	7,700	11,546	7,058	7,358	6,281	23%	32,243
Premiums and Deposits by Business Units							
Hong Kong	1,664	1,674	1,457	1,307	1,267	31%	5,705
Japan	1,670	1,255	1,650	1,538	1,759	-5%	6,202
Asia Other [5]	3,873	5,392	3,740	3,230	2,390	62%	14,752
Institutional Advisory Accounts[5]	502	3,450	583	1,605	938	-46%	6,576
Less: Investment in mutual funds from Institutional Advisory accounts	(9)	(23)	(68)	(65)	(15)	-40%	(171)
Total premiums and deposits	7,700	11,748	7,362	7,615	6,339	21%	33,064
Premiums and Deposits							
Insurance	2,618	2,528	2,546	2,359	2,338	12%	9,771
Wealth and asset management[5]	4,167	8,475	3,817	4,349	2,969	40%	19,610
Other wealth	915	745	999	907	1,032	-11%	3,683
Total premiums and deposits	7,700	11,748	7,362	7,615	6,339	21%	33,064
Total weighted premium income (insurance and other wealth excluding wealth and asset management)(TWPI)							
Hong Kong	707	734	686	664	600	18%	2,684
Japan [6]	1,136	903	1,047	880	988	15%	3,818
Asia Other [7]	741	727	653	627	549	35%	2,556
TWPI	2,584	2,364	2,386	2,171	2,137	21%	9,058
TWPI - on constant currency basis	2,584	2,323	2,262	2,103	2,138	21%	8,826

[1] Effective January 1, 2017, the operations of Manulife Asset Management are being reflected in the respective Divisional results. Previously, they were reported in the Corporate and Other segment. Also, the insitutional wealth advisory accounts previously reported under Asia Other are now included retrospectively in 'Institutional Advisory accounts'. The 2016 premiums and deposits, gross flows and assets under management have been restated to reflect the above mentioned changes.

[2] 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.

[3] Japan Q1'17 APE are up 24% compared to the prior year on a constant currency basis.

[4] Asia Other Q1'17 APE are up 43% compared to the prior year on a constant currency basis.

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

[6] Japan Q1'17 TWPI is up 13% compared to the prior year on a constant currency basis.

[7] Asia Other Q1'17 TWPI is up 38% compared to the prior year on a constant currency basis.

ASIA DIVISION (CONT'D)[1]

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

Manulife

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Assets Under Management							
General fund	51,059	47,188	50,343	48,061	43,929	16%	47,188
Segregated funds	19,125	18,341	19,498	18,804	18,228	5%	18,341
Mutual funds [2]	24,311	22,557	20,842	18,918	18,447	32%	22,557
Institutional Advisory Accounts [2]	18,155	17,577	16,415	16,138	14,130	28%	17,577
Less: Investment in mutual funds from Institutional Advisory accounts	(537)	(515)	(573)	(498)	(512)	5%	(515)
Total assets under management	112,113	105,148	106,525	101,423	94,222	19%	105,148
Total assets under management - on constant currency basis	112,113	107,457	102,106	97,667	93,463	20%	107,457

[1] Effective January 1, 2017, the operations of Manulife Asset Management are being reflected in the respective Divisional results. Previously, they were reported in the Corporate and Other segment. Also, the insitutional wealth advisory accounts previously reported under Asia Other are now included retrospectively in 'Institutional Advisory accounts'. The 2016 premiums and deposits, gross flows and assets under management have been restated to reflect the above mentioned changes.

[2] This line includes the 49% interest in Manulife TEDA

Changes in Assets Under Management							
Beginning balance	105,148	106,525	101,423	94,222	88,746	18%	88,746
Assets acquired (Standard Chartered Bank)	-	1,353	-	-	-	-	1,353
Premiums and deposits	7,700	11,748	7,362	7,615	6,339	21%	33,064
Investment income (loss)[3]	2,516	(1,695)	2,101	1,736	724	248%	2,866
Benefits and withdrawals	(4,892)	(6,400)	(4,154)	(3,549)	(4,116)	19%	(18,219)
Other [4]	1,641	(6,383)	(207)	1,399	2,529	-35%	(2,662)
Ending balance	112,113	105,148	106,525	101,423	94,222	19%	105,148

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

[4] Other is comprised of all changes to the statement of income and the statement of financial position that are not specifically identified in the roll forward. These include general expenses, investment expenses, taxes, changes in receivables and payables, transfers to/from other business units and changes in allocated capital. 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							
Insurance	45,428	42,402	44,845	43,154	39,799	14%	42,402
Wealth and asset management[2]	47,732	44,982	42,228	39,780	37,138	29%	44,982
Other wealth	18,953	17,764	19,452	18,489	17,285	10%	17,764
Total assets under management	112,113	105,148	106,525	101,423	94,222	19%	105,148
Number of Agents							
Hong Kong	6,894	7,235	6,657	6,538	6,715	3%	7,235
Japan	2,308	2,353	2,420	2,500	2,535	-9%	2,353
Asia Other	60,687	60,150	57,689	54,766	51,892	17%	60,150
Total	69,889	69,738	66,766	63,804	61,142	14%	69,738
Canadian $ in millions - Key Metrics							
Sales - Insurance	836	678	685	656	632	32%	2,651
Gross Flows - Wealth and asset management[1]	5,514	11,308	4,981	5,606	4,075	35%	25,970
Sales - Other wealth	1,217	997	1,319	1,184	1,440	-15%	4,940
Net income (loss) attributed to shareholders	587	431	561	28	121	385%	1,141
Total premiums and deposits[1]	10,191	15,675	9,611	9,815	8,700	17%	43,801
Total assets under management[1]	149,378	141,207	139,723	131,952	122,177	22%	141,207

ASIA DIVISION (CONT'D)

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

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
New Business Value (NBV)[1]							
Hong Kong	70	98	63	68	49	44%	278
Japan [2]	107	60	79	51	70	53%	260
Asia Other [3]	69	63	54	57	42	64%	216
Total	**246**	**221**	**196**	**176**	**161**	53%	**754**
Total NBV - on a constant currency basis	**246**	**218**	**186**	**171**	**161**	53%	**736**
NBV Margin[4]							
Hong Kong	52.1%	68.8%	52.1%	55.5%	44.9%		56.2%
Japan	32.2%	25.6%	28.7%	20.7%	26.5%		25.5%
Asia Other	28.4%	29.5%	22.8%	25.4%	22.6%		25.1%
Total	**34.7%**	**37.5%**	**31.0%**	**29.7%**	**28.8%**		**31.7%**
Total NBV Margin - on a constant currency basis	**34.7%**	**37.7%**	**31.2%**	**29.9%**	**28.8%**		**31.9%**

[1] NBV is not calculated for Wealth and Asset Management business.

[2] Japan Q1'17 NBV is up 51% compared to the prior year on a constant currency basis.

[3] Asia Other Q1'17 NBV is up 68% compared to the prior year on a constant currency basis.

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

CANADIAN DIVISION [1]

(Canadian $ millions, Unaudited)

Manulife

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Statements of Income							
Revenue							
Premium income							
Gross premiums	2,515	2,652	2,517	3,021	2,518	0%	10,708
Premiums ceded to reinsurers	(1,292)	(1,391)	(1,304)	(1,757)	(1,284)	1%	(5,736)
Investment income	973	1,075	982	945	936	4%	3,938
Other revenue	816	799	924	937	820	0%	3,480
Subtotal revenue	3,012	3,135	3,119	3,146	2,990	1%	12,390
Realized/ unrealized gains on invested assets supporting insurance and investment contract liabilities [2]	334	(4,597)	910	2,208	1,796	-81%	317
Total revenue	3,346	(1,462)	4,029	5,354	4,786	-30%	12,707
Contract benefits and expenses							
To contract holders and beneficiaries							
Gross benefits and claims paid and change in insurance contract liabilities [3]	2,929	(1,676)	3,467	4,937	3,917	-25%	10,645
Ceded benefits and expenses and change in reinsurance assets	(964)	(1,098)	(1,070)	(1,108)	(1,021)	-6%	(4,297)
Change in investment contract liabilities	12	8	12	(36)	54	-78%	38
General expenses	453	488	450	448	420	8%	1,806
Investment expenses	160	158	155	149	139	15%	601
Commissions	472	459	407	403	404	17%	1,673
Other	118	137	137	138	92	28%	504
Total contract benefits and expenses	3,180	(1,524)	3,558	4,931	4,005	-21%	10,970
Income (loss) before income taxes	166	62	471	423	781	-79%	1,737
Income tax (expense) recovery	(11)	100	(69)	(87)	(194)	-94%	(250)
Net income (loss)	155	162	402	336	587	-74%	1,487
Less net income (loss) attributed to participating policyholders	(33)	70	(33)	(23)	(13)	154%	1
Net income (loss) attributed to shareholders [3]	188	92	435	359	600	-69%	1,486

[1] Effective January 1, 2017, the operations of Manulife Asset Management are being reflected in the respective Divisional results. Previously, they were reported in the Corporate and Other segment.

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

[3] See the Q1 press release for a description of Q1 2017 results compared to Q1 2016.

Earnings Analysis[2]

Total core earnings (loss)	319	359	354	333	338	-6%	1,384
Investment gains related to fixed income trading, market value increases in excess of expected alternative assets investment returns, asset mix changes	(38)	17	35	(88)	(78)	-51%	(114)
Total core earnings and investment related gains	281	376	389	245	260	8%	1,270
Items excluded from core earnings							
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities[4]	(83)	(266)	60	130	346	-	270
Integration and acquisition costs	(10)	(18)	(14)	(16)	(6)	67%	(54)
Total shareholders' net income (loss)	188	92	435	359	600	-69%	1,486

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

CANADIAN DIVISION (CONT'D)[1]

(Canadian $ millions, Unaudited)

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Source of Earnings							
Expected profit from in-force business	423	376	388	364	366	16%	1,494
Impact of new business	(27)	(43)	(41)	(49)	(44)	-39%	(177)
Experience gains (losses)	(255)	(444)	80	70	397	-	103
Management actions and changes in assumptions	(13)	2	4	(19)	(8)	63%	(21)
Earnings on surplus funds	92	88	88	89	88	5%	353
Other	(21)	13	(15)	(9)	(5)	320%	(16)
Income (loss) before income taxes	199	(8)	504	446	794	-75%	1,736
Income tax (expense) recovery	(11)	100	(69)	(87)	(194)	-94%	(250)
Net income (loss) attributed to shareholders	188	92	435	359	600	-69%	1,486
Insurance Sales							
Retail Markets	59	94	53	47	41	44%	235
Institutional Markets	240	143	128	73	114	111%	458
Total insurance sales	299	237	181	120	155	93%	693
Wealth and Asset Management Gross Flows							
Mutual funds and other funds gross deposits[2]	2,798	2,487	2,761	2,367	2,355	19%	9,970
Less: Investments in mutual funds from proprietary group segregated fund products	(39)	(41)	(52)	(40)	(40)	-3%	(173)
Group Retirement Solutions	2,015	1,612	1,890	1,874	1,850	9%	7,226
Institutional Advisory Accounts	1,784	5,581	616	530	907	97%	7,634
Total wealth and asset management gross flows	6,558	9,639	5,215	4,731	5,072	29%	24,657
Other Wealth Sales excluding Manulife Bank							
Retail segregated fund products[3]	719	589	559	604	751	-4%	2,503
Fixed products	145	151	160	212	193	-25%	716
Total other wealth sales	864	740	719	816	944	-8%	3,219
Investments in mutual funds from proprietary products included above - for reference only							
Retail segregated fund products[3]	659	627	821	523	655	1%	2,626
Pension[4] Sales - for reference only							
Group Retirement Solutions	504	314	679	520	340	48%	1,853
Premiums and Deposits							
Premiums and investment contract deposits	1,234	1,267	1,234	1,320	1,260	-2%	5,081
Mutual funds and other funds gross deposits[2]	2,798	2,487	2,761	2,367	2,355	19%	9,970
Less: Investments in mutual funds from proprietary segregated fund products	(698)	(668)	(872)	(564)	(695)	0%	(2,799)
Segregated fund deposits	2,734	2,202	2,450	2,479	2,602	5%	9,733
ASO premium equivalents	842	833	748	869	868	-3%	3,318
Group Benefits ceded premiums	1,038	1,095	1,058	1,506	1,034	0%	4,693
Institutional Advisory Accounts	1,784	5,581	616	530	907	97%	7,634
Total premiums and deposits	9,732	12,797	7,995	8,507	8,331	17%	37,630

[1] Effective January 1, 2017, the operations of Manulife Asset Management are being reflected in the respective Divisional results. Previously, they were reported in the Corporate and Other segment. The 2016 premiums and deposits, gross flows and assets under management have been restated to reflect the above mentioned changes.

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

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

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

CANADIAN DIVISION (CONT'D)[1]

(Canadian $ millions, Unaudited)

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Premiums and Deposits by Business							
Retail Markets	679	697	661	655	628	8%	2,641
Institutional Markets	2,290	2,348	2,221	2,828	2,342	-2%	9,739
Insurance	2,969	3,045	2,882	3,483	2,970	0%	12,380
Wealth and asset management	6,558	9,639	5,215	4,731	5,072	29%	24,657
Retail segregated fund products [2]	719	589	559	604	751	-4%	2,503
Fixed products	145	151	160	212	193	-25%	716
Other wealth	864	740	719	816	944	-8%	3,219
Less: Investments in mutual funds from proprietary retail segregated fund products	(659)	(627)	(821)	(523)	(655)	1%	(2,626)
Total premiums and deposits	9,732	12,797	7,995	8,507	8,331	17%	37,630

[1] Effective January 1, 2017, the operations of Manulife Asset Management are being reflected in the respective Divisional results. Previously, they were reported in the Corporate and Other segment. The 2016 premiums and deposits, gross flows and assets under management have been restated to reflect the above mentioned changes.

[2] Retail segregated fund products include guarantees. These products are also referred to as variable annuities.

Assets Under Management							
General fund, excluding Manulife Bank net lending assets	93,235	90,972	94,558	92,994	88,748	5%	90,972
Manulife Bank net lending assets	19,618	19,455	19,505	19,598	19,473	1%	19,455
Segregated funds	99,126	97,220	97,191	93,767	91,775	8%	97,220
Mutual funds and other funds, including assets held by segregated funds	52,013	50,177	49,781	47,280	45,402	15%	50,177
Less: Mutual funds held by proprietary segregated fund products	(23,598)	(22,983)	(23,019)	(22,230)	(21,596)	9%	(22,983)
Institutional Advisory Accounts	29,529	28,419	24,522	24,314	23,106	28%	28,419
Total assets under management	269,923	263,260	262,538	255,723	246,908	9%	263,260

Assets Under Management							
Insurance	63,043	62,009	63,632	62,045	60,385	4%	62,009
Wealth and asset management[3]	143,471	138,888	134,146	128,898	124,399	15%	138,888
Manulife Bank net lending assets	19,618	19,455	19,504	19,598	19,473	1%	19,455
Other wealth, excluding Manulife Bank net lending assets	66,038	64,563	66,955	66,148	63,095	5%	64,563
Less: Mutual funds held by proprietary retail segregated fund products	(22,247)	(21,655)	(21,699)	(20,966)	(20,444)	9%	(21,655)
Total assets under management	269,923	263,260	262,538	255,723	246,908	9%	263,260

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

Changes in Assets Under Management							
Beginning balance	263,260	262,538	255,723	246,908	242,332	9%	242,332
Premiums and deposits	7,852	10,869	6,189	6,132	6,429	22%	29,619
Investment income (loss) [4]	5,861	(3,191)	7,003	6,067	1,764	232%	11,643
Mutual fund withdrawals	(1,647)	(1,190)	(916)	(981)	(1,103)	49%	(4,190)
Other benefits and withdrawals	(3,901)	(5,062)	(4,209)	(3,998)	(4,636)	-16%	(17,905)
Other [5]	(1,502)	(704)	(1,252)	1,595	2,122	-	1,761
Ending balance	269,923	263,260	262,538	255,723	246,908	9%	263,260

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

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

U.S. DIVISION [1]

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

Manulife

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Statements of Income							
Revenue							
Premium income							
Gross premiums	1,806	1,999	1,934	1,744	1,767	2%	7,444
Premiums ceded to reinsurers	(434)	(483)	(437)	(423)	(814)	-47%	(2,157)
Investment income	1,374	1,428	1,328	1,304	1,186	16%	5,246
Other revenue	1,183	908	1,160	1,089	1,066	11%	4,223
Subtotal revenue	3,929	3,852	3,985	3,714	3,205	23%	14,756
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities [2]	(135)	(7,241)	231	3,726	4,074	-	790
Total revenue	3,794	(3,389)	4,216	7,440	7,279	-48%	15,546
Contract benefits and expenses							
To contract holders and beneficiaries							
Gross benefits and claims paid and change in insurance contract liabilities [2]	1,467	(3,757)	3,106	6,896	6,721	-78%	12,966
Ceded benefits and expenses and change in reinsurance assets	352	(529)	(629)	(921)	(662)	-	(2,741)
Change in investment contract liabilities	12	12	12	13	12	0%	49
General expenses	454	396	471	364	358	27%	1,589
Investment expenses	222	266	212	220	207	7%	905
Commissions	436	424	431	390	378	15%	1,623
Other	22	58	38	33	31	-29%	160
Total contract benefits and expenses	2,965	(3,130)	3,641	6,995	7,045	-58%	14,551
Income (loss) before income taxes	829	(259)	575	445	234	254%	995
Income tax (expense) recovery	(249)	204	(147)	(129)	(58)	329%	(130)
Net income (loss) attributed to shareholders [3]	580	(55)	428	316	176	230%	865
Earnings Analysis							
Total core earnings (loss)	389	353	302	280	283	37%	1,218
Investment gains related to fixed income trading, market value increases in excess of expected alternative assets investment returns, asset mix changes	23	73	147	72	(170)	-	122
Total core earnings and investment related gains	412	426	449	352	113	265%	1,340
Items excluded from core earnings							
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	168	(467)	55	(36)	60	180%	(388)
Integration and acquisition costs	-	(1)	(3)	-	(3)	-	(7)
Intangibles write-off (LTC, Annuities)	-	-	(74)	-	-	-	(74)
Other	-	(13)	1	-	6	-100%	(6)
Total shareholders' net income (loss)	580	(55)	428	316	176	230%	865

[1] Effective January 1, 2017, the operations of Manulife Asset Management are being reflected in the respective Divisional results. Previously, they were reported in the Corporate and Other segment.

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

[3] See the Q1 press release for a description of Q1 2017 results compared to Q1 2016.

U.S. DIVISION (CONT'D)[1]

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

Manulife

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
U.S. INSURANCE							
Source of Earnings							
Expected profit from in-force business	213	198	203	181	185	15%	767
Impact of new business	10	20	3	11	15	-33%	49
Experience gains (losses)	(371)	(321)	321	52	(99)	275%	(47)
Management actions and changes in assumptions	-	(8)	(117)	-	37	-100%	(88)
Earnings on surplus funds	80	69	69	69	69	16%	276
Other	8	11	(18)	1	(6)	-	(12)
Income (loss) before income taxes	(60)	(31)	461	314	201	-	945
Income tax (expense) recovery	39	50	(140)	(110)	(70)	-	(270)
Net income (loss) attributed to shareholders	(21)	19	321	204	131	-	675

[1] Effective January 1, 2017, the operations of Manulife Asset Management are being reflected in the respective Divisional results. Previously, they were reported in the Corporate and Other segment. The 2016 premiums and deposits, gross flows and assets under management and administration have been restated to reflect the above mentioned changes.

U.S. WEALTH AND ASSET MANAGEMENT AND U.S. OTHER WEALTH							
Source of Earnings							
Expected profit from in-force business	243	223	221	242	227	7%	913
Impact of new business	(66)	(47)	(47)	(49)	(49)	35%	(192)
Experience gains (losses)	677	(436)	(90)	(95)	(151)	-	(772)
Management actions and changes in assumptions	(1)	-	(3)	-	(26)	-96%	(29)
Earnings on surplus funds	35	31	32	32	31	13%	126
Other	1	1	1	1	1	0%	4
Income (loss) before income taxes	889	(228)	114	131	33	nm	50
Income tax (expense) recovery	(288)	154	(7)	(19)	12	-	140
Net income (loss) attributed to shareholders	601	(74)	107	112	45	nm	190
Source of Earnings							
Expected profit from in-force business	456	421	424	423	412	11%	1,680
Impact of new business	(56)	(27)	(44)	(38)	(34)	65%	(143)
Experience gains (losses)	306	(757)	231	(43)	(250)	-	(819)
Management actions and changes in assumptions	(1)	(8)	(120)	-	11	-	(117)
Earnings on surplus funds	115	100	101	101	100	15%	402
Other	9	12	(17)	2	(5)	-	(8)
Income (loss) before income taxes	829	(259)	575	445	234	254%	995
Income tax (expense) recovery	(249)	204	(147)	(129)	(58)	329%	(130)
Net income (loss) attributed to shareholders	580	(55)	428	316	176	230%	865
Insurance Sales							
JH Life	113	112	102	98	105	8%	417
JH Long-Term Care	-	8	8	9	17	-100%	42
Total Insurance Sales	113	120	110	107	122	-7%	459
Wealth and Asset Management Gross Flows (Premiums and Deposits)							
JH Investments	8,034	6,580	6,008	6,488	7,092	13%	26,168
JH Retirement Plan Services	6,560	5,582	6,812	5,184	5,618	17%	23,196
Institutional Advisory Accounts	1,180	737	377	980	1,193	-1%	3,287
Total wealth and asset management gross flows	15,774	12,899	13,197	12,652	13,903	13%	52,651
Pension Sales[2] - for reference only							
JH Retirement Plan Services	2,405	2,847	3,311	1,728	1,626	48%	9,512

[2] 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)[1]

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

Manulife

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Premiums and Deposits							
Premiums and investment contract deposits	1,372	1,516	1,497	1,321	953	44%	5,287
Segregated fund deposits	4,375	3,754	3,752	3,619	3,860	13%	14,985
Mutual fund deposits	10,580	8,780	9,421	8,396	9,169	15%	35,766
Institutional Advisory Accounts	1,180	737	377	980	1,193	-1%	3,287
Total premiums and deposits	17,507	14,787	15,047	14,316	15,175	15%	59,325
Premiums and Deposits - Insurance							
JH Life	982	1,091	1,088	927	932	5%	4,038
JH Long-Term Care	556	574	553	543	531	5%	2,201
Total premiums and deposits - insurance	1,538	1,665	1,641	1,470	1,463	5%	6,239
Premiums and Deposits - Other Wealth							
JH Annuities	195	223	209	194	(191)	-	435
Total premiums and deposits - other wealth	195	223	209	194	(191)	-	435
Assets Under Management and Administration							
Assets Under Management							
General fund	113,559	113,437	119,775	117,910	112,715	1%	113,437
Segregated funds [2]	147,565	142,548	144,258	140,596	139,785	6%	142,548
Mutual funds [2] and other funds	93,169	88,993	87,525	85,209	84,203	11%	88,993
Institutional Advisory Accounts	24,675	23,375	23,997	24,255	23,687	4%	23,375
Total assets under management	378,968	368,353	375,555	367,970	360,390	5%	368,353
Assets under administration	63,558	61,396	60,778	57,551	55,553	14%	61,396
Total assets under management and administration	442,526	429,749	436,333	425,521	415,943	6%	429,749
Assets Under Management and Administration							
Assets Under Management							
Insurance	109,510	107,136	110,178	107,115	102,972	6%	107,136
Wealth and asset management	204,758	195,579	195,318	190,175	187,526	9%	195,579
Other wealth	64,700	65,638	70,059	70,680	69,892	-7%	65,638
Total assets under management	378,968	368,353	375,555	367,970	360,390	5%	368,353
Assets under administration	63,558	61,396	60,778	57,551	55,553	14%	61,396
Total assets under management and administration	442,526	429,749	436,333	425,521	415,943	6%	429,749
Changes in Assets Under Management and Administration							
Beginning balance	429,749	436,333	425,521	415,943	411,602	4%	411,602
Premiums and deposits	17,507	14,787	15,047	14,316	15,175	15%	59,325
Investment income (loss) [3]	14,182	(2,807)	12,391	10,862	5,733	147%	26,179
JH Investment withdrawals	(7,507)	(7,208)	(6,549)	(6,804)	(6,682)	12%	(27,243)
Retirement Plan Services withdrawals	(5,955)	(6,503)	(5,862)	(5,341)	(6,233)	-4%	(23,939)
Exchange traded fund net flows [4]	79	-	-	-	-	-	-
Other benefits and withdrawals	(3,769)	(3,676)	(3,852)	(3,284)	(3,236)	16%	(14,048)
Other [5]	(1,760)	(1,177)	(363)	(171)	(416)	323%	(2,127)
Ending balance	442,526	429,749	436,333	425,521	415,943	6%	429,749

[1] Effective January 1, 2017, the operations of Manulife Asset Management are being reflected in the respective Divisional results. Previously, they were reported in the Corporate and Other segment. The 2016 premiums and deposits, gross flows and assets under management and administration have been restated to reflect the above mentioned changes.

[2] Includes ETF assets

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

[4] Excludes ETFs that are not part of the WAM segment. The ETFs held in other wealth segments are included in 'premiums and deposits' and 'other benefits and withdrawals'.

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

Canadian $ in millions - Key Metrics

Sales - Insurance	150	159	144	138	167	-10%	608
Gross Flows - Wealth and asset management[1]	20,882	17,213	17,222	16,307	19,081	9%	69,823
Net income (loss) attributed to shareholders	768	(73)	559	407	241	219%	1,134
Total premiums and deposits [1]	23,176	19,732	19,635	18,457	20,823	11%	78,647
Total assets under management and administration[1]	589,563	576,998	572,315	553,560	539,484	9%	576,998

CORPORATE AND OTHER[1]

(Canadian $ in millions, unaudited)

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Statements of Income							
Revenue							
Gross investment income before items below	271	122	272	311	261	4%	966
Gains (losses) on AFS equities	74	67	68	55	35	111%	225
Gains (losses) on AFS bonds and related derivative positions	(6)	(180)	336	56	300	-	512
Gains (losses) on macro hedges	(46)	(143)	(244)	(78)	(88)	-48%	(553)
Interest on surplus funds allocated to divisions	(285)	(260)	(256)	(254)	(263)	8%	(1,033)
Other revenue	(188)	103	54	82	303	-	542
Total revenue, net	(180)	(291)	230	172	548	-	659
Contract benefits and expenses							
General expenses	127	271	258	275	278	-54%	1,082
Investment expenses, net	(128)	(80)	(79)	(56)	(71)	80%	(286)
Changes in actuarial methods and assumptions	-	14	614	16	(38)	-	606
Other	143	99	119	105	337	-58%	660
Total contract benefits and expenses	142	304	912	340	506	-72%	2,062
Income (loss) before income taxes	(322)	(595)	(682)	(168)	42	-	(1,403)
Income tax (expense) recovery	104	174	236	53	16	550%	479
Net income (loss)	(218)	(421)	(446)	(115)	58	-	(924)
Less net income (loss) attributed to non-controlling interest	1	5	27	(1)	(3)	-	28
Net income (loss) attributed to shareholders - Corporate and Investments	(219)	(426)	(473)	(114)	61	-	(952)
Net income attributed to shareholders' for Reinsurance business	26	39	35	24	22	18%	120
Net income (loss) attributed to shareholders [2]	(193)	(387)	(438)	(90)	83	-	(832)

[1] Effective January 1,2017, the operations of Manulife Asset Management are being reflected in the respective Divisional results. Previously, they were reported in the Corporate and Other segment. The 2016 premiums and deposits and assets under management have been restated to reflect the exclusion of MAM from the Corporate and Others results.

[2] See the Q1 press release for a description of Q1 2017 results compared to Q1 2016.

Earnings Analysis							
Total core earnings (loss)	(141)	69	(146)	(203)	(193)	-27%	(473)
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)	(62)	(188)	(9)	80	(9)	589%	(126)
Total core loss and investment related gains in excess of core investment gains	(203)	(119)	(155)	(123)	(202)	0%	(599)
Items excluded from core loss							
Direct impact of equity markets and interest rates	9	(298)	175	34	284	-97%	195
Change in actuarial methods and assumptions (excl. URR changes)	-	(10)	(455)	-	12	-100%	(453)
Integration and acquisition costs	1	(2)	(3)	(1)	(2)	-	(8)
Other items	-	42	-	-	(9)	-	33
Net income (loss) attributed to shareholders	(193)	(387)	(438)	(90)	83	-	(832)
Premiums and Deposits							
Premiums - Reinsurance business	21	22	22	21	22	-5%	87
Total premiums and deposits	21	22	22	21	22	-5%	87
Assets Under Management							
General fund - Corporate and Investments[1]	(4,777)	(5,174)	(9,365)	(7,735)	(5,412)	-12%	(5,174)
General fund - Reinsurance	838	941	923	893	863	-3%	941
Segregated funds - elimination of amounts held by the Company	(179)	(177)	(177)	(173)	(169)	6%	(177)
Total assets under management	(4,118)	(4,410)	(8,619)	(7,015)	(4,718)	-13%	(4,410)

Manulife

Asset Information

INVESTED ASSETS - PORTFOLIO COMPOSITION

(Canadian $ in millions, unaudited)

Manulife

	As at Q1 2017	%	As at Q4 2016	%	As at Q3 2016	%	As at Q2 2016	%	As at Q1 2016	%
Carrying value										
Cash and short-term securities	**16,011**	**4.9 %**	**15,151**	**4.7 %**	**18,179**	**5.6 %**	**20,902**	**6.5 %**	**17,864**	**5.9 %**
Debt securities										
Government										
Canadian government & agency	25,045	7.6 %	24,745	7.7 %	25,357	7.7 %	25,284	7.9 %	23,122	7.5 %
US government & agency	26,313	8.0 %	27,304	8.5 %	30,044	9.1 %	29,731	9.2 %	28,989	9.4 %
Foreign governments & agency	21,343	6.5 %	20,941	6.5 %	23,456	7.1 %	23,042	7.2 %	20,883	6.8 %
Corporate	95,522	29.1 %	92,415	28.8 %	94,062	28.7 %	90,802	28.1 %	85,275	27.9 %
Securitized										
CMBS	711	0.2 %	802	0.2 %	864	0.3 %	866	0.3 %	799	0.3 %
RMBS	70	0.0 %	74	0.0 %	79	0.0 %	30	0.0 %	63	0.0 %
ABS	2,356	0.7 %	2,341	0.7 %	2,772	0.8 %	2,157	0.7 %	2,294	0.7 %
Total debt securities	**171,360**	**52.1 %**	**168,622**	**52.4 %**	**176,634**	**53.7 %**	**171,912**	**53.4 %**	**161,425**	**52.6 %**
Private placement debt	**30,555**	**9.3 %**	**29,729**	**9.3 %**	**28,492**	**8.8 %**	**26,869**	**8.4 %**	**26,224**	**8.5 %**
Mortgages										
Commercial										
Retail	8,167	2.5 %	8,200	2.5 %	8,055	2.5 %	7,811	2.4 %	7,716	2.6 %
Office	7,400	2.3 %	7,324	2.3 %	7,167	2.2 %	7,204	2.2 %	6,902	2.2 %
Multi family residential	4,707	1.4 %	4,806	1.5 %	4,728	1.4 %	4,475	1.4 %	4,430	1.4 %
Industrial	2,775	0.9 %	2,834	0.9 %	2,864	0.9 %	2,846	0.9 %	2,871	0.9 %
Other commercial	2,598	0.8 %	2,564	0.8 %	2,544	0.8 %	2,595	0.8 %	2,610	0.9 %
Other mortgages										
Manulife Bank single family residential	17,809	5.4 %	17,643	5.5 %	17,672	5.2 %	17,736	5.5 %	17,597	5.7 %
Agriculture	789	0.2 %	822	0.2 %	823	0.3 %	839	0.3 %	861	0.3 %
Total mortgages [1]	**44,245**	**13.5 %**	**44,193**	**13.7 %**	**43,853**	**13.3 %**	**43,506**	**13.5 %**	**42,987**	**14.0 %**
Policy loans	**5,999**	**1.9 %**	**6,041**	**1.9 %**	**5,952**	**1.8 %**	**5,691**	**1.8 %**	**5,675**	**1.9 %**
Loans to bank clients	**1,737**	**0.6 %**	**1,745**	**0.4 %**	**1,770**	**0.4 %**	**1,801**	**0.6 %**	**1,822**	**0.6 %**
Public equities										
Par, equity-linked and pass-through	14,098	4.3 %	13,448	4.2 %	11,559	3.5 %	10,995	3.4 %	10,309	3.4 %
Nonpar and surplus	6,669	2.0 %	6,048	1.9 %	6,583	2.0 %	6,087	1.9 %	6,332	2.0 %
Total public equities	**20,767**	**6.3 %**	**19,496**	**6.1 %**	**18,142**	**5.5 %**	**17,082**	**5.3 %**	**16,641**	**5.4 %**
Real estate & other invested assets										
Alternative long-duration assets										
Office	9,512	2.9 %	9,200	2.9 %	9,091	2.7 %	8,793	2.8 %	10,370	3.4 %
Industrial	977	0.3 %	975	0.3 %	944	0.3 %	931	0.3 %	908	0.3 %
Company use	1,379	0.4 %	1,376	0.4 %	1,337	0.4 %	1,319	0.4 %	1,310	0.4 %
Other	2,358	0.7 %	2,581	0.8 %	2,535	0.8 %	2,342	0.7 %	2,282	0.7 %
Total real estate	**14,226**	**4.3 %**	**14,132**	**4.4 %**	**13,907**	**4.2 %**	**13,385**	**4.2 %**	**14,870**	**4.8 %**
Power & infrastructure	6,728	2.0 %	6,679	2.1 %	6,236	2.0 %	5,695	1.8 %	5,127	1.8 %
Private equity	4,815	1.4 %	4,619	1.4 %	4,373	1.3 %	3,969	1.2 %	3,743	1.2 %
Timberland	3,848	1.2 %	3,669	1.1 %	3,593	1.1 %	3,490	1.1 %	3,426	1.1 %
Oil & gas	2,180	0.7 %	2,094	0.7 %	2,016	0.6 %	1,833	0.6 %	1,593	0.5 %
Farmland	1,315	0.4 %	1,303	0.4 %	1,293	0.4 %	1,250	0.4 %	1,143	0.4 %
Other	510	0.2 %	487	0.1 %	477	0.1 %	471	0.1 %	418	0.1 %
Total alternative long-duration assets	**33,622**	**10.2 %**	**32,983**	**10.2 %**	**31,895**	**9.7 %**	**30,093**	**9.4 %**	**30,320**	**9.9 %**
Leveraged leases	3,370	1.0 %	3,368	1.1 %	3,312	1.0 %	3,300	0.9 %	3,353	1.0 %
Other	571	0.2 %	541	0.2 %	527	0.2 %	508	0.2 %	516	0.2 %
Total real estate & other invested assets	**37,563**	**11.4 %**	**36,892**	**11.5 %**	**35,734**	**10.9 %**	**33,901**	**10.5 %**	**34,189**	**11.1 %**
Total invested assets	**328,237**	**100.0 %**	**321,869**	**100.0 %**	**328,756**	**100.0 %**	**321,664**	**100.0 %**	**306,827**	**100.0 %**

[1] Includes government insured mortgages ($8,122 or 18% as at March 31, 2017).

Fair value [2]					
Real estate	15,380	15,280	15,039	14,506	15,959
Total alternative long-duration assets	35,140	34,474	33,301	31,507	31,705
Total real estate & other invested assets	39,081	38,383	37,140	35,315	35,574

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

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

(Canadian $ in millions, unaudited)

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

	Credit Rating [1]	NAIC designation	As at Q1 2017	%	As at Q4 2016	%	As at Q3 2016	%	As at Q2 2016	%	As at Q1 2016	%
Debt Securities	AAA	1	40,189	24%	41,466	25%	43,569	24%	43,699	25%	43,050	27%
	AA	1	24,136	14%	23,355	14%	24,042	14%	23,283	14%	20,606	13%
	A	1	73,795	43%	71,054	42%	75,769	43%	73,716	43%	68,126	42%
	BBB	2	29,357	17%	28,968	17%	29,659	17%	27,854	16%	26,439	16%
	BB	3	3,424	2%	3,407	2%	3,191	2%	2,912	2%	2,651	2%
	B & lower, and unrated	4 & below	459	0%	372	0%	404	0%	448	0%	553	0%
	Total		**171,360**	**100%**	**168,622**	**100%**	**176,634**	**100%**	**171,912**	**100%**	**161,425**	**100%**
Private Placements	AAA	1	1,120	4%	1,086	4%	1,037	4%	995	4%	961	4%
	AA	1	4,368	14%	4,466	15%	4,303	15%	3,573	13%	3,579	14%
	A	1	11,423	37%	10,671	36%	9,983	35%	9,557	36%	9,309	35%
	BBB	2	11,736	39%	11,606	39%	11,204	39%	10,811	40%	10,395	40%
	BB	3	1,008	3%	936	3%	999	4%	1,073	4%	1,150	4%
	B & lower, and unrated	4 & below	900	3%	964	3%	966	3%	860	3%	830	3%
	Total		**30,555**	**100%**	**29,729**	**100%**	**28,492**	**100%**	**26,869**	**100%**	**26,224**	**100%**
Total	AAA	1	41,309	21%	42,552	21%	44,606	21%	44,694	22%	44,011	23%
	AA	1	28,504	14%	27,821	14%	28,345	14%	26,856	14%	24,185	13%
	A	1	85,218	42%	81,725	41%	85,752	42%	83,273	42%	77,435	41%
	BBB	2	41,093	20%	40,574	21%	40,863	20%	38,665	19%	36,834	20%
	BB	3	4,432	2%	4,343	2%	4,190	2%	3,985	2%	3,801	2%
	B & lower, and unrated	4 & below	1,359	1%	1,336	1%	1,370	1%	1,308	1%	1,383	1%
	Total		**201,915**	**100%**	**198,351**	**100%**	**205,126**	**100%**	**198,781**	**100%**	**187,649**	**100%**

[1] The Company replicates exposure to specific issuers by selling credit protection via credit default swaps (CDS) to complement its cash bond investments. The Company does not use CDS to leverage its credit risk exposure and any CDS protection sold is backed by government security holdings. In order to reflect the actual credit exposure held by the Company, the credit quality carrying values have been adjusted to reflect the credit quality of the underlying issuers referenced in the CDS sold by the Company. At March 31, 2017, the Company had $685 (December 31, 2016 : $662) notional outstanding of CDS protection sold.

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

	Country	As at Q1 2017	%	As at Q4 2016	%	As at Q3 2016	%	As at Q2 2016	%	As at Q1 2016	%
Debt Securities	U.S.	75,018	44%	74,747	44%	78,472	44%	76,663	44%	73,324	45%
	Canada	49,337	29%	48,459	29%	50,143	28%	49,442	29%	46,529	29%
	Europe	4,476	2%	4,490	3%	4,599	3%	4,566	3%	4,593	3%
	Asia & Other	42,529	25%	40,926	24%	43,420	25%	41,241	24%	36,979	23%
	Total	**171,360**	**100%**	**168,622**	**100%**	**176,634**	**100%**	**171,912**	**100%**	**161,425**	**100%**
Private Placements	U.S.	17,920	58%	17,564	59%	16,820	59%	15,478	58%	15,157	58%
	Canada	9,413	31%	9,112	31%	8,765	31%	8,716	32%	8,327	32%
	Europe	1,749	6%	1,775	6%	1,760	6%	1,715	6%	1,629	6%
	Asia & Other	1,473	5%	1,278	4%	1,147	4%	960	4%	1,111	4%
	Total	**30,555**	**100%**	**29,729**	**100%**	**28,492**	**100%**	**26,869**	**100%**	**26,224**	**100%**
Total	U.S.	92,938	46%	92,311	47%	95,292	46%	92,141	47%	88,481	47%
	Canada	58,750	29%	57,571	29%	58,908	29%	58,158	29%	54,856	29%
	Europe	6,225	3%	6,265	3%	6,359	3%	6,281	3%	6,222	4%
	Asia & Other	44,002	22%	42,204	21%	44,567	22%	42,201	21%	38,090	20%
	Total	**201,915**	**100%**	**198,351**	**100%**	**205,126**	**100%**	**198,781**	**100%**	**187,649**	**100%**

INVESTED ASSETS - FIXED INCOME SECURITIES BY SECTOR

(Canadian $ in millions, unaudited)

Manulife

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

		As at Q1 2017			As at Q4 2016			As at Q3 2016			As at Q2 2016			As at Q1 2016		
		Carrying value	%	Investment grade %	Carrying value	%	Investment grade %	Carrying value	%	Investment grade %	Carrying value	%	Investment grade %	Carrying value	%	Investment grade %
Debt Securities	Government & agency	72,701	42%	97%	72,990	43%	98%	78,857	45%	98%	78,057	45%	98%	72,994	45%	98%
	Utilities	23,504	14%	99%	23,015	14%	99%	23,735	13%	99%	23,517	14%	99%	21,642	13%	99%
	Financial	24,478	14%	98%	23,438	14%	98%	23,689	13%	98%	23,132	13%	97%	22,159	14%	97%
	Energy	14,422	8%	96%	14,104	8%	96%	13,942	8%	96%	13,170	8%	96%	11,756	7%	96%
	Consumer (non-cyclical)	9,262	5%	98%	8,882	5%	98%	9,043	5%	100%	8,587	5%	100%	8,295	5%	100%
	Industrial	10,935	6%	99%	10,594	6%	99%	10,794	6%	99%	10,243	6%	100%	9,646	6%	100%
	Basic materials	2,499	2%	92%	2,562	2%	89%	2,786	2%	90%	2,576	1%	88%	2,494	2%	87%
	Consumer (cyclical)	3,089	2%	99%	2,767	2%	99%	2,900	2%	99%	2,855	2%	99%	2,655	2%	99%
	Securitized MBS/ABS	3,137	2%	99%	3,217	2%	99%	3,715	2%	99%	3,053	2%	99%	3,156	2%	98%
	Telecommunications	3,174	2%	99%	3,049	2%	99%	3,102	2%	99%	2,865	2%	99%	3,017	2%	99%
	Technology	2,240	1%	97%	2,114	1%	97%	2,173	1%	97%	2,037	1%	100%	1,801	1%	100%
	Media & internet	1,097	1%	100%	1,104	1%	100%	1,155	1%	100%	1,110	1%	100%	1,187	1%	100%
	Diversified & miscellaneous	822	1%	98%	786	0%	99%	743	0%	99%	710	0%	99%	623	0%	100%
	Total	**171,360**	**100%**	**98%**	**168,622**	**100%**	**98%**	**176,634**	**100%**	**98%**	**171,912**	**100%**	**98%**	**161,425**	**100%**	**98%**
Private Placements	Government & agency	3,236	11%	100%	3,030	10%	100%	2,938	10%	100%	2,817	11%	100%	2,731	10%	100%
	Utilities	14,565	48%	95%	14,546	49%	95%	13,947	49%	95%	13,504	50%	94%	12,967	50%	94%
	Financial	1,688	5%	93%	1,589	5%	96%	1,668	6%	96%	1,617	6%	96%	1,758	7%	96%
	Energy	1,698	5%	83%	1,671	6%	83%	1,582	6%	82%	1,633	6%	82%	1,718	7%	82%
	Consumer (non-cyclical)	3,912	13%	92%	3,558	12%	91%	3,257	11%	91%	2,533	9%	89%	2,343	9%	89%
	Industrial	2,629	9%	96%	2,494	9%	94%	2,236	8%	94%	2,025	8%	94%	2,025	8%	94%
	Basic materials	799	3%	84%	825	3%	84%	879	3%	85%	863	3%	84%	835	3%	84%
	Consumer (cyclical)	1,511	5%	87%	1,489	5%	87%	1,496	5%	88%	1,488	6%	88%	1,513	6%	87%
	Securitized MBS/ABS	290	1%	95%	297	1%	95%	251	1%	97%	150	1%	94%	92	0%	91%
	Telecommunications	39	0%	100%	42	0%	100%	42	0%	100%	43	0%	100%	74	0%	100%
	Technology	117	0%	66%	117	0%	66%	115	1%	66%	114	0%	67%	113	0%	67%
	Media & internet	71	0%	48%	71	0%	48%	81	0%	42%	82	0%	42%	55	0%	8%
	Diversified & miscellaneous	0	0%	n/a	0	0%	n/a	0	0%	n/a	0	0%	n/a	0	0%	n/a
	Total	**30,555**	**100%**	**94%**	**29,729**	**100%**	**94%**	**28,492**	**100%**	**93%**	**26,869**	**100%**	**93%**	**26,224**	**100%**	**93%**
Total	Government & agency	75,937	38%	97%	76,020	38%	98%	81,795	40%	98%	80,874	41%	98%	75,725	40%	98%
	Utilities	38,069	19%	98%	37,561	19%	98%	37,682	18%	98%	37,021	19%	98%	34,609	18%	97%
	Financial	26,166	13%	98%	25,027	13%	98%	25,357	12%	98%	24,749	12%	97%	23,917	13%	97%
	Energy	16,120	8%	94%	15,775	8%	94%	15,524	8%	95%	14,803	7%	95%	13,474	7%	95%
	Consumer (non-cyclical)	13,174	6%	96%	12,440	6%	96%	12,300	6%	97%	11,120	6%	97%	10,638	6%	98%
	Industrial	13,564	7%	99%	13,088	7%	98%	13,030	6%	98%	12,268	6%	99%	11,671	6%	99%
	Basic materials	3,298	2%	90%	3,387	2%	88%	3,665	2%	89%	3,439	2%	87%	3,329	2%	86%
	Consumer (cyclical)	4,600	2%	95%	4,256	2%	95%	4,396	2%	95%	4,343	2%	95%	4,168	2%	95%
	Securitized MBS/ABS	3,427	2%	99%	3,514	2%	99%	3,966	2%	99%	3,203	2%	98%	3,248	2%	98%
	Telecommunications	3,213	1%	99%	3,091	1%	99%	3,144	2%	99%	2,908	1%	99%	3,091	2%	99%
	Technology	2,357	1%	96%	2,231	1%	95%	2,288	1%	95%	2,151	1%	98%	1,914	1%	98%
	Media & internet	1,168	1%	97%	1,175	1%	97%	1,236	1%	96%	1,192	1%	96%	1,242	1%	96%
	Diversified & miscellaneous	822	0%	98%	786	0%	99%	743	0%	99%	710	0%	99%	623	0%	100%
	Total	**201,915**	**100%**	**97%**	**198,351**	**100%**	**97%**	**205,126**	**100%**	**97%**	**198,781**	**100%**	**97%**	**187,649**	**100%**	**97%**

INVESTED ASSETS - PROVISIONS, IMPAIRMENTS & UNREALIZED LOSSES

(Canadian $ in millions, unaudited)

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Unrealized (losses)

	As at Q1 2017				As at Q4 2016				As at Q3 2016				As at Q2 2016				As at Q1 2016			
	Amortized cost	Gross unrealized (losses) $	%	Amounts < 80% cost > 6 months	Amortized cost	Gross unrealized (losses) $	%	Amounts < 80% cost > 6 months	Amortized cost	Gross unrealized (losses) $	%	Amounts < 80% cost > 6 months	Amortized cost	Gross unrealized (losses) $	%	Amounts 80% cost 6 months	Amortized cost	Gross unrealized (losses) $	%	Amounts < 80% cost > 6 months
Debt securities																				
Government	70,666	(1,876)	3%	(1)	71,254	(2,154)	3%	(1)	71,617	(261)	0%	(1)	69,980	(171)	0%	(1)	67,461	(480)	1%	(13)
Corporate																				
Financials	23,504	(131)	1%	(15)	22,593	(183)	1%	(15)	22,131	(62)	0%	(28)	21,588	(74)	0%	(34)	20,934	(102)	0%	(26)
Non-financials	67,270	(626)	1%	(5)	65,549	(831)	1%	(14)	63,455	(261)	0%	(46)	61,207	(331)	1%	(45)	59,050	(840)	1%	(40)
Securitized																				
CMBS	711	(3)	0%	-	804	(6)	1%	(2)	857	(4)	0%	(2)	855	(3)	0%	-	792	(3)	0%	-
RMBS	69	-	0%	-	72	-	0%	-	76	-	0%	-	28	-	0%	-	62	(1)	2%	-
ABS	2,321	(9)	0%	-	2,304	(13)	1%	-	2,673	(3)	0%	-	2,066	(8)	0%	-	2,230	(16)	1%	-
Private placement debt	30,555	(290)	1%	-	29,729	(322)	1%	(3)	28,492	(76)	0%	(1)	26,869	(125)	0%	(4)	26,224	(252)	1%	(8)
Fixed income securities [1]	**195,096**	**(2,935)**	**2%**	**(21)**	**192,305**	**(3,509)**	**2%**	**(35)**	**189,301**	**(667)**	**0%**	**(78)**	**182,593**	**(712)**	**0%**	**(84)**	**176,753**	**(1,694)**	**1%**	**(87)**

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

Provisions, impairments and recoveries [2]

	Q1 2017			Q4 2016			Q3 2016			Q2 2016			Q1 2016		
	Par	Non-par	Total	Par	Non-par	Total	Par	Non-par	Total	Par	Non-par	Total	Par	Non-par	Total
Credit related															
Loans	-	5	5	-	(1)	(1)	(1)	11	10	-	4	4	-	(69)	(69)
Debt securities - FVTPL	1	-	1	(6)	(28)	(34)	1	2	3	5	8	13	-	(1)	(1)
Debt securities - AFS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other [3]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	**1**	**5**	**6**	**(6)**	**(29)**	**(35)**	**-**	**13**	**13**	**5**	**12**	**17**	**-**	**(70)**	**(70)**
Equity related															
Public - AFS	-	(4)	(4)	-	(5)	(5)	-	(14)	(14)	-	(20)	(20)	-	(10)	(10)
Private equities - AFS and Other [3]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	**-**	**(4)**	**(4)**	**-**	**(5)**	**(5)**	**-**	**(14)**	**(14)**	**-**	**(20)**	**(20)**	**-**	**(10)**	**(10)**
Total	**1**	**1**	**2**	**(6)**	**(34)**	**(40)**	**-**	**(1)**	**(1)**	**5**	**(8)**	**(3)**	**-**	**(80)**	**(80)**

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

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

Net impaired fixed income assets

	As at Q1 2017			As at Q4 2016			As at Q3 2016			As at Q2 2016			As at Q1 2016		
	Gross amount	Allowances	Impaired value	Gross amount	Allowances	Impaired value	Gross amount	Allowances	Impaired value	Gross amount	Allowances	Impaired value	Gross amount	Allowances	Impaired value
Loans															
Mortgages and loans to bank clients	57	(27)	30	59	(26)	33	61	(28)	33	41	(22)	19	58	(29)	29
Private placements	138	(74)	64	244	(92)	152	248	(91)	157	222	(110)	112	221	(109)	112
Sub-total	**195**	**(101)**	**94**	**303**	**(118)**	**185**	**309**	**(119)**	190	**263**	**(132)**	**131**	**279**	**(138)**	**141**
Other fixed income [4]															
Debt securities - FVTPL	40	-	40	38	-	38	23	-	23	21	-	21	12	-	12
Debt securities - AFS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1	-	1	1	-	1	1	-	1	1	-	1	1	-	1
Sub-total	**41**	**-**	**41**	**39**	**-**	**39**	**24**	**-**	**24**	**22**	**-**	**22**	**13**	**-**	**13**
Total	**236**	**(101)**	**135**	**342**	**(118)**	**224**	**333**	**(119)**	**214**	**285**	**(132)**	**153**	**292**	**(138)**	**154**

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

INVESTMENT INCOME

(Canadian $ in millions, unaudited)

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	Q1 2017		Q4 2016		Q3 2016		Q2 2016		Q1 2016	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
Cash and short-term securities										
Investment income	42	n/a	23	n/a	32	n/a	32	n/a	36	n/a
Debt securities										
Interest income	1,406	3.5%	1,440	3.7%	1,420	3.7%	1,369	3.7%	1,409	3.8%
Recoveries (impairments), net [1]	-		(33)		3		13		(1)	
Gains (losses) on assets backing surplus	(18)		(75)		302		25		291	
Total	1,388	3.3%	1,332	3.7%	1,725	3.9%	1,407	3.9%	1,699	4.3%
Public equities										
Dividend income	124	2.5%	231	3.5%	110	2.9%	149	3.1%	102	2.5%
Impairments, net	(4)		(5)		(14)		(19)		(10)	
Gains (losses) on assets backing surplus	74		67		68		55		35	
Total	194	3.9%	293	4.5%	164	3.8%	185	3.8%	127	3.2%
Loans										
Mortgage loan interest income	412	3.8%	418	3.9%	414	3.9%	412	3.9%	424	4.0%
Private placement interest income	369	5.0%	377	5.6%	359	5.4%	364	5.5%	398	6.0%
Policy loan interest income	92	6.1%	96	6.1%	89	6.0%	86	4.7%	87	4.6%
Loans to bank clients interest income	16	3.7%	17	3.9%	17	3.9%	17	3.9%	17	3.9%
Recoveries (impairments), net	5		(2)		10		4		(69)	
Total	894	4.5%	906	4.6%	889	4.6%	883	4.4%	857	4.3%
Real estate										
Rental and other income	133	3.8%	116	3.7%	124	3.8%	139	3.9%	144	3.8%
Gains on assets backing surplus	(5)		(7)		3		45		(8)	
Total	128	3.7%	109	3.9%	127	4.2%	184	4.4%	136	3.6%
Other investments										
Investment income	354	n/a	480	n/a	290	n/a	267	n/a	140	n/a
Derivatives										
Investment income	317	n/a	166	n/a	341	n/a	255	n/a	305	n/a
Investment income [2]	**3,317**	**4.2%**	**3,309**	**4.3%**	**3,568**	**4.5%**	**3,213**	**4.4%**	**3,300**	**4.4%**
Realized and unrealized gains (losses) on assets supporting insurance and investment contract liabilities and on macro equity hedges										
Debt securities	548		(7,231)		297		4,617		3,979	
Public equities	702		166		616		205		(2)	
Loans	(28)		132		11		(53)		2	
Real estate	62		12		122		(38)		32	
Other investments	(30)		209		417		261		(39)	
Derivatives, including macro equity hedging program	(664)		(9,709)		(692)		2,930		4,890	
Total	590	n/a	(16,421)	n/a	771	n/a	7,922	n/a	8,862	n/a
Total investment income (loss)	3,907	4.9%	(13,112)	-15.2%	4,339	5.6%	11,135	16.1%	12,162	16.8%
Investment expenses related to invested assets	(135)	n/a	(173)	n/a	(142)	n/a	(142)	n/a	(127)	n/a
Investment income (loss) less investment expenses	3,772	4.8%	(13,285)	-15.4%	4,197	5.5%	10,993	15.1%	12,035	16.6%

[1] Includes impairments on debt securities classified as AFS and FVTPL.

[2] Investment income includes dividends, interest, rental income and realized gains on assets supporting surplus, excluding the macro equity hedging program.

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Actuarial Liabilities Information

VARIABLE ANNUITY AND SEGREGATED FUND GUARANTEES

(Canadian $millions, unaudited)

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	Guarantee Value			Net Amount at Risk [2]					
	Gross Amount [4]	Amount Reinsured	Net of Reinsurance[1]	Gross Amount [4]	Amount Reinsured	Net of Reinsurance[1]	Policy Liabilities Held [3,5]	Target Capital (200 % of MCCSR)	Policy Liabilities Held plus Target Capital
Q1 2017	104,379	8,420	95,959	10,482	1,724	8,758	5,237	5,996	11,233
Q4 2016	106,263	8,670	97,593	12,082	1,913	10,169	6,249	5,873	12,122
Q3 2016	106,863	8,586	98,277	11,278	1,874	9,404	9,835	5,593	15,428
Q2 2016	107,451	8,672	98,779	12,511	2,027	10,484	11,281	5,377	16,658
Q1 2016	107,437	8,870	98,567	12,729	2,092	10,637	9,584	5,156	14,740

	Net of Reinsurance[1]		
As at Q1 2017	**Total Guarantee Value [4]**	**Total Fund Value [4]**	**Net Amount at Risk [2,4]**
U.S.			
Withdrawal Benefits	46,264	40,285	6,240
Income Benefits	492	412	88
Death Benefits	4,340	4,906	498
	51,096	45,603	6,826
Canada			
Withdrawal Benefits	16,034	14,744	1,289
Maturity Benefits	15,090	15,079	10
Death Benefits	2,191	6,812	40
	33,315	36,635	1,339
Japan			
Withdrawal Benefits	4,488	4,238	263
Maturity Benefits	2,968	3,363	4
Death Benefits	1,046	995	28
	8,502	8,596	295
Reinsurance & Other	3,046	3,219	298

Key markets, closing levels	**S&P 500**	**TSX**	**TOPIX**	**EAFE**
As at Q1 2017	2,363	15,548	1,513	1,793
As at Q4 2016	2,239	15,288	1,519	1,684
As at Q3 2016	2,168	14,724	1,323	1,702
As at Q2 2016	2,099	14,065	1,246	1,608
As at Q1 2016	2,060	13,494	1,347	1,652

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

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

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

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

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

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

Guaranteed benefits in a single contract are frequently a combination of death benefit and living benefit (withdrawal / maturity / income).
Death benefit amounts shown reflect only stand alone death benefits plus any excess of death benefits over living benefits on contracts with both death and other benefit forms.

ACTUARIAL LIABILITIES - NEW BUSINESS VALUE

(Canadian $ in millions, unaudited)

Manulife

New Business Value (NBV)[1]

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Asia							
Hong Kong	94	131	82	88	67	39%	368
Japan	141	80	104	65	96	47%	345
Asia Other	91	83	70	74	58	58%	285
Canadian	66	48	39	35	47	40%	169
U.S.	2	25	5	10	19	-90%	59
Total	**394**	**367**	**300**	**272**	**287**	**37%**	**1,226**

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

REGULATORY CAPITAL
(Canadian $ in millions, unaudited)

Manulife

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1
The Manufacturers Life Insurance Company's MCCSR					
Capital available:					
Tier 1 capital					
Common shares	31,437	30,451	29,616	29,616	27,862
Retained earnings and CTA	15,688	14,489	15,642	13,958	12,907
Qualifying non-controlling interests	699	649	633	572	543
Innovative instruments	1,000	1,000	1,000	1,000	1,000
Other	2,257	2,288	2,239	2,224	2,121
Gross Tier 1 capital	51,081	48,877	49,130	47,370	44,433
Deductions:					
Goodwill	(5,885)	(5,884)	(5,699)	(5,673)	(5,566)
Other	(8,866)	(8,187)	(9,128)	(7,874)	(7,539)
Adjustments	(1,232)	(1,214)	(1,213)	(1,162)	(1,121)
Net Tier 1 capital - A	35,098	33,592	33,090	32,661	30,207
Tier 2 Capital					
Tier 2A	359	273	236	146	278
Tier 2B allowed	5,722	5,728	6,676	6,672	6,672
Tier 2C	8,522	8,155	7,886	6,905	6,858
Adjustments	(1,232)	(1,214)	(1,213)	(1,162)	(1,121)
Total Tier 2 capital allowed	13,371	12,942	13,585	12,561	12,687
Total Tier 1 and Tier 2 capital	48,469	46,534	46,675	45,222	42,894
Less Adjustments	-	-	-	-	-
Total Capital Available - B	48,469	46,534	46,675	45,222	42,894
Capital Required:					
Asset default & market risk	13,550	13,064	12,508	11,916	11,555
Insurance risks	3,761	3,779	3,902	3,815	3,618
Interest rate risks	3,524	3,428	3,562	3,454	3,241
Total Capital Required - C	20,835	20,271	19,972	19,185	18,414
MCCSR Ratio: Total (B/C) x 100	233%	230%	234%	236%	233%

Manulife

Supplementary Disclosure

Wealth and Asset Management

WEALTH AND ASSET MANAGEMENT [1]

(Canadian $ in millions, unaudited)

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Shareholders' Income Statement							
Revenue							
Fee income	1,240	1,253	1,222	1,185	1,197	4%	4,857
Investment income	11	(16)	7	9	5	120%	5
Total	1,251	1,237	1,229	1,194	1,202	4%	4,862
Expenses							
General, administrative and investment expenses	734	749	767	723	741	-1%	2,980
Commissions	306	298	294	289	299	2%	1,180
Total	1,040	1,047	1,061	1,012	1,040	0%	4,160
Income before income taxes	211	190	168	182	162	30%	702
Income tax (expense) recovery	(39)	(19)	(15)	(32)	(29)	34%	(95)
Net income attributed to shareholders	172	171	153	150	133	29%	607
Earnings (loss) Analysis[3]							
Core earnings							
Asia	51	48	52	37	38	34%	175
Canadian	57	43	33	46	39	46%	161
U.S.	74	84	82	68	64	16%	298
Corporate and other	-	3	(8)	1	(1)	-	(5)
Core earnings	182	178	159	152	140	30%	629
Core earnings on a constant currency basis	182	178	160	155	137	33%	630
Material/exceptional items and tax rate changes	(10)	(7)	(6)	(2)	(7)	43%	(22)
Direct impact of equity markets and interest rates & other investment experience	-	-	-	-	-	-	-
Net income attributed to shareholders	172	171	153	150	133	29%	607
Core EBITDA by Division[3]							
Asia	63	57	54	51	49	29%	211
Canadian	105	83	78	83	82	29%	326
U.S.	166	156	160	147	150	11%	613
Corporate and other	0	10	(4)	7	4	-99%	17
Core EBITDA	335	306	288	288	285	18%	1,167
Core EBITDA on a constant currency basis	335	304	291	294	278	20%	1,167
Core EBITDA Margin [2]	26.8%	24.7%	23.4%	24.1%	23.7%	310 bps	24.0%
Core Earnings before income taxes, depreciation and amortization (Core EBITDA) [2,3]							
Core EBITDA	335	306	288	288	285	18%	1,167
Amortization of deferred acquisition costs and other depreciation	85	85	89	77	85	0%	336
Amortization of deferred sales commissions	28	24	24	26	29	-3%	103
Total depreciation and amortization	113	109	113	103	114	-1%	439
Core earnings before income taxes	222	197	175	185	171	30%	728
Core income tax (expense) recovery	(40)	(19)	(16)	(33)	(31)	29%	(99)
Core Earnings	182	178	159	152	140	30%	629
Deferred Acquisition Costs and Deferred Sales Commissions							
Asia	330	328	313	305	300	10%	328
Canadian	248	250	247	248	247	0%	250
U.S.	1,796	1,813	1,771	1,766	1,769	2%	1,813
Total deferred acquisition costs and deferred sales commissions	2,374	2,391	2,331	2,319	2,316	3%	2,391

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

[2] Core EBITDA margin is Core EBITDA divided by total revenue.

[3] Q1 2017 results include the institutional advisory accounts (previously reported under Corporate & Other segment).

WEALTH AND ASSET MANAGEMENT (CONT'D) [1,3]

(Canadian $ in millions, unaudited)

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Assets Under Management and Administration by Division							
Asia	63,594	60,400	55,389	51,759	48,158	32%	60,400
Canadian	143,471	138,888	134,146	128,898	124,399	15%	138,888
U.S. and other	357,470	345,025	335,909	322,267	315,277	13%	345,025
Assets under management and administration	564,535	544,313	525,444	502,924	487,834	16%	544,313
Assets under management and administration on a constant currency basis	564,535	542,025	529,927	509,861	495,430	14%	542,025
Assets Under Management and Administration by Business Line							
Pensions	293,065	282,097	274,854	260,439	253,911	15%	282,097
Mutual funds [2]	184,547	178,461	172,686	165,322	161,487	14%	178,461
Institutional advisory accounts	86,923	83,755	77,904	77,163	72,436	20%	83,755
Assets under management and administration	564,535	544,313	525,444	502,924	487,834	16%	544,313
Changes in Assets Under Management and Administration							
Beginning balance	544,313	525,444	502,924	487,834	510,455	7%	510,455
Assets acquired	-	1,817	-	-		-	1,817
Gross flows	32,954	38,160	27,418	26,644	28,228	17%	120,450
Exchange traded fund net flows	105	-	-	-	-	-	-
Redemptions	(28,664)	(32,087)	(24,724)	(21,822)	(26,552)	8%	(105,185)
Investment income (loss) and other	15,827	10,979	19,826	10,268	(24,297)	-	16,776
Ending balance	564,535	544,313	525,444	502,924	487,834	16%	544,313

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

[2] Includes ETF assets

[3] Q1 2017 results include the institutional advisory accounts (previously reported under Corporate & Other segment).

WEALTH AND ASSET MANAGEMENT (CONT'D) [1,4]

(Canadian $ in millions, unaudited)

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 Q1 vs. 2016 Q1	Fiscal 2016
Net Flows by Client by Division							
Asia	1,039	4,636	1,332	2,512	(108)	-	8,372
Canadian	1,046	4,723	1,277	1,489	869	20%	8,358
U.S. and other	2,205	(3,286)	85	821	915	141%	(1,465)
Total net flows	4,290	6,073	2,694	4,822	1,676	156%	15,265
Net flows on a constant currency basis	4,290	6,055	2,689	4,866	1,647	160%	15,257
Net Flows by Business Line							
Pensions	918	(1,930)	2,393	1,229	197	366%	1,889
Mutual funds [2]	1,621	868	1,111	1,064	687	136%	3,730
Institutional advisory accounts [3]	1,751	7,135	(810)	2,529	792	121%	9,646
Total net flows	4,290	6,073	2,694	4,822	1,676	156%	15,265
Gross Flows by Division							
Asia	5,514	11,308	4,981	5,606	4,075	35%	25,970
Canadian	6,558	9,639	5,215	4,731	5,072	29%	24,657
U.S. and other	20,882	17,213	17,222	16,307	19,081	9%	69,823
Total gross flows	32,954	38,160	27,418	26,644	28,228	17%	120,450
Gross flows on a constant currency basis	32,954	37,719	27,602	26,819	27,291	21%	119,431
Gross Flows by Business Line							
Pensions	11,804	10,152	11,752	9,416	10,486	13%	41,806
Mutual funds	17,139	16,840	13,798	13,364	13,909	23%	57,911
Institutional advisory accounts [3]	4,011	11,168	1,868	3,864	3,833	5%	20,733
Total gross flows	32,954	38,160	27,418	26,644	28,228	17%	120,450

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

[2] Includes ETF assets

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

[4] Q1 2017 results include the institutional advisory accounts (previously reported under Corporate & Other segment).

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).

NM: Represents percentage variance in excess of 1000%, assessed as not meaningful 'nm'.

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COMMON STOCK
Common Stock of Manulife Financial is traded on:

Stock Exchange	Symbol
Toronto	MFC
New York	MFC
Hong Kong	945
Philippines	MFC

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 May 3, 2017)

Purpose	Rating agency	Rating
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 May 3, 2017)

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