Statistical Information Package

Q2 2017

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FINANCIAL REPORTING STRUCTURE

Manulife

MFC

ASIA DIVISION

INSURANCE

Individual Insurance
Group Life
Group Health

WEALTH AND ASSET MANAGEMENT

Retirement
Retail
Institutional Asset Management

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

Retirement
Group Retirement Solutions
Retail
Manulife Mutual Funds
Manulife Private Wealth
Manulife Securities
Institutional Asset Management

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

Retirement
JH Retirement Plan Services
Retail
JH Investments
Institutional Asset Management

OTHER WEALTH

Variable Annuities
Fixed Deferred Annuities
Payout Annuities
Spread-based Products
Fee-based 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 second quarter Press Release, MD&A and unaudited financial statements and the 2016 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.
(iv) Retirement: 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 is a new business measure for Manulife's wealth and asset management ("WAM") businesses and includes all deposits into the Company's retirement, retail, and institutional asset management businesses. Gross flows are a common industry metric for WAM businesses as it provides a measure of how successful the businesses are at attracting assets.

Net flows is presented for our WAM businesses and includes gross flows less redemptions for our retirement, retail and institutional asset management businesses. For our retail businesses, it includes net flows for ETF 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. Core EBITDA excludes certain acquisition expenses related to insurance contracts in our retirement businesses which are deferred and amortized over the expected life time of the customer relationship under the Canadian Asset Liability Method (CALM).

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

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

Constant currency basis
Quarterly amounts stated on a constant currency basis are calculated using Q2 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)

Manulife

	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Shareholders' Net Income (loss) by Division[1]										
Asia	555	587	431	561	28	nm	1,142	149	666%	1,141
Canadian	84	188	92	435	359	-77%	272	959	-72%	1,486
U.S.	774	768	(73)	559	407	90%	1,542	648	138%	1,134
Corporate and other	(158)	(193)	(387)	(438)	(90)	-	(351)	(7)	-	(832)
Net income attributed to shareholders	1,255	1,350	63	1,117	704	78%	2,605	1,749	49%	2,929
Preferred share dividends	(39)	(41)	(33)	(34)	(37)	5%	(80)	(66)	21%	(133)
Common shareholders' net income	1,216	1,309	30	1,083	667	82%	2,525	1,683	50%	2,796
Common shareholders' net income on a constant currency basis	1,216	1,327	27	1,124	694	75%	2,543	1,709	49%	2,860
Earnings Analysis[1]										
Core earnings										
Asia	405	408	388	394	342	18%	813	713	14%	1,495
Canadian	345	319	359	354	333	4%	664	671	-1%	1,384
U.S.	452	515	471	394	361	25%	967	750	29%	1,615
Corporate and other (excl. expected cost of macro hedges and core investment gains)	(168)	(166)	(75)	(102)	(125)	-	(334)	(232)	-	(409)
Expected cost of macro hedges	(14)	(21)	(36)	(61)	(78)	-	(35)	(164)	-	(261)
Investment-related experience in core earnings	154	46	180	17	-	-	200	-	-	197
Total core earnings	1,174	1,101	1,287	996	833	41%	2,275	1,738	31%	4,021
Investment-related experience outside of core earnings	138	-	-	280	60	130%	138	(280)	-	-
Total core earnings and investment-related experience in excess of amounts included in core earnings	1,312	1,101	1,287	1,276	893	47%	2,413	1,458	66%	4,021
Items excluded from core earnings										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	(37)	267	(1,202)	414	(170)	-	230	304	-24%	(484)
Change in actuarial methods and assumptions	-	-	(10)	(455)	-	-	-	12	-100%	(453)
Integration and acquisition costs	(20)	(18)	(25)	(23)	(19)	-	(38)	(33)	-	(81)
Tax related items	-	-	(2)	2	-	-	-	1	-100%	1
Other items	-	-	15	(97)	-	-	-	7	-100%	(75)
Net income attributed to shareholders	1,255	1,350	63	1,117	704	78%	2,605	1,749	49%	2,929
Selected Performance Measures										
Basic earnings per common share	$0.62	$0.66	$0.01	$0.55	$0.34	82%	$ 1.28	$0.85	51%	$ 1.42
Basic earnings per common share on a constant currency basis	$0.62	$0.67	$0.01	$0.59	$0.36	72%				
Diluted core earnings per common share	$0.57	$0.53	$0.63	$0.49	$0.40	43%	$ 1.11	$0.84	32%	$ 1.96
Diluted earnings per common share	$0.61	$0.66	$0.01	$0.55	$0.34	79%	$ 1.27	$0.85	49%	$ 1.41
Return on common shareholders' equity (annualized) (%)	12.4%	13.7%	0.3%	11.1%	7.1%	530 bps	13.0%	8.9%	410 bps	7.3%
Core ROE (annualized) (%)	11.5%	11.1%	12.9%	9.8%	8.4%	310 bps	11.3%	8.9%	240 bps	10.1%

[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.

FINANCIAL HIGHLIGHTS (CONT'D)

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

Manulife

	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Earnings Analysis (Pre-tax)										
Core earnings										
Asia	495	497	451	466	396	25%	992	840	18%	1,757
Canadian	435	420	447	416	401	8%	855	825	4%	1,688
U.S.	608	713	535	511	475	28%	1,321	990	33%	2,036
Corporate and other (excl. expected cost of macro hedges and core investment gains)	(244)	(261)	(181)	(167)	(205)	-	(505)	(409)	23%	(757)
Expected cost of macro hedges	(19)	(28)	(52)	(88)	(114)	-	(47)	(240)	-80%	(380)
Investment-related experience in core earnings	206	53	260	24	-	-	259	-	-	284
Total core earnings	1,481	1,394	1,460	1,162	953	55%	2,875	2,006	43%	4,628
Investment-related experience outside of core earnings	184	-	-	396	142	30%	184	(328)	-	68
Total core earnings and investment-related experience in excess of amounts included in core earnings	1,665	1,394	1,460	1,558	1,095	52%	3,059	1,678	82%	4,696
Items excluded from core earnings										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	(82)	324	(1,827)	493	(138)	-	242	612	-60%	(722)
Change in actuarial methods and assumptions	-	-	(8)	(637)	-	-	-	35	-100%	(610)
Integration and acquisition costs	(24)	(22)	(50)	(31)	(22)	-	(46)	(40)	15%	(121)
Other items	-	-	38	(149)	-	-	-	(7)	-	(118)
Net income attributed to shareholders	1,559	1,696	(387)	1,234	935	67%	3,255	2,278	43%	3,125
Earnings Analysis (Tax Rate)										
Core earnings										
Asia	18%	18%	14%	15%	14%		18%	15%		15%
Canadian	21%	24%	20%	15%	17%		22%	19%		18%
U.S.	26%	28%	12%	23%	24%		27%	24%		21%
Corporate and other (excl. expected cost of macro hedges and core investment gains)	31%	36%	59%	39%	39%		34%	43%		46%
Expected cost of macro hedges	26%	25%	31%	31%	32%		26%	32%		31%
Investment-related experience in core earnings	25%	13%	31%	29%	0%		23%	0%		31%
Total core earnings	21%	21%	12%	14%	13%		21%	13%		13%
Investment-related experience outside of core earnings	25%	0%	0%	29%	58%		25%	15%		100%
Total core earnings and investment-related experience in excess of amounts included in core earnings	21%	21%	12%	18%	18%		21%	13%		14%
Items excluded from core earnings										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	55%	18%	34%	16%	-23%		5%	50%		33%
Change in actuarial methods and assumptions	0%	0%	-25%	29%	0%		0%	66%		26%
Integration and acquisition costs	17%	18%	50%	26%	14%		17%	18%		33%
Other items	0%	0%	61%	35%	0%		0%	200%		36%
Net income attributed to shareholders	19%	20%	116%	9%	25%		20%	23%		6%
Core earnings by line of business										
Insurance[1]										
Asia	260	262	273	240	232	12%	522	481	9%	994
Canadian	162	134	210	207	174	-7%	296	346	-14%	763
U.S.	225	295	210	191	151	49%	520	334	56%	735
Total insurance	647	691	693	638	557	16%	1,338	1,161	15%	2,492
Wealth and asset management[2,4]										
Asia	55	51	48	52	37	49%	106	75	41%	175
Canadian	59	57	43	33	46	28%	116	85	36%	161
U.S.	93	74	84	82	68	37%	167	132	27%	298
Corporate and other	-	-	3	(8)	1	-100%	-	-	-	(5)
Total wealth and asset management	207	182	178	159	152	36%	389	292	33%	629
Other wealth[1,3]										
Asia	90	95	69	101	73	23%	185	157	18%	327
Canadian Manulife Bank	32	36	29	30	25	28%	68	55	24%	114
Canadian excluding Manulife Bank	92	92	76	84	88	5%	184	185	-1%	345
Canadian	124	128	105	114	113	10%	252	240	5%	459
U.S.	134	146	176	122	142	-6%	280	284	-1%	582
Total other wealth	348	369	350	337	328	6%	717	681	5%	1,368
Corporate and other[4]	(28)	(141)	66	(138)	(204)	-86%	(169)	(396)	-57%	(468)
Total core earnings	1,174	1,101	1,287	996	833	41%	2,275	1,738	31%	4,021

[1] Insurance and other wealth businesses are included in new business value calculations (see page 6).

[2] Wealth and asset management is comprised of our fee based business with little or no insurance risk, including retail, retirement, 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 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Premiums and Deposits - Insurance										
Life and health insurance premiums	6,018	5,973	6,070	5,928	5,476	10%	11,991	11,182	7%	23,180
Segregated fund deposits	639	619	641	613	571	12%	1,258	1,149	9%	2,403
ASO premium equivalents	884	841	833	748	869	2%	1,725	1,737	-1%	3,318
Group Benefits ceded	1,054	1,038	1,095	1,058	1,506	-30%	2,092	2,540	-18%	4,693
Premiums and deposits - Insurance	8,595	8,471	8,639	8,347	8,422	2%	17,066	16,608	3%	33,594
Premiums and deposits - Insurance on a constant currency basis	8,595	8,595	8,663	8,401	8,585	0%	17,190	16,694	3%	33,758
Premiums and Deposits - Wealth and Asset Management [1]										
Pension premiums and investment contract deposits	12	12	11	15	12	0%	24	26	-8%	52
Segregated fund deposits	6,605	7,747	6,489	6,651	6,357	4%	14,352	13,402	7%	26,542
Mutual fund deposits	19,749	21,048	20,349	18,760	16,285	21%	40,797	33,478	22%	72,587
Institutional asset management	4,447	4,011	11,168	1,869	3,864	15%	8,458	7,696	10%	20,733
Other fund deposits [2]	126	136	143	123	126	0%	262	270	-3%	536
Premiums and deposits - Wealth and Asset Management	30,939	32,954	38,160	27,418	26,644	16%	63,893	54,872	16%	120,450
Premiums and deposits - Wealth and Asset Management on a constant currency basis	30,939	33,410	38,303	27,987	27,447	13%	64,349	55,153	17%	121,443
Premiums and Deposits - Other Wealth										
Annuity and investment contract deposits	962	1,066	915	1,270	1,264	-24%	2,028	2,290	-11%	4,475
Segregated fund deposits	643	607	490	206	448	44%	1,250	863	45%	1,559
Premiums and deposits - Other Wealth	1,605	1,673	1,405	1,476	1,712	-6%	3,278	3,153	4%	6,034
Premiums and deposits - Other Wealth on a constant currency basis	1,605	1,699	1,415	1,507	1,766	-9%	3,304	3,203	3%	6,125
Premiums and Deposits - Corporate & Other	22	21	23	22	21	5%	43	43	0%	88

[1] Wealth & asset management is comprised of our fee based business with little or no insurance risk, including retail, retirement 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 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Insurance Sales [1]										
Asia - US $	551	632	507	525	510	8%	1,183	970	22%	2,002
Canadian - C $	458	299	237	181	120	282%	757	275	175%	693
U.S. - US $	123	113	120	110	107	15%	236	229	3%	459
Insurance sales - C $	1,364	1,285	1,074	1,010	914	49%	2,649	1,868	42%	3,952
Insurance sales on a constant currency basis - C $	1,364	1,310	1,076	1,009	932	46%	2,674	1,874	43%	3,959
Wealth and Asset Management [2] Gross Flows by Division										
Asia - US $	4,959	4,167	8,475	3,817	4,349	14%	9,126	7,318	25%	19,610
Canadian - C $	5,473	6,558	9,639	5,215	4,731	16%	12,031	9,803	23%	24,657
U.S. - US $	13,974	15,774	12,899	13,197	12,652	10%	29,748	26,555	12%	52,651
Wealth & asset management gross flows - C $	30,939	32,954	38,160	27,418	26,644	16%	63,893	54,872	16%	120,450
Wealth & asset management gross flows on a constant currency basis - C $	30,939	33,410	38,303	27,987	27,447	13%	64,349	55,153	17%	121,443
Wealth and Asset Management Net Flows by Division[3]										
Asia - US $	1,061	785	3,475	1,020	1,949	-46%	1,846	1,870	-1%	6,365
Canadian - C $	500	1,046	4,723	1,277	1,489	-66%	1,546	2,358	-34%	8,358
U.S. - US $	2,722	1,665	(2,461)	64	638	327%	4,387	1,304	236%	(1,093)
Total net flows - C$	5,588	4,290	6,073	2,694	4,822	16%	9,878	6,498	52%	15,265
Net flows on a constant currency basis - C$	5,588	4,347	6,082	2,712	4,926	13%	9,935	6,582	51%	15,376
Other Wealth Sales excluding Manulife Bank										
Asia - US $	911	920	747	1,011	919	-1%	1,831	1,968	-7%	3,726
Canadian - C $	730	864	740	719	816	-11%	1,594	1,760	-9%	3,219
Other wealth sales - C $	1,956	2,081	1,737	2,038	2,000	-2%	4,037	4,384	-8%	8,159
Other wealth sales on a constant currency basis - C $	1,956	2,118	1,733	1,986	2,013	-3%	4,074	4,407	-8%	8,126
New Business Value [4]										
Asia	268	326	294	256	227	19%	594	448	33%	998
Canadian	60	66	48	39	35	70%	126	82	53%	169
U.S.	18	2	25	5	10	85%	20	29	-33%	59
Total new business value	346	394	367	300	272	28%	740	559	32%	1,226
Total new business value on a constant currency basis - C $	346	403	368	297	278	24%	749	563	33%	1,228

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

[2] Wealth and asset management is comprised of our fee based business with little or no insurance risk, including retail, retirement and institutional asset management.

[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.

[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 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Common Share Statistics										
Share Price - Toronto (in Canadian $)										
high	24.87	25.57	25.42	18.84	19.68	26%	25.57	20.53	25%	25.42
low	22.61	22.39	18.35	16.53	16.43	38%	22.39	15.32	46%	15.32
close	24.31	23.59	23.91	18.51	17.67	38%	24.31	17.67	38%	23.91
Share Price - New York (in U.S $)										
high	18.95	19.52	19.04	14.49	15.22	25%	19.52	15.22	28%	19.04
low	16.62	16.72	13.97	12.69	12.55	32%	16.62	10.99	51%	10.99
close	18.76	17.74	17.82	14.11	13.67	37%	18.76	13.67	37%	17.82
Common shares outstanding (millions)										
- end of period	1,977	1,977	1,975	1,973	1,973	0%	1,977	1,973	0%	1,975
- weighted average	1,977	1,976	1,974	1,973	1,972	0%	1,976	1,972	0%	1,973
- diluted weighted average	1,984	1,984	1,980	1,976	1,976	0%	1,984	1,976	0%	1,977
Dividend per common share paid in the quarter[1]	0.205	0.205	0.185	0.185	0.185	11%	0.410	0.370	11%	0.740
Common share dividend payout ratio	33.4%	30.8%	nm	33.6%	54.6%	-39%	32.0%	41.8%	-23%	nm

[1] On August 9, 2017, the Board of Directors approved quarterly shareholders' dividend of 20.5 cents per share on the common shares of the Company, payable on or after September 19, 2017 to shareholders of record at the close of business on August 22, 2017.

Valuation Data										
Book value per common share	20.01	19.89	19.37	19.92	19.49	3%	20.01	19.49	3%	19.37
Market value to book value ratio	1.22	1.19	1.23	0.93	0.91	34%	1.22	0.91	34%	1.23
Book value excluding goodwill per common share	17.07	16.92	16.39	17.03	16.62	3%	17.07	16.62	3%	16.39
Market value to book value excluding goodwill ratio	1.42	1.39	1.46	1.09	1.06	34%	1.42	1.06	34%	1.46
Market capitalization ($ billions)	48.1	46.6	47.2	36.5	34.9	38%	48.1	34.9	38%	47.2

Assets Under Management and Administration										
Assets Under Management										
General fund	329,296	328,237	321,869	328,756	321,664	2%	329,296	321,664	2%	321,869
Segregated funds excluding institutional advisory accounts [2]	319,254	321,025	313,078	311,804	300,966	6%	319,254	300,966	6%	313,078
Mutual funds [2]	182,160	177,286	169,919	161,933	153,851	18%	182,160	153,851	18%	169,919
Institutional asset management	88,929	86,591	83,403	77,528	76,863	16%	88,929	76,863	16%	83,403
Other funds[3]	7,094	6,929	6,353	6,217	6,008	18%	7,094	6,008	18%	6,353
Total assets under management	926,733	920,068	894,622	886,238	859,352	8%	926,733	859,352	8%	894,622
Assets under administration	85,127	84,676	82,433	79,719	74,868	14%	85,127	74,868	14%	82,433
Total assets under management and administration	1,011,860	1,004,744	977,055	965,957	934,220	8%	1,011,860	934,220	8%	977,055
Total assets under management and administration on a constant currency basis	1,011,860	987,747	957,736	955,047	929,291	9%	1,011,860	929,291	9%	957,736

[2] Includes ETF assets

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

Assets Under Management and Administration										
Insurance	271,202	269,471	262,794	266,966	257,529	5%	271,202	257,529	5%	262,794
Wealth and asset management[4,5]	572,455	564,535	544,313	525,444	502,924	14%	572,455	502,924	14%	544,313
Other wealth	172,335	174,856	174,353	182,165	180,785	-5%	172,335	180,785	-5%	174,353
Corporate and other	(4,132)	(4,118)	(4,405)	(8,618)	(7,018)	-	(4,132)	(7,018)	-	(4,405)
Total assets under management and administration	1,011,860	1,004,744	977,055	965,957	934,220	8%	1,011,860	934,220	8%	977,055

[4] Wealth and asset management is comprised of our fee based business with little or no insurance risk, including retail, retirement 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]	480,169	477,307	460,718	449,682	434,722	10%	480,169	434,722	10%	460,718
Assets Managed for General Account	247,778	247,319	245,126	250,143	246,571	0%	247,778	246,571	0%	245,126
Other Managed Assets	198,786	195,442	188,778	186,413	178,059	12%	198,786	178,059	12%	188,778
Assets under Administration	85,127	84,676	82,433	79,719	74,868	14%	85,127	74,868	14%	82,433
Total assets under management and administration	1,011,860	1,004,744	977,055	965,957	934,220	8%	1,011,860	934,220	8%	977,055

[6] Includes $81.5 billion of assets managed by Manulife Asset Management for the General Account.

Capital Information										
Total capital [7]	52,003	52,287	50,235	51,840	50,930	2%	52,003	50,930	2%	50,235
MCCSR - The Manufacturers Life Insurance Company [8]	230%	233%	230%	234%	236%	-6 pts	230%	236%	-6 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)	1.2977	1.3323	1.3426	1.3116	1.3009	0%
	(CDN to 1 YEN)	0.0116	0.0120	0.0115	0.0130	0.0127	-9%
- Statements of Income	(CDN to $ 1 US)	1.3450	1.3238	1.3343	1.3050	1.2889	4%
	(CDN to 1 YEN)	0.0121	0.0117	0.0122	0.0128	0.0119	1%

[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 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Revenue										
Premium income										
Gross premiums	9,030	9,085	9,179	9,207	9,155	-1%	18,115	18,273	-1%	36,659
Premiums ceded to reinsurers	(2,056)	(2,035)	(2,178)	(2,010)	(2,449)	-16%	(4,091)	(4,839)	-15%	(9,027)
Net premium income (ceded)	6,974	7,050	7,001	7,197	6,706	4%	14,024	13,434	4%	27,632
Investment income										
Investment income[1]	3,444	3,317	3,309	3,568	3,213	7%	6,761	6,513	4%	13,390
Realized/ unrealized gains (losses) on assets supporting insurance and investment contract liabilities and on macro hedge program[1]	3,303	590	(16,421)	771	7,922	-58%	3,893	16,784	-77%	1,134
Net investment income (loss)	6,747	3,907	(13,112)	4,339	11,135	-39%	10,654	23,297	-54%	14,524
Other revenue	2,872	2,593	2,637	2,921	2,794	3%	5,465	5,623	-3%	11,181
Total revenue	16,593	13,550	(3,474)	14,457	20,635	-20%	30,143	42,354	-29%	53,337
Contract benefits and expenses										
To contract holders and beneficiaries										
Gross claims and benefits	6,525	6,603	6,331	6,118	6,112	7%	13,128	12,610	4%	25,059
Change in insurance contract liabilities[2]	6,113	1,451	(11,644)	5,393	12,107	-50%	7,564	24,265	-69%	18,014
Change in investment contract liabilities	41	54	12	47	(2)	-	95	(59)	-	-
Benefits and expenses ceded to reinsurers	(2,218)	(2,152)	(2,025)	(1,947)	(2,069)	7%	(4,370)	(4,125)	6%	(8,097)
Change in reinsurance assets	467	1,790	(96)	(562)	(313)	-	2,257	(184)	-	(842)
Net benefits and claims	10,928	7,746	(7,422)	9,049	15,835	-31%	18,674	32,507	-43%	34,134
General expenses	1,785	1,707	1,834	1,834	1,690	6%	3,492	3,327	5%	6,995
Investment expenses	398	391	461	391	409	-3%	789	794	-1%	1,646
Commissions	1,491	1,624	1,556	1,487	1,394	7%	3,115	2,775	12%	5,818
Interest expense	279	259	266	288	258	8%	538	459	17%	1,013
Net premium taxes	94	86	116	94	102	-8%	180	192	-6%	402
Total contract benefits and expenses	14,975	11,813	(3,189)	13,143	19,688	-24%	26,788	40,054	-33%	50,008
Income before income taxes	1,618	1,737	(285)	1,314	947	71%	3,355	2,300	46%	3,329
Income tax (expense) recovery	(304)	(346)	450	(117)	(231)	32%	(650)	(529)	23%	(196)
Net income	1,314	1,391	165	1,197	716	84%	2,705	1,771	53%	3,133
Less: net income (loss) attributed to non-controlling interests	61	54	23	67	27	126%	115	53	117%	143
Less: net income (loss) attributed to participating policyholders	(2)	(13)	79	13	(15)	-87%	(15)	(31)	-52%	61
Net income attributed to shareholders	1,255	1,350	63	1,117	704	78%	2,605	1,749	49%	2,929
Preferred share dividends	(39)	(41)	(33)	(34)	(37)	5%	(80)	(66)	21%	(133)
Common shareholders' net income	1,216	1,309	30	1,083	667	82%	2,525	1,683	50%	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 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
ASSETS					
Invested assets					
Cash and short-term securities	15,866	16,011	15,151	18,179	20,902
Securities					
Debt securities	172,103	171,360	168,622	176,634	171,912
Public equities	20,741	20,767	19,496	18,142	17,082
Loans					
Mortgages	44,700	44,245	44,193	43,853	43,506
Private placements	31,125	30,555	29,729	28,492	26,869
Policy loans	5,907	5,999	6,041	5,952	5,691
Loans to bank clients	1,727	1,737	1,745	1,770	1,801
Real estate	14,102	14,226	14,132	13,907	13,385
Other invested assets	23,025	23,337	22,760	21,827	20,516
Total invested assets	329,296	328,237	321,869	328,756	321,664
Other assets					
Accrued investment income	2,147	2,236	2,260	2,117	2,130
Outstanding premiums	843	888	845	849	767
Derivatives	18,088	18,320	23,672	41,621	42,929
Goodwill and intangible assets	9,998	10,085	10,107	9,669	9,773
Reinsurance assets	31,446	32,784	34,952	34,164	33,395
Deferred tax asset	4,555	4,442	4,439	4,195	3,855
Miscellaneous	8,106	8,237	7,360	7,024	6,919
Total other assets	75,183	76,992	83,635	99,639	99,768
Segregated funds net assets	321,267	323,118	315,177	313,904	303,154
Total assets	725,746	728,347	720,681	742,299	724,586
LIABILITIES AND EQUITY					
Policy liabilities					
Insurance contract liabilities	298,839	298,816	297,505	307,493	299,849
Investment contract liabilities	3,195	3,249	3,275	3,268	3,249
Deposits from bank clients	18,238	18,283	17,919	18,269	18,570
Deferred tax liability	1,991	1,792	1,359	1,984	1,899
Derivatives	10,009	10,833	14,151	23,631	25,419
Other liabilities	14,811	14,485	15,596	16,916	16,582
	347,083	347,458	349,805	371,561	365,568
Long-term debt	5,541	5,661	5,696	5,385	5,349
Liabilities for preferred shares and capital instruments	7,630	8,179	7,180	8,134	8,132
Segregated funds net liabilities	321,267	323,118	315,177	313,904	303,154
Total liabilities	681,521	684,416	677,858	698,984	682,203
Equity					
Issued share capital					
Preferred shares	3,577	3,577	3,577	3,110	3,110
Common shares	22,904	22,891	22,865	22,819	22,815
Contributed surplus	287	287	284	289	287
Shareholders' retained earnings	11,475	10,665	9,759	10,096	9,377
Shareholders' accumulated other comprehensive income (loss)					
Pension and other post-employment plans	(411)	(416)	(417)	(507)	(504)
Available-for-sale securities	49	(188)	(394)	672	856
Cash flow hedges	(148)	(177)	(232)	(391)	(415)
Translation of foreign operations and real estate revaluation surplus	5,406	6,262	6,390	6,331	6,040
Total shareholders' equity	43,139	42,901	41,832	42,419	41,566
Participating policyholders' equity	233	235	248	169	156
Non-controlling interests	853	795	743	727	661
Total equity	44,225	43,931	42,823	43,315	42,383
Total liabilities and equity	725,746	728,347	720,681	742,299	724,586

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Canadian $ in millions, unaudited)

Manulife

	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	YTD 2017	YTD 2016	Fiscal 2016
Preferred shares								
Balance, beginning of period	3,577	3,577	3,110	3,110	3,110	3,577	2,693	2,693
Issued	-	-	475	-	-	-	425	900
Issuance costs, net of tax	-	-	(8)	-	-	-	(8)	(16)
Balance, end of period	3,577	3,577	3,577	3,110	3,110	3,577	3,110	3,577
Common shares								
Balance, beginning of period	22,891	22,865	22,819	22,815	22,804	22,865	22,799	22,799
Issued on exercise of stock options and deferred share units	13	26	46	4	11	39	16	66
Issued in exchange of subscription receipts	-	-	-	-	-	-	-	-
Balance, end of period	22,904	22,891	22,865	22,819	22,815	22,904	22,815	22,865
Contributed surplus								
Balance, beginning of period	287	284	289	287	286	284	277	277
Exercise of stock options and deferred share units	(2)	(5)	(9)	(1)	(2)	(7)	(3)	(13)
Stock option expense	2	9	3	3	3	11	13	19
Tax benefit (loss) of stock options exercised	-	(1)	1	-	-	(1)	-	1
Balance, end of period	287	287	284	289	287	287	287	284
Shareholders' retained earnings								
Balance, beginning of period	10,665	9,759	10,096	9,377	9,074	9,759	8,398	8,398
Net income attributed to shareholders	1,255	1,350	63	1,117	704	2,605	1,749	2,929
Preferred share dividends	(39)	(41)	(33)	(34)	(37)	(80)	(66)	(133)
Common share dividends	(406)	(403)	(367)	(364)	(364)	(809)	(704)	(1,435)
Balance, end of period	11,475	10,665	9,759	10,096	9,377	11,475	9,377	9,759
Shareholders' accumulated other comprehensive income (loss)								
Balance, beginning of period	5,481	5,347	6,105	5,977	5,275	5,347	6,992	6,992
Other comprehensive income (loss)								
Remeasurement of pension and other post-employment plans, net of tax expense of $2	5	1	90	(3)	(1)	6	17	104
Available-for-sale ("AFS") securities unrealized gains (losses), net of tax expense of $76	233	197	(1,060)	46	443	430	798	(216)
AFS securities realized losses (gains) & impairments (recoveries), net of tax expense of $12	4	8	(6)	(230)	(40)	12	(287)	(523)
Cash flow hedges unrealized gains (losses), net of tax expense of $7	26	53	156	21	(37)	79	(156)	21
Cash flow hedges realized (gains) losses, net of tax expense of $1	3	2	3	3	2	5	5	11
Unrealized foreign exchange gains (losses), net of $131 hedges and tax expense of $24	(856)	(128)	59	291	334	(984)	(1,392)	(1,042)
Share of other comprehensive income (loss) of associates, net of tax expense of nil	-	1	-	-	1	1	-	-
Balance, end of period	4,896	5,481	5,347	6,105	5,977	4,896	5,977	5,347
Total shareholders' equity, end of period	43,139	42,901	41,832	42,419	41,566	43,139	41,566	41,832
Participating policyholders' equity								
Balance, beginning of period	235	248	169	156	171	248	187	187
Net income (loss) attributed to participating policyholders	(2)	(13)	79	13	(15)	(15)	(31)	61
Other comprehensive income attributed to participating policyholders	-	-	-	-	-	-	-	-
Balance, end of period	233	235	248	169	156	233	156	248
Non-controlling interests								
Balance, beginning of period	795	743	727	661	631	743	592	592
Net income (loss) attributed to non-controlling interests	61	54	23	67	27	115	53	143
Other comprehensive income (loss) attributed to non-controlling interests	-	-	(3)	-	1	-	1	(2)
Contributions (distributions), net	(3)	(2)	(4)	(1)	2	(5)	15	10
Balance, end of period	853	795	743	727	661	853	661	743
Total equity, end of period	44,225	43,931	42,823	43,315	42,383	44,225	42,383	42,823

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Canadian $ in millions, unaudited)

Manulife

	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Operating activities										
Net income (loss)	1,314	1,391	165	1,197	716	84%	2,705	1,771	53%	3,133
Adjustments										
Increase (decrease) in insurance contract liabilities	6,113	1,451	(11,644)	5,393	12,107	-50%	7,564	24,265	-69%	18,014
Increase (decrease) in investment contract liabilities	41	54	12	47	(2)	-	95	(59)	-	-
Decrease (increase) in reinsurance assets	467	1,790	(96)	(562)	(313)	-	2,257	(184)	-	(842)
Amortization of premium/discount on invested assets	41	35	37	4	16	156%	76	37	105%	78
Other amortization	134	131	144	282	130	3%	265	267	-1%	693
Net realized (gains) losses, including impairments on assets	(3,516)	(1,228)	17,368	(1,450)	(8,808)	-60%	(4,744)	(18,722)	-75%	(2,804)
Deferred income tax expense (recovery)	(24)	589	(578)	(180)	113	-	565	523	8%	(235)
Stock option expense	2	8	3	3	3	-33%	10	13	-23%	19
Cash provided by operating activities before undernoted items	4,572	4,221	5,411	4,734	3,962	15%	8,793	7,911	11%	18,056
Changes in policy related and operating receivables and payables	299	(1,036)	(584)	481	287	4%	(737)	(936)	-21%	(1,039)
Cash provided by operating activities	4,871	3,185	4,827	5,215	4,249	15%	8,056	6,975	15%	17,017
Investing activities							-			
Purchases and mortgage advances	(22,500)	(21,366)	(22,936)	(30,820)	(26,727)	-16%	(43,866)	(50,303)	-13%	(104,059)
Disposals and repayments	18,716	17,746	17,045	23,331	23,457	-20%	36,462	41,625	-12%	82,001
Changes in investment broker net receivables and payables	32	134	(217)	(119)	(10)	-420%	166	150	11%	(186)
Net cash decrease from sale and purchase of subsidiaries and businesses	(10)	-	(392)	(14)	(78)	-87%	(10)	(89)	-89%	(495)
Cash provided by (used in) investing activities	(3,762)	(3,486)	(6,500)	(7,622)	(3,358)	12%	(7,248)	(8,617)	-16%	(22,739)
Financing activities										
Increase (decrease) in repurchase agreements and securities sold but not yet purchased	(152)	153	(791)	116	(168)	-10%	1	652	-100%	(23)
Issue of long-term debt, net	-	-	361	-	1,292	-100%	-	3,538	-100%	3,899
Repayment of long-term debt, net	-	-	(150)	-	-	-	-	(8)	-	(158)
Issue (redemption) of capital instruments, net	(499)	994	(949)	-	479	-	495	479	3%	(470)
Changes in deposits from bank clients, net	(36)	378	(355)	(305)	428	-	342	503	-32%	(157)
Shareholder dividends paid in cash	(445)	(444)	(400)	(398)	(401)	11%	(889)	(795)	12%	(1,593)
NCI dividends paid in cash	(2)	-	-	-	(2)	0%	(2)	(2)	0%	(2)
Secured borrowings from securitization transactions	250	191	125	174	399	-37%	441	548	-20%	847
Contributions from (distributions to) non-controlling interest, net	(1)	(2)	(4)	(1)	4	-	(3)	17	-	12
Common shares issued, net	13	26	46	4	11	18%	39	16	144%	66
Preferred shares issued, net	-	-	467	-	-	-	-	417	-100%	884
Cash provided by (used in) financing activities	(872)	1,296	(1,650)	(410)	2,042	-	424	5,365	-92%	3,305
Cash and short-term securities										
Increase (decrease) during the period	237	995	(3,323)	(2,817)	2,933	-92%	1,232	3,723	-67%	(2,417)
Effect of foreign exchange rate changes on cash and short-term securities	(285)	(25)	47	117	126	-	(310)	(511)	-39%	(347)
Balance, beginning of period	15,208	14,238	17,514	20,214	17,155	-11%	14,238	17,002	-16%	17,002
Balance, end of period	15,160	15,208	14,238	17,514	20,214	-25%	15,160	20,214	-25%	14,238
Cash and short-term securities										
Beginning of period										
Gross cash and short-term securities	16,011	15,151	18,179	20,902	17,864	-10%	15,151	17,885	-15%	17,885
Net payments in transit, included in other liabilities	(803)	(913)	(665)	(688)	(709)	13%	(913)	(883)	3%	(883)
Net cash and short-term securities, beginning of period	15,208	14,238	17,514	20,214	17,155	-11%	14,238	17,002	-16%	17,002
End of period										
Gross cash and short-term securities	15,866	16,011	15,151	18,179	20,902	-24%	15,866	20,902	-24%	15,151
Net payments in transit, included in other liabilities	(706)	(803)	(913)	(665)	(688)	3%	(706)	(688)	3%	(913)
Net cash and short-term securities, end of period	15,160	15,208	14,238	17,514	20,214	-25%	15,160	20,214	-25%	14,238

CONSOLIDATED SOURCE OF EARNINGS

(Canadian $ in millions, unaudited)

	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Source of Earnings [1,4]										
Expected profit from in-force business	1,410	1,356	1,288	1,301	1,234	14%	2,766	2,489	11%	5,078
Impact of new business[2]	78	116	23	31	(24)	-	194	(26)	-	28
Experience gains (losses)	29	205	(1,529)	318	(348)	-	234	(641)	-	(1,852)
Management actions and changes in assumptions	(89)	(58)	(203)	(540)	(80)	11%	(147)	148	-	(595)
Earnings on surplus funds	195	116	4	169	138	41%	311	311	0%	484
Other[3]	(64)	(39)	30	(45)	15	-	(103)	(3)	nm	(18)
Income before income taxes	1,559	1,696	(387)	1,234	935	67%	3,255	2,278	43%	3,125
Income tax (expense) recovery	(304)	(346)	450	(117)	(231)	32%	(650)	(529)	23%	(196)
Net income attributed to shareholders	1,255	1,350	63	1,117	704	78%	2,605	1,749	49%	2,929
Preferred share dividends	(39)	(41)	(33)	(34)	(37)	5%	(80)	(66)	21%	(133)
Common shareholders' net income	1,216	1,309	30	1,083	667	82%	2,525	1,683	50%	2,796
Constant currency, expected profit from in-force business	1,410	1,355	1,299	1,315	1,256	12%	2,765	2,484	11%	
Source of Earnings [1] excluding Wealth and Asset Management										
Expected profit from in-force business	1,012	1,001	965	999	941	8%	2,013	1,916	5%	3,880
Impact of new business[2]	225	255	162	157	96	134%	480	217	121%	536
Experience gains (losses)	29	207	(1,536)	324	(353)	-	236	(651)	-	(1,863)
Management actions and changes in assumptions	(79)	(48)	(196)	(533)	(77)	3%	(127)	157	-	(572)
Earnings on surplus funds	188	109	(2)	163	131	44%	297	298	0%	459
Other[3]	(63)	(40)	30	(44)	15	-	(103)	(3)	nm	(17)
Income (loss) before income taxes	1,312	1,484	(577)	1,066	753	74%	2,796	1,934	45%	2,423
Income tax (expense) recovery	(254)	(306)	469	(102)	(199)	28%	(560)	(468)	20%	(101)
Net income attributed to shareholders	1,058	1,178	(108)	964	554	91%	2,236	1,466	53%	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] The 'Impact of new business' line includes non-controlling interest amounts as follows (in millions): $43 (Q2 2017), $56 (Q1 2017), $25 (Q4 2016), $28 (Q3 2016) and $18 (Q2 2016).

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

[4] 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 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Statements of Income										
Revenue										
Premium income										
Gross premiums	2,989	3,147	2,878	3,180	3,000	0%	6,136	6,026	2%	12,084
Premiums ceded to reinsurers	(114)	(133)	(110)	(109)	(116)	-2%	(247)	(108)	129%	(327)
Investment income	396	352	421	329	362	9%	748	650	15%	1,400
Other revenue	356	300	394	327	287	24%	656	464	41%	1,185
Subtotal revenue	3,627	3,666	3,583	3,727	3,533	3%	7,293	7,032	4%	14,342
Realized/ unrealized gains on invested assets supporting insurance and investment contract liabilities [2]	573	363	(1,502)	(155)	722	-21%	936	1,861	-50%	204
Total revenue	4,200	4,029	2,081	3,572	4,255	-1%	8,229	8,893	-7%	14,546
Contract benefits and expenses										
To contract holders and beneficiaries										
Gross benefits and claims paid and change in insurance contract liabilities [2]	2,783	2,554	855	2,207	3,419	-19%	5,337	7,336	-27%	10,398
Ceded benefits and expenses and change in reinsurance assets	(100)	(53)	(52)	(74)	(82)	22%	(153)	(142)	8%	(268)
Change in investment contract liabilities	14	19	(9)	14	14	0%	33	(79)	-	(74)
General expenses	426	396	407	389	386	10%	822	711	16%	1,507
Investment expenses	51	49	21	29	25	104%	100	49	104%	99
Commissions	441	450	415	412	387	14%	891	742	20%	1,569
Other	38	36	35	35	33	15%	74	66	12%	136
Total contract benefits and expenses	3,653	3,451	1,672	3,012	4,182	-13%	7,104	8,683	-18%	13,367
Income (loss) before income taxes	547	578	409	560	73	649%	1,125	210	436%	1,179
Income tax (expense) recovery	(84)	(80)	(65)	(65)	(23)	265%	(164)	(53)	209%	(183)
Net income (loss)	463	498	344	495	50	826%	961	157	512%	996
Less net income (loss) attributed to non-controlling interests	45	40	14	30	22	105%	85	43	98%	87
Less net income (loss) attributed to participating policyholders	5	15	7	35	6	-17%	20	4	400%	46
Net income (loss) attributed to shareholders [3]	413	443	323	430	22	nm	856	110	678%	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 Q2 press release for a description of Q2 2017 results compared to Q2 2016.

Earnings Analysis[2]

Total core earnings (loss)	301	308	291	302	266	13%	609	536	14%	1,129
Total core earnings - on constant currency basis	301	312	289	291	261	15%	613	534	15%	1,114
Investment gains related to fixed income trading, market value increases in excess of expected alternative assets investment returns, asset mix changes	46	52	56	48	(20)	-	98	(35)	-	69
Total core earnings and investment related gains	347	360	347	350	246	41%	707	501	41%	1,198
Items excluded from core earnings										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	71	90	(12)	82	(223)	-	161	(396)	-	(326)
Net impact of acquisitions and divestitures	(5)	(7)	(3)	(2)	(1)	400%	(12)	(3)	300%	(8)
Reinsurance recapture,tax rate changes and others	-	-	(9)	-	-	-	-	8	-100%	(1)
Total shareholders' net income (loss)	413	443	323	430	22	nm	856	110	678%	863

ASIA DIVISION (CONT'D)[1]

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

Manulife

	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Source of Earnings										
Expected profit from in-force business	253	242	243	241	235	8%	495	454	9%	938
Impact of new business[2]	135	165	96	113	66	105%	300	139	116%	348
Experience gains (losses)	112	124	49	112	(275)	-	236	(488)	-	(327)
Management actions and changes in assumptions	(5)	(7)	(12)	1	(1)	400%	(12)	14	-	3
Earnings on surplus funds	30	25	14	39	27	11%	55	57	-4%	110
Other[3]	(28)	(26)	(2)	(11)	(7)	300%	(54)	(13)	315%	(26)
Income (loss) before income taxes	497	523	388	495	45	nm	1,020	163	526%	1,046
Income tax (expense) recovery	(84)	(80)	(65)	(65)	(23)	265%	(164)	(53)	209%	(183)
Net income (loss) attributed to shareholders	413	443	323	430	22	nm	856	110	678%	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 asset management previously reported under Asia Other are now included retrospectively in 'Institutional Asset Management'. The 2016 premiums and deposits, gross flows and assets under management have been restated to reflect the above mentioned changes.

[2] The 'Impact of new business' line includes non-controlling interest amounts as follows (in millions): $32 (Q2 2017), $42 (Q1 2017), $19 (Q4 2016), $21 (Q3 2016) and $14 (Q2 2016).

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

Insurance Sales										
Hong Kong	97	117	127	113	120	-19%	214	225	-5%	465
Japan [4]	206	236	156	167	151	36%	442	309	43%	632
Asia Other [5]	248	279	224	245	239	4%	527	436	21%	905
Total insurance sales	551	632	507	525	510	8%	1,183	970	22%	2,002
Total insurance sales - on constant currency basis	551	639	505	505	497	11%	1,190	960	24%	1,970

[4] Japan Q2'17 insurance sales are up 41% compared to the prior year on a constant currency basis. YTD Q2'17 insurance sales are up 44% compared to the prior year on a constant currency basis.

[5] Asia Other Q2'17 insurance sales are up 7% compared to the prior year on a constant currency basis. YTD Q2'17 insurance sales are up 24% compared to the prior year on a constant currency basis.

Wealth and Asset Management Gross Flows										
Hong Kong	943	778	751	688	601	57%	1,721	1,163	48%	2,602
Japan [6]	103	228	92	28	130	-21%	331	151	119%	271
Asia Other [7,8]	3,185	2,668	4,205	2,586	2,078	53%	5,853	3,541	65%	10,332
Institutional Asset Management[8,9]	834	502	3,450	583	1,605	-48%	1,336	2,543	-47%	6,576
Less: Investment in mutual funds from Institutional Asset Management	(106)	(9)	(23)	(68)	(65)	63%	(115)	(80)	44%	(171)
Total wealth and asset management gross flows	4,959	4,167	8,475	3,817	4,349	14%	9,126	7,318	25%	19,610
Total wealth and asset management gross flows - on constant currency basis	4,959	4,193	8,414	3,737	4,239	17%	9,152	7,165	28%	19,316

[6] Japan Q2'17 wealth and asset management gross flows are down 18% compared to the prior year on a constant currency basis. YTD Q2'17 wealth and asset management gross flows are up 127% compared to the prior year on a constant currency basis.

[7] Asia Other Q2'17 wealth and asset management gross flows are up 58% compared to the prior year on a constant currency basis. YTD Q2'17 wealth and asset management gross flows are up 71% compared to the prior year on a constant currency basis.

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

[9] Institutional Asset Management Q2'17 gross flows are down 47% compared to the prior year on a constant currency basis. YTD Q2'17 gross flows are down 46% compared to the prior year on a constant currency basis.

Other Wealth Sales										
Hong Kong	276	178	132	46	10	nm	454	26	nm	204
Japan [10]										
- Fixed Annuities and unit linked products	430	475	407	730	674	-36%	905	1,465	-38%	2,602
- Variable Annuities	1	19	15	41	35	-97%	20	73	-73%	129
Asia Other [11]	204	248	193	194	200	2%	452	404	12%	791
Total other wealth sales	911	920	747	1,011	919	-1%	1,831	1,968	-7%	3,726
Total other wealth sales - on constant currency basis	911	933	739	942	891	2%	1,844	1,969	-6%	3,650

[10] Japan Q2'17 other wealth sales are down 37% compared to the prior year on a constant currency basis. YTD Q2'17 other wealth sales are down 40% compared to the prior year on a constant currency basis.

[11] Asia Other Q2'17 other wealth sales are up 7% compared to the prior year on a constant currency basis. YTD Q2'17 other wealth sales are up 15% compared to the prior year on a constant currency basis.

Retirement[12] Sales - for reference only										
Retirement - Asia Group Pensions	644	333	440	395	303	113%	977	630	55%	1,465

[12] Retirement 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 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Annualized premium equivalents (insurance and other wealth excluding wealth and asset management) (APE) [2]										
Hong Kong	125	135	143	121	123	2%	260	232	12%	496
Japan [3]	293	332	233	277	245	20%	625	509	23%	1,019
Asia Other [4]	268	304	242	265	259	3%	572	476	20%	983
Total APE	686	771	618	663	627	9%	1,457	1,217	20%	2,498
Total APE - on constant currency basis	686	780	614	634	612	12%	1,466	1,208	21%	2,456
Premiums and Deposits										
Premiums and investment contract deposits	2,884	3,024	2,777	3,083	2,892	0%	5,908	5,937	0%	11,797
Segregated fund and other deposits	953	745	759	696	586	63%	1,698	1,156	47%	2,611
Mutual funds gross deposits[5]	3,896	3,438	4,785	3,068	2,597	50%	7,334	4,398	67%	12,251
Institutional Asset Management[5]	834	502	3,450	583	1,605	-48%	1,336	2,543	-47%	6,576
Less: Investment in mutual funds from Institutional Asset Management	(106)	(9)	(23)	(68)	(65)	63%	(115)	(80)	44%	(171)
Total premiums and deposits	8,461	7,700	11,748	7,362	7,615	11%	16,161	13,954	16%	33,064
Total premiums and deposits - on constant currency basis	8,461	7,770	11,669	7,120	7,429	14%	16,231	13,777	18%	32,566
Premiums and Deposits by Business Units										
Hong Kong	1,996	1,664	1,674	1,457	1,307	53%	3,660	2,574	42%	5,705
Japan	1,357	1,670	1,255	1,650	1,538	-12%	3,027	3,297	-8%	6,202
Asia Other [5]	4,380	3,873	5,392	3,740	3,230	36%	8,253	5,620	47%	14,752
Institutional Asset Management[5]	834	502	3,450	583	1,605	-48%	1,336	2,543	-47%	6,576
Less: Investment in mutual funds from Institutional Asset Management	(106)	(9)	(23)	(68)	(65)	63%	(115)	(80)	44%	(171)
Total premiums and deposits	8,461	7,700	11,748	7,362	7,615	11%	16,161	13,954	16%	33,064
Premiums and Deposits										
Insurance	2,581	2,618	2,528	2,546	2,359	9%	5,199	4,697	11%	9,771
Wealth and asset management[5]	4,959	4,167	8,475	3,817	4,349	14%	9,126	7,318	25%	19,610
Other wealth	921	915	745	999	907	2%	1,836	1,939	-5%	3,683
Total premiums and deposits	8,461	7,700	11,748	7,362	7,615	11%	16,161	13,954	16%	33,064
Total weighted premium income (insurance and other wealth excluding wealth and asset management) (TWPI)										
Hong Kong	756	707	734	686	664	14%	1,463	1,264	16%	2,684
Japan [6]	990	1,136	903	1,047	880	13%	2,126	1,868	14%	3,818
Asia Other [7]	742	741	727	653	627	18%	1,483	1,176	26%	2,556
TWPI	2,488	2,584	2,364	2,386	2,171	15%	5,072	4,308	18%	9,058
TWPI - on constant currency basis	2,488	2,614	2,348	2,287	2,125	17%	5,102	4,288	19%	8,923

[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 asset management previously reported under Asia Other are now included retrospectively in 'Institutional Asset Management'. 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 Q2'17 APE are up 24% compared to the prior year on a constant currency basis. YTD Q2'17 APE are up 24% compared to the prior year on a constant currency basis.

[4] Asia Other Q2'17 APE are up 7% compared to the prior year on a constant currency basis. YTD Q2'17 APE are up 23% 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 Q2'17 TWPI is up 16% compared to the prior year on a constant currency basis. YTD Q2'17 TWPI are up 16% compared to the prior year on a constant currency basis.

[7] Asia Other Q2'17 TWPI is up 22% compared to the prior year on a constant currency basis. YTD Q2'17 TWPI are up 33% 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 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Assets Under Management										
General fund	53,859	51,059	47,188	50,343	48,061	12%	53,859	48,061	12%	47,188
Segregated funds	19,560	19,125	18,341	19,498	18,804	4%	19,560	18,804	4%	18,341
Mutual funds [2]	26,160	24,311	22,557	20,842	18,918	38%	26,160	18,918	38%	22,557
Institutional Asset Management	18,908	18,155	17,577	16,415	16,138	17%	18,908	16,138	17%	17,577
Less: Investment in mutual funds from Institutional Asset Management	(614)	(537)	(515)	(573)	(498)	23%	(614)	(498)	23%	(515)
Total assets under management	117,873	112,113	105,148	106,525	101,423	16%	117,873	101,423	16%	105,148
Total assets under management - on constant currency basis	117,873	112,107	107,442	102,101	97,646	21%	117,873	97,646	21%	107,442

[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 asset management previously reported under Asia Other are now included retrospectively in 'Institutional Asset Management'. 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	112,113	105,148	106,525	101,423	94,222	19%	105,148	88,746	18%	88,746
Assets acquired (Standard Chartered Bank)	-	-	1,353	-	-	-	-	-	-	1,353
Premiums and deposits	8,461	7,700	11,748	7,362	7,615	11%	16,161	13,954	16%	33,064
Investment income (loss)[3]	2,812	2,516	(1,695)	2,101	1,736	62%	5,328	2,460	117%	2,866
Benefits and withdrawals	(5,453)	(4,892)	(6,400)	(4,154)	(3,549)	54%	(10,345)	(7,665)	35%	(18,219)
Other [4]	(60)	1,641	(6,383)	(207)	1,399	-	1,581	3,928	-60%	(2,662)
Ending balance	117,873	112,113	105,148	106,525	101,423	16%	117,873	101,423	16%	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	47,810	45,428	42,402	44,845	43,154	11%	47,810	43,154	11%	42,402
Wealth and asset management[2]	50,534	47,732	44,982	42,228	39,780	27%	50,534	39,780	27%	44,982
Other wealth	19,529	18,953	17,764	19,452	18,489	6%	19,529	18,489	6%	17,764
Total assets under management	117,873	112,113	105,148	106,525	101,423	16%	117,873	101,423	16%	105,148
Number of Agents										
Hong Kong	6,950	6,894	7,235	6,657	6,538	6%	6,950	6,538	6%	7,235
Japan	2,300	2,308	2,353	2,420	2,500	-8%	2,300	2,500	-8%	2,353
Asia Other	62,631	60,687	60,150	57,689	54,766	14%	62,631	54,766	14%	60,150
Total	71,881	69,889	69,738	66,766	63,804	13%	71,881	63,804	13%	69,738
Canadian $ in millions - Key Metrics										
Sales - Insurance	741	836	678	685	656	13%	1,577	1,288	22%	2,651
Gross Flows - Wealth and asset management[1]	6,671	5,514	11,308	4,981	5,606	19%	12,185	9,681	26%	25,970
Sales - Other wealth	1,226	1,217	997	1,319	1,184	4%	2,443	2,624	-7%	4,940
Net income (loss) attributed to shareholders	555	587	431	561	28	nm	1,142	149	666%	1,141
Total premiums and deposits[1]	11,380	10,191	15,675	9,611	9,815	16%	21,571	18,515	17%	43,801
Total assets under management[1]	152,942	149,378	141,207	139,723	131,952	16%	152,942	131,952	16%	141,207

ASIA DIVISION (CONT'D)

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

Manulife

	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
New Business Value (NBV)[1]										
Hong Kong	64	70	98	63	68	-7%	134	117	14%	278
Japan [2]	71	107	60	79	51	41%	178	121	48%	260
Asia Other [3]	65	69	63	54	57	13%	134	99	35%	216
Total	**200**	**246**	**221**	**196**	**176**	13%	**446**	**337**	32%	**754**
Total NBV - on a constant currency basis	**200**	**249**	**219**	**188**	**173**	16%	**449**	**336**	34%	**743**

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

[2] Japan Q2'17 NBV is up 45% compared to the prior year on a constant currency basis. YTD Q2'17 NBV is up 49% compared to the prior year on a constant currency basis.

[3] Asia Other Q2'17 NBV is up 17% compared to the prior year on a constant currency basis. YTD Q2'17 NBV is up 39% compared to the prior year on a constant currency basis.

NBV Margin[4]									
Hong Kong	51.0%	52.1%	68.8%	52.1%	55.5%		51.6%	50.5%	56.2%
Japan	24.3%	32.2%	25.6%	28.7%	20.7%		28.5%	23.7%	25.5%
Asia Other	27.7%	28.4%	29.5%	22.8%	25.4%		28.1%	24.2%	25.1%
Total	**30.6%**	**34.7%**	**37.5%**	**31.0%**	**29.7%**		**32.7%**	**29.3%**	**31.7%**
Total NBV Margin - on a constant currency basis	**30.6%**	**34.6%**	**37.5%**	**31.1%**	**29.8%**		**32.7%**	**29.3%**	**31.8%**

[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 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Statements of Income										
Revenue										
Premium income										
Gross premiums	2,516	2,515	2,652	2,517	3,021	-17%	5,031	5,539	-9%	10,708
Premiums ceded to reinsurers	(1,311)	(1,292)	(1,391)	(1,304)	(1,757)	-25%	(2,603)	(3,041)	-14%	(5,736)
Investment income	984	973	1,075	982	945	4%	1,957	1,881	4%	3,938
Other revenue	949	816	799	924	937	1%	1,765	1,757	0%	3,480
Subtotal revenue	3,138	3,012	3,135	3,119	3,146	0%	6,150	6,136	0%	12,390
Realized/ unrealized gains on invested assets supporting insurance and investment contract liabilities [2]	481	334	(4,597)	910	2,208	-78%	815	4,004	-80%	317
Total revenue	3,619	3,346	(1,462)	4,029	5,354	-32%	6,965	10,140	-31%	12,707
Contract benefits and expenses										
To contract holders and beneficiaries										
Gross benefits and claims paid and change in insurance contract liabilities [3]	3,414	2,929	(1,676)	3,467	4,937	-31%	6,343	8,854	-28%	10,645
Ceded benefits and expenses and change in reinsurance assets	(968)	(964)	(1,098)	(1,070)	(1,108)	-13%	(1,932)	(2,129)	-9%	(4,297)
Change in investment contract liabilities	8	12	8	12	(36)	-	20	18	11%	38
General expenses	476	453	488	450	448	6%	929	868	7%	1,806
Investment expenses	174	160	158	155	149	17%	334	288	16%	601
Commissions	376	472	459	407	403	-7%	848	807	5%	1,673
Other	115	118	137	137	138	-17%	233	230	1%	504
Total contract benefits and expenses	3,595	3,180	(1,524)	3,558	4,931	-27%	6,775	8,936	-24%	10,970
Income (loss) before income taxes	24	166	62	471	423	-94%	190	1,204	-84%	1,737
Income tax (expense) recovery	51	(11)	100	(69)	(87)	-	40	(281)	-	(250)
Net income (loss)	75	155	162	402	336	-78%	230	923	-75%	1,487
Less net income (loss) attributed to participating policyholders	(9)	(33)	70	(33)	(23)	-61%	(42)	(36)	17%	1
Net income (loss) attributed to shareholders [3]	84	188	92	435	359	-77%	272	959	-72%	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 Q2 press release for a description of Q2 2017 results compared to Q2 2016.

Earnings Analysis[2]

Total core earnings (loss)	345	319	359	354	333	4%	664	671	-1%	1,384
Investment gains related to fixed income trading, market value increases in excess of expected alternative assets investment returns, asset mix changes	(11)	(38)	17	35	(88)	-88%	(49)	(166)	-70%	(114)
Total core earnings and investment related gains	334	281	376	389	245	36%	615	505	22%	1,270
Items excluded from core earnings										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities[4]	(238)	(83)	(266)	60	130	-	(321)	476	-	270
Integration and acquisition costs	(12)	(10)	(18)	(14)	(16)	-25%	(22)	(22)	0%	(54)
Total shareholders' net income (loss)	84	188	92	435	359	-77%	272	959	-72%	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 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Source of Earnings										
Expected profit from in-force business	422	423	376	388	364	16%	845	730	16%	1,494
Impact of new business	(45)	(27)	(43)	(41)	(49)	-8%	(72)	(93)	-23%	(177)
Experience gains (losses)	(407)	(255)	(444)	80	70	-	(662)	467	-	103
Management actions and changes in assumptions	(16)	(13)	2	4	(19)	-16%	(29)	(27)	7%	(21)
Earnings on surplus funds	92	92	88	88	89	3%	184	177	4%	353
Other	(13)	(21)	13	(15)	(9)	44%	(34)	(14)	143%	(16)
Income (loss) before income taxes	33	199	(8)	504	446	-93%	232	1,240	-81%	1,736
Income tax (expense) recovery	51	(11)	100	(69)	(87)	-	40	(281)	-	(250)
Net income (loss) attributed to shareholders	84	188	92	435	359	-77%	272	959	-72%	1,486
Insurance Sales										
Retail Markets	37	59	94	53	47	-21%	96	88	9%	235
Institutional Markets	421	240	143	128	73	477%	661	187	253%	458
Total insurance sales	458	299	237	181	120	282%	757	275	175%	693
Wealth and Asset Management Gross Flows										
Retail - Mutual fund and other funds gross deposits[2]	2,581	2,798	2,487	2,761	2,367	9%	5,379	4,722	14%	9,970
Less: Investments in mutual funds from proprietary group segregated fund products	(70)	(39)	(41)	(52)	(40)	75%	(109)	(80)	36%	(173)
Retirement - Group Retirement Solutions	1,547	2,015	1,612	1,890	1,874	-17%	3,562	3,724	-4%	7,226
Institutional Asset Management	1,415	1,784	5,581	616	530	167%	3,199	1,437	123%	7,634
Total wealth and asset management gross flows	5,473	6,558	9,639	5,215	4,731	16%	12,031	9,803	23%	24,657
Other Wealth Sales excluding Manulife Bank										
Retail segregated fund products[3]	596	719	589	559	604	-1%	1,315	1,355	-3%	2,503
Fixed products	134	145	151	160	212	-37%	279	405	-31%	716
Total other wealth sales	730	864	740	719	816	-11%	1,594	1,760	-9%	3,219
Investments in retail funds from proprietary products included above - for reference only										
Retail segregated fund products[3]	657	659	627	821	523	26%	1,316	1,178	12%	2,626
Retirement[4] Sales - for reference only										
Retirement - Group Retirement Solutions	174	504	314	679	520	-67%	678	860	-21%	1,853
Premiums and Deposits										
Premiums and investment contract deposits	1,230	1,234	1,267	1,234	1,320	-7%	2,464	2,580	-4%	5,081
Retail - Mutual fund and other funds gross deposits[2]	2,581	2,798	2,487	2,761	2,367	9%	5,379	4,722	14%	9,970
Less: Investments in mutual funds from proprietary segregated fund products	(727)	(698)	(668)	(872)	(564)	29%	(1,425)	(1,259)	13%	(2,799)
Segregated fund deposits	2,145	2,734	2,202	2,450	2,479	-13%	4,879	5,081	-4%	9,733
ASO premium equivalents	883	842	833	748	869	2%	1,725	1,737	-1%	3,318
Group Benefits ceded premiums	1,054	1,038	1,095	1,058	1,506	-30%	2,092	2,540	-18%	4,693
Institutional Asset Management	1,415	1,784	5,581	616	530	167%	3,199	1,437	123%	7,634
Total premiums and deposits	8,581	9,732	12,797	7,995	8,507	1%	18,313	16,838	9%	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] Retirement 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 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Premiums and Deposits by Business										
Retail Markets	655	679	697	661	655	0%	1,334	1,283	4%	2,641
Institutional Markets	2,380	2,290	2,348	2,221	2,828	-16%	4,670	5,170	-10%	9,739
Insurance	3,035	2,969	3,045	2,882	3,483	-13%	6,004	6,453	-7%	12,380
Wealth and asset management	5,473	6,558	9,639	5,215	4,731	16%	12,031	9,803	23%	24,657
Retail segregated fund products [2]	596	719	589	559	604	-1%	1,315	1,355	-3%	2,503
Fixed products	134	145	151	160	212	-37%	279	405	-31%	716
Other wealth	730	864	740	719	816	-11%	1,594	1,760	-9%	3,219
Less: Investments in mutual funds from proprietary retail segregated fund products	(657)	(659)	(627)	(821)	(523)	26%	(1,316)	(1,178)	12%	(2,626)
Total premiums and deposits	8,581	9,732	12,797	7,995	8,507	1%	18,313	16,838	9%	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	92,597	93,235	90,972	94,558	92,994	0%	92,597	92,994	0%	90,972
Manulife Bank net lending assets	19,839	19,618	19,455	19,505	19,598	1%	19,839	19,598	1%	19,455
Segregated funds	99,395	99,126	97,220	97,191	93,767	6%	99,395	93,767	6%	97,220
Retail - Mutual funds and other funds, including assets held by segregated funds	53,561	52,013	50,177	49,781	47,280	13%	53,561	47,280	13%	50,177
Less: Mutual funds held by proprietary segregated fund products	(23,899)	(23,598)	(22,983)	(23,019)	(22,230)	8%	(23,899)	(22,230)	8%	(22,983)
Institutional Asset Management	30,157	29,529	28,419	24,522	24,314	24%	30,157	24,314	24%	28,419
Total assets under management	271,650	269,923	263,260	262,538	255,723	6%	271,650	255,723	6%	263,260

Assets Under Management										
Insurance	62,979	63,043	62,009	63,632	62,045	2%	62,979	62,045	2%	62,009
Wealth and asset management[3]	145,813	143,471	138,888	134,146	128,898	13%	145,813	128,898	13%	138,888
Manulife Bank net lending assets	19,839	19,618	19,455	19,504	19,598	1%	19,839	19,598	1%	19,455
Other wealth, excluding Manulife Bank net lending assets	65,636	66,038	64,563	66,955	66,148	-1%	65,636	66,148	-1%	64,563
Less: Mutual funds held by proprietary retail segregated fund products	(22,617)	(22,247)	(21,655)	(21,699)	(20,966)	8%	(22,617)	(20,966)	8%	(21,655)
Total assets under management	271,650	269,923	263,260	262,538	255,723	6%	271,650	255,723	6%	263,260

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

Changes in Assets Under Management										
Beginning balance	269,923	263,260	262,538	255,723	246,908	9%	263,260	242,332	9%	242,332
Premiums and deposits[5]	6,644	7,852	10,869	6,189	6,132	8%	14,496	12,561	15%	29,619
Investment income (loss) [4]	4,015	5,861	(3,191)	7,003	6,067	-34%	9,876	7,831	26%	11,643
Mutual fund withdrawals	(1,262)	(1,647)	(1,190)	(916)	(981)	29%	(2,909)	(2,084)	40%	(4,190)
Exchange traded fund net flows [5]	208	-	-	-	-	-	208	-	-	-
Other benefits and withdrawals[5]	(5,372)	(5,491)	(5,062)	(4,209)	(3,998)	34%	(10,863)	(8,634)	26%	(17,905)
Other [6]	(2,506)	88	(704)	(1,252)	1,595	-	(2,418)	3,717	-	1,761
Ending balance	271,650	269,923	263,260	262,538	255,723	6%	271,650	255,723	6%	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] 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'.

[6] 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 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Statements of Income										
Revenue										
Premium income										
Gross premiums	1,843	1,806	1,999	1,934	1,744	6%	3,649	3,511	4%	7,444
Premiums ceded to reinsurers	(444)	(434)	(483)	(437)	(423)	5%	(878)	(1,237)	-29%	(2,157)
Investment income	1,377	1,374	1,428	1,328	1,304	6%	2,751	2,490	10%	5,246
Other revenue	1,187	1,183	908	1,160	1,089	9%	2,370	2,155	10%	4,223
Subtotal revenue	3,963	3,929	3,852	3,985	3,714	7%	7,892	6,919	14%	14,756
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities [2]	1,587	(135)	(7,241)	231	3,726	-57%	1,452	7,800	-81%	790
Total revenue	5,550	3,794	(3,389)	4,216	7,440	-25%	9,344	14,719	-37%	15,546
Contract benefits and expenses										
To contract holders and beneficiaries										
Gross benefits and claims paid and change in insurance contract liabilities [2]	4,075	1,467	(3,757)	3,106	6,896	-41%	5,542	13,617	-59%	12,966
Ceded benefits and expenses and change in reinsurance assets	(487)	352	(529)	(629)	(921)	-47%	(135)	(1,583)	-91%	(2,741)
Change in investment contract liabilities	12	12	12	12	13	-8%	24	25	-4%	49
General expenses	454	454	396	471	364	25%	908	722	26%	1,589
Investment expenses	222	222	266	212	220	1%	444	427	4%	905
Commissions	406	436	424	431	390	4%	842	768	10%	1,623
Other	41	22	58	38	33	24%	63	64	-2%	160
Total contract benefits and expenses	4,723	2,965	(3,130)	3,641	6,995	-32%	7,688	14,040	-45%	14,551
Income (loss) before income taxes	827	829	(259)	575	445	86%	1,656	679	144%	995
Income tax (expense) recovery	(252)	(249)	204	(147)	(129)	95%	(501)	(187)	168%	(130)
Net income (loss) attributed to shareholders [3]	575	580	(55)	428	316	82%	1,155	492	135%	865
Earnings Analysis										
Total core earnings (loss)	336	389	353	302	280	20%	725	563	29%	1,218
Investment gains related to fixed income trading, market value increases in excess of expected alternative assets investment returns, asset mix changes	122	23	73	147	72	69%	145	(98)	-	122
Total core earnings and investment related gains	458	412	426	449	352	30%	870	465	87%	1,340
Items excluded from core earnings										
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	118	168	(467)	55	(36)	-	286	24	nm	(388)
Integration and acquisition costs	(1)	-	(1)	(3)	-	-	(1)	(3)	-67%	(7)
Intangibles write-off (LTC, Annuities)	-	-	-	(74)	-	-	-	-	-	(74)
Other	-	-	(13)	1	-	-	-	6	-100%	(6)
Total shareholders' net income (loss)	575	580	(55)	428	316	82%	1,155	492	135%	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 Q2 press release for a description of Q2 2017 results compared to Q2 2016.

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

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

Manulife

	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
U.S. INSURANCE										
Source of Earnings										
Expected profit from in-force business	221	213	198	203	181	22%	434	366	19%	767
Impact of new business	24	10	20	3	11	118%	34	26	31%	49
Experience gains (losses)	256	(371)	(321)	321	52	392%	(115)	(47)	145%	(47)
Management actions and changes in assumptions	(14)	-	(8)	(117)	-	-	(14)	37	-	(88)
Earnings on surplus funds	81	80	69	69	69	17%	161	138	17%	276
Other	2	8	11	(18)	1	100%	10	(5)	-	(12)
Income (loss) before income taxes	570	(60)	(31)	461	314	82%	510	515	-1%	945
Income tax (expense) recovery	(185)	39	50	(140)	(110)	68%	(146)	(180)	-19%	(270)
Net income (loss) attributed to shareholders	385	(21)	19	321	204	89%	364	335	9%	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	263	243	223	221	242	9%	506	469	8%	913
Impact of new business	(67)	(66)	(47)	(47)	(49)	37%	(133)	(98)	36%	(192)
Experience gains (losses)	26	677	(436)	(90)	(95)	-	703	(246)	-	(772)
Management actions and changes in assumptions	(1)	(1)	-	(3)	-	-	(2)	(26)	-92%	(29)
Earnings on surplus funds	34	35	31	32	32	6%	69	63	10%	126
Other	2	1	1	1	1	100%	3	2	50%	4
Income (loss) before income taxes	257	889	(228)	114	131	96%	1,146	164	599%	50
Income tax (expense) recovery	(67)	(288)	154	(7)	(19)	253%	(355)	(7)	nm	140
Net income (loss) attributed to shareholders	190	601	(74)	107	112	70%	791	157	404%	190
Source of Earnings										
Expected profit from in-force business	484	456	421	424	423	14%	940	835	13%	1,680
Impact of new business	(43)	(56)	(27)	(44)	(38)	13%	(99)	(72)	38%	(143)
Experience gains (losses)	282	306	(757)	231	(43)	-	588	(293)	-	(819)
Management actions and changes in assumptions	(15)	(1)	(8)	(120)	-	-	(16)	11	-	(117)
Earnings on surplus funds	115	115	100	101	101	14%	230	201	14%	402
Other	4	9	12	(17)	2	100%	13	(3)	-	(8)
Income (loss) before income taxes	827	829	(259)	575	445	86%	1,656	679	144%	995
Income tax (expense) recovery	(252)	(249)	204	(147)	(129)	95%	(501)	(187)	168%	(130)
Net income (loss) attributed to shareholders	575	580	(55)	428	316	82%	1,155	492	135%	865
Insurance Sales										
JH Life	123	113	112	102	98	26%	236	203	16%	417
JH Long-Term Care	-	-	8	8	9	-100%	-	26	-100%	42
Total Insurance Sales	123	113	120	110	107	15%	236	229	3%	459
Wealth and Asset Management Gross Flows (Premiums and Deposits)										
Retail - JH Investments	7,095	8,034	6,580	6,008	6,488	9%	15,129	13,580	11%	26,168
Retirement - JH Retirement Plan Services	5,458	6,560	5,582	6,812	5,184	5%	12,018	10,802	11%	23,196
Institutional Asset Management	1,421	1,180	737	377	980	45%	2,601	2,173	20%	3,287
Total wealth and asset management gross flows	13,974	15,774	12,899	13,197	12,652	10%	29,748	26,555	12%	52,651
Retirement Sales[2] - for reference only										
Retirement - JH Retirement Plan Services	1,838	2,405	2,847	3,311	1,728	6%	4,243	3,354	27%	9,512

[2] Retirement 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 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Premiums and Deposits										
Premiums and investment contract deposits	1,399	1,372	1,516	1,497	1,321	6%	2,771	2,274	22%	5,287
Segregated fund deposits	3,769	4,375	3,754	3,752	3,619	4%	8,144	7,479	9%	14,985
Retail - Mutual fund gross deposits	9,157	10,580	8,780	9,421	8,396	9%	19,737	17,565	12%	35,766
Institutional Asset Management	1,421	1,180	737	377	980	45%	2,601	2,173	20%	3,287
Total premiums and deposits	15,746	17,507	14,787	15,047	14,316	10%	33,253	29,491	13%	59,325
Premiums and Deposits - Insurance										
JH Life	994	982	1,091	1,088	927	7%	1,976	1,859	6%	4,038
JH Long-Term Care	561	556	574	553	543	3%	1,117	1,074	4%	2,201
Total premiums and deposits - insurance	1,555	1,538	1,665	1,641	1,470	6%	3,093	2,933	5%	6,239
Premiums and Deposits - Other Wealth										
JH Annuities	217	195	223	209	194	12%	412	3	nm	435
Total premiums and deposits - other wealth	217	195	223	209	194	12%	412	3	nm	435
Assets Under Management and Administration										
Assets Under Management										
General fund	116,307	113,559	113,437	119,775	117,910	-1%	116,307	117,910	-1%	113,437
Segregated funds[2]	150,005	147,565	142,548	144,258	140,596	7%	150,005	140,596	7%	142,548
Retail - Mutual funds[2] and other funds	97,436	93,169	88,993	87,525	85,209	14%	97,436	85,209	14%	88,993
Institutional Asset Management	26,383	24,675	23,375	23,997	24,255	9%	26,383	24,255	9%	23,375
Total assets under management	390,131	378,968	368,353	375,555	367,970	6%	390,131	367,970	6%	368,353
Assets under administration	65,598	63,558	61,396	60,778	57,551	14%	65,598	57,551	14%	61,396
Total assets under management and administration	455,729	442,526	429,749	436,333	425,521	7%	455,729	425,521	7%	429,749
Assets Under Management and Administration										
Assets Under Management										
Insurance	112,650	109,510	107,136	110,178	107,115	5%	112,650	107,115	5%	107,136
Wealth and asset management	212,643	204,758	195,579	195,318	190,175	12%	212,643	190,175	12%	195,579
Other wealth	64,838	64,700	65,638	70,059	70,680	-8%	64,838	70,680	-8%	65,638
Total assets under management	390,131	378,968	368,353	375,555	367,970	6%	390,131	367,970	6%	368,353
Assets under administration	65,598	63,558	61,396	60,778	57,551	14%	65,598	57,551	14%	61,396
Total assets under management and administration	455,729	442,526	429,749	436,333	425,521	7%	455,729	425,521	7%	429,749
Changes in Assets Under Management and Administration										
Beginning balance	442,526	429,749	436,333	425,521	415,943	6%	429,749	411,602	4%	411,602
Premiums and deposits [4]	15,746	17,507	14,787	15,047	14,316	10%	33,253	29,491	13%	59,325
Investment income (loss)[3]	12,388	14,182	(2,807)	12,391	10,862	14%	26,570	16,595	60%	26,179
JH Investment withdrawals	(5,615)	(7,586)	(7,208)	(6,549)	(6,804)	-17%	(13,201)	(13,486)	-2%	(27,243)
JH Retirement Plan Services withdrawals	(5,501)	(5,955)	(6,503)	(5,862)	(5,341)	3%	(11,456)	(11,574)	-1%	(23,939)
Exchange traded fund net flows[4]	85	79	-	-	-	-	164	-	-	-
Other benefits and withdrawals[4]	(3,280)	(3,769)	(3,676)	(3,852)	(3,284)	0%	(7,049)	(6,520)	8%	(14,048)
Other[5]	(620)	(1,681)	(1,177)	(363)	(171)	263%	(2,301)	(587)	292%	(2,127)
Ending balance	455,729	442,526	429,749	436,333	425,521	7%	455,729	425,521	7%	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	165	150	159	144	138	20%	315	305	3%	608
Gross Flows - Wealth and asset management[1]	18,795	20,882	17,213	17,222	16,307	15%	39,677	35,388	12%	69,823
Net income (loss) attributed to shareholders	774	768	(73)	559	407	90%	1,542	648	138%	1,134
Total premiums and deposits [1]	21,177	23,176	19,732	19,635	18,457	15%	44,353	39,280	13%	78,647
Total assets under management and administration[1]	591,400	589,563	576,998	572,315	553,560	7%	591,400	553,560	7%	576,998

CORPORATE AND OTHER[1]

(Canadian $ in millions, unaudited)

	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Statements of Income										
Revenue										
Gross investment income before items below	256	271	122	272	311	-18%	527	572	-8%	966
Gains (losses) on AFS equities	79	74	67	68	55	44%	153	90	70%	225
Gains (losses) on AFS bonds and related derivative positions	(28)	(6)	(180)	336	56	-	(34)	356	-	512
Gains (losses) on macro hedges	(32)	(46)	(143)	(244)	(78)	-59%	(78)	(166)	-53%	(553)
Interest on surplus funds allocated to divisions	(290)	(285)	(260)	(256)	(254)	14%	(575)	(517)	11%	(1,033)
Other revenue	(150)	(188)	103	54	82	-	(338)	385	-	542
Total revenue, net	(165)	(180)	(291)	230	172	-	(345)	720	-	659
Contract benefits and expenses										
General expenses	124	127	271	258	275	-55%	251	553	-55%	1,082
Investment expenses, net	(141)	(128)	(80)	(79)	(56)	152%	(269)	(127)	112%	(286)
Changes in actuarial methods and assumptions	-	-	14	614	16	-100%	-	(22)	-	606
Other	130	143	99	119	105	24%	273	442	-38%	660
Total contract benefits and expenses	113	142	304	912	340	-67%	255	846	-70%	2,062
Income (loss) before income taxes	(278)	(322)	(595)	(682)	(168)	65%	(600)	(126)	376%	(1,403)
Income tax (expense) recovery	99	104	174	236	53	87%	203	69	194%	479
Net income (loss)	(179)	(218)	(421)	(446)	(115)	56%	(397)	(57)	596%	(924)
Less net income (loss) attributed to non-controlling interest	1	1	5	27	(1)	-	2	(4)	-	28
Net income (loss) attributed to shareholders - Corporate and Investments	(180)	(219)	(426)	(473)	(114)	58%	(399)	(53)	653%	(952)
Net income attributed to shareholders' for Reinsurance business	22	26	39	35	24	-8%	48	46	4%	120
Net income (loss) attributed to shareholders[2]	(158)	(193)	(387)	(438)	(90)	76%	(351)	(7)	nm	(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 Q2 press release for a description of Q2 2017 results compared to Q2 2016.

Earnings Analysis										
Total core earnings (loss)	(28)	(141)	69	(146)	(203)	-86%	(169)	(396)	-57%	(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)	(77)	(62)	(188)	(9)	80	-	(139)	71	-	(126)
Total core loss and investment related gains in excess of core investment gains	(105)	(203)	(119)	(155)	(123)	-15%	(308)	(325)	-5%	(599)
Items excluded from core loss										
Direct impact of equity markets and interest rates	(53)	9	(298)	175	34	-	(44)	318	-	195
Change in actuarial methods and assumptions (excl. URR changes)	-	-	(10)	(455)	-	-	-	12	-100%	(453)
Integration and acquisition costs	-	1	(2)	(3)	(1)	-	1	(3)	-	(8)
Other items	-	-	42	-	-	-	-	(9)	-	33
Net income (loss) attributed to shareholders	(158)	(193)	(387)	(438)	(90)	76%	(351)	(7)	nm	(832)
Premiums and Deposits										
Premiums - Reinsurance business	22	21	22	22	21	5%	43	43	0%	87
Total premiums and deposits	22	21	22	22	21	5%	43	43	0%	87
Assets Under Management										
General fund - Corporate and Investments[1]	(4,801)	(4,777)	(5,174)	(9,365)	(7,735)	-38%	(4,801)	(7,735)	-38%	(5,174)
General fund - Reinsurance	846	838	941	923	893	-5%	846	893	-5%	941
Segregated funds - elimination of amounts held by the Company	(177)	(179)	(177)	(177)	(173)	2%	(177)	(173)	2%	(177)
Total assets under management	(4,132)	(4,118)	(4,410)	(8,619)	(7,015)	-41%	(4,132)	(7,015)	-41%	(4,410)

Manulife

Asset Information

INVESTED ASSETS - PORTFOLIO COMPOSITION

(Canadian $ in millions, unaudited)

Manulife

	As at Q2 2017	%	As at Q1 2017	%	As at Q4 2016	%	As at Q3 2016	%	As at Q2 2016	%
Carrying value										
Cash and short-term securities	**15,866**	**4.8 %**	**16,011**	**4.9 %**	**15,151**	**4.7 %**	**18,179**	**5.6 %**	**20,902**	**6.5 %**
Debt securities										
Government										
Canadian government & agency	24,432	7.4 %	25,045	7.6 %	24,745	7.7 %	25,357	7.7 %	25,284	7.9 %
US government & agency	25,712	7.8 %	26,313	8.0 %	27,304	8.5 %	30,044	9.1 %	29,731	9.2 %
Foreign governments & agency	20,472	6.2 %	21,343	6.5 %	20,941	6.5 %	23,456	7.1 %	23,042	7.2 %
Corporate	98,289	29.8 %	95,522	29.1 %	92,415	28.8 %	94,062	28.7 %	90,802	28.1 %
Securitized										
CMBS	781	0.2 %	711	0.2 %	802	0.2 %	864	0.3 %	866	0.3 %
RMBS	62	0.0 %	70	0.0 %	74	0.0 %	79	0.0 %	30	0.0 %
ABS	2,355	0.7 %	2,356	0.7 %	2,341	0.7 %	2,772	0.8 %	2,157	0.7 %
Total debt securities	**172,103**	**52.1 %**	**171,360**	**52.1 %**	**168,622**	**52.4 %**	**176,634**	**53.7 %**	**171,912**	**53.4 %**
Private placement debt	**31,125**	**9.5 %**	**30,555**	**9.3 %**	**29,729**	**9.3 %**	**28,492**	**8.8 %**	**26,869**	**8.4 %**
Mortgages										
Commercial										
Retail	8,335	2.5 %	8,167	2.5 %	8,200	2.5 %	8,055	2.5 %	7,811	2.4 %
Office	7,587	2.3 %	7,400	2.3 %	7,324	2.3 %	7,167	2.2 %	7,204	2.2 %
Multi family residential	4,690	1.4 %	4,707	1.4 %	4,806	1.5 %	4,728	1.4 %	4,475	1.4 %
Industrial	2,675	0.8 %	2,775	0.9 %	2,834	0.9 %	2,864	0.9 %	2,846	0.9 %
Other commercial	2,557	0.8 %	2,598	0.8 %	2,564	0.8 %	2,544	0.8 %	2,595	0.8 %
Other mortgages										
Manulife Bank single family residential	18,030	5.5 %	17,809	5.4 %	17,643	5.5 %	17,672	5.2 %	17,736	5.5 %
Agriculture	826	0.3 %	789	0.2 %	822	0.2 %	823	0.3 %	839	0.3 %
Total mortgages [1]	**44,700**	**13.6 %**	**44,245**	**13.5 %**	**44,193**	**13.7 %**	**43,853**	**13.3 %**	**43,506**	**13.5 %**
Policy loans	**5,907**	**1.8 %**	**5,999**	**1.9 %**	**6,041**	**1.9 %**	**5,952**	**1.8 %**	**5,691**	**1.8 %**
Loans to bank clients	**1,727**	**0.5 %**	**1,737**	**0.6 %**	**1,745**	**0.4 %**	**1,770**	**0.4 %**	**1,801**	**0.6 %**
Public equities										
Par, equity-linked and pass-through	14,296	4.3 %	14,098	4.3 %	13,448	4.2 %	11,559	3.5 %	10,995	3.4 %
Nonpar and surplus	6,445	2.0 %	6,669	2.0 %	6,048	1.9 %	6,583	2.0 %	6,087	1.9 %
Total public equities	**20,741**	**6.3 %**	**20,767**	**6.3 %**	**19,496**	**6.1 %**	**18,142**	**5.5 %**	**17,082**	**5.3 %**
Real estate & other invested assets										
Alternative long-duration assets										
Office	9,641	2.9 %	9,512	2.9 %	9,200	2.9 %	9,091	2.7 %	8,793	2.8 %
Industrial	890	0.3 %	977	0.3 %	975	0.3 %	944	0.3 %	931	0.3 %
Company use	1,354	0.4 %	1,379	0.4 %	1,376	0.4 %	1,337	0.4 %	1,319	0.4 %
Other	2,217	0.7 %	2,358	0.7 %	2,581	0.8 %	2,535	0.8 %	2,342	0.7 %
Total real estate	**14,102**	**4.3 %**	**14,226**	**4.3 %**	**14,132**	**4.4 %**	**13,907**	**4.2 %**	**13,385**	**4.2 %**
Power & infrastructure	6,513	2.0 %	6,728	2.0 %	6,679	2.1 %	6,236	2.0 %	5,695	1.8 %
Private equity	4,833	1.5 %	4,815	1.4 %	4,619	1.4 %	4,373	1.3 %	3,969	1.2 %
Timberland	3,777	1.1 %	3,848	1.2 %	3,669	1.1 %	3,593	1.1 %	3,490	1.1 %
Oil & gas	2,191	0.7 %	2,180	0.7 %	2,094	0.7 %	2,016	0.6 %	1,833	0.6 %
Farmland	1,367	0.4 %	1,315	0.4 %	1,303	0.4 %	1,293	0.4 %	1,250	0.4 %
Other	531	0.2 %	510	0.2 %	487	0.1 %	477	0.1 %	471	0.1 %
Total alternative long-duration assets	**33,314**	**10.2 %**	**33,622**	**10.2 %**	**32,983**	**10.2 %**	**31,895**	**9.7 %**	**30,093**	**9.4 %**
Leveraged leases	3,317	1.0 %	3,370	1.0 %	3,368	1.1 %	3,312	1.0 %	3,300	0.9 %
Other	496	0.2 %	571	0.2 %	541	0.2 %	527	0.2 %	508	0.2 %
Total real estate & other invested assets	**37,127**	**11.4 %**	**37,563**	**11.4 %**	**36,892**	**11.5 %**	**35,734**	**10.9 %**	**33,901**	**10.5 %**
Total invested assets	**329,296**	**100.0 %**	**328,237**	**100.0 %**	**321,869**	**100.0 %**	**328,756**	**100.0 %**	**321,664**	**100.0 %**

1 Includes government insured mortgages ($7,963 or 18% as at June 30, 2017).

Fair value [2]					
Real estate	15,253	15,380	15,280	15,039	14,506
Total alternative long-duration assets	34,783	35,140	34,474	33,301	31,507
Total real estate & other invested assets	38,596	39,081	38,383	37,140	35,315

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

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

(Canadian $ in millions, unaudited)

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

	Credit Rating [1]	NAIC designation	As at Q2 2017	%	As at Q1 2017	%	As at Q4 2016	%	As at Q3 2016	%	As at Q2 2016	%
Debt Securities	AAA	1	38,255	22%	40,189	24%	41,466	25%	43,569	24%	43,699	25%
	AA	1	27,597	16%	24,136	14%	23,355	14%	24,042	14%	23,283	14%
	A	1	72,629	43%	73,795	43%	71,054	42%	75,769	43%	73,716	43%
	BBB	2	31,048	18%	29,357	17%	28,968	17%	29,659	17%	27,854	16%
	BB	3	2,134	1%	3,424	2%	3,407	2%	3,191	2%	2,912	2%
	B & lower, and unrated	4 & below	440	0%	459	0%	372	0%	404	0%	448	0%
	Total		**172,103**	**100%**	**171,360**	**100%**	**168,622**	**100%**	**176,634**	**100%**	**171,912**	**100%**
Private Placements	AAA	1	1,094	4%	1,120	4%	1,086	4%	1,037	4%	995	4%
	AA	1	4,195	13%	4,368	14%	4,466	15%	4,303	15%	3,573	13%
	A	1	11,640	37%	11,423	37%	10,671	36%	9,983	35%	9,557	36%
	BBB	2	12,407	40%	11,736	39%	11,606	39%	11,204	39%	10,811	40%
	BB	3	889	3%	1,008	3%	936	3%	999	4%	1,073	4%
	B & lower, and unrated	4 & below	900	3%	900	3%	964	3%	966	3%	860	3%
	Total		**31,125**	**100%**	**30,555**	**100%**	**29,729**	**100%**	**28,492**	**100%**	**26,869**	**100%**
Total	AAA	1	39,349	19%	41,309	21%	42,552	21%	44,606	21%	44,694	22%
	AA	1	31,792	16%	28,504	14%	27,821	14%	28,345	14%	26,856	14%
	A	1	84,269	41%	85,218	42%	81,725	41%	85,752	42%	83,273	42%
	BBB	2	43,455	21%	41,093	20%	40,574	21%	40,863	20%	38,665	19%
	BB	3	3,023	2%	4,432	2%	4,343	2%	4,190	2%	3,985	2%
	B & lower, and unrated	4 & below	1,340	1%	1,359	1%	1,336	1%	1,370	1%	1,308	1%
	Total		**203,228**	**100%**	**201,915**	**100%**	**198,351**	**100%**	**205,126**	**100%**	**198,781**	**100%**

[1] The Company replicates exposure to specific issuers by selling credit protection via credit default swaps (CDS) to complement its cash bond investments. The Company does not use CDS to leverage its credit risk exposure and any CDS protection sold is backed by government security holdings. In order to reflect the actual credit exposure held by the Company, the credit quality carrying values have been adjusted to reflect the credit quality of the underlying issuers referenced in the CDS sold by the Company. At June 30, 2017, the Company had $674 (March 31, 2016 : $685) notional outstanding of CDS protection sold.

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

	Country	As at Q2 2017	%	As at Q1 2017	%	As at Q4 2016	%	As at Q3 2016	%	As at Q2 2016	%
Debt Securities	U.S.	75,281	44%	75,018	44%	74,747	44%	78,472	44%	76,663	44%
	Canada	49,495	29%	49,337	29%	48,459	29%	50,143	28%	49,442	29%
	Europe	4,453	2%	4,476	2%	4,490	3%	4,599	3%	4,566	3%
	Asia & Other	42,874	25%	42,529	25%	40,926	24%	43,420	25%	41,241	24%
	Total	**172,103**	**100%**	**171,360**	**100%**	**168,622**	**100%**	**176,634**	**100%**	**171,912**	**100%**
Private Placements	U.S.	18,371	59%	17,920	58%	17,564	59%	16,820	59%	15,478	58%
	Canada	9,423	30%	9,413	31%	9,112	31%	8,765	31%	8,716	32%
	Europe	1,809	6%	1,749	6%	1,775	6%	1,760	6%	1,715	6%
	Asia & Other	1,522	5%	1,473	5%	1,278	4%	1,147	4%	960	4%
	Total	**31,125**	**100%**	**30,555**	**100%**	**29,729**	**100%**	**28,492**	**100%**	**26,869**	**100%**
Total	U.S.	93,652	46%	92,938	46%	92,311	47%	95,292	46%	92,141	47%
	Canada	58,918	29%	58,750	29%	57,571	29%	58,908	29%	58,158	29%
	Europe	6,262	3%	6,225	3%	6,265	3%	6,359	3%	6,281	3%
	Asia & Other	44,396	22%	44,002	22%	42,204	21%	44,567	22%	42,201	21%
	Total	**203,228**	**100%**	**201,915**	**100%**	**198,351**	**100%**	**205,126**	**100%**	**198,781**	**100%**

INVESTED ASSETS - FIXED INCOME SECURITIES BY SECTOR

(Canadian $ in millions, unaudited)

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

		As at Q2 2017			As at Q1 2017			As at Q4 2016			As at Q3 2016			As at Q2 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	70,616	41%	99%	72,701	42%	97%	72,990	43%	98%	78,857	45%	98%	78,057	45%	98%
	Utilities	24,214	14%	99%	23,504	14%	99%	23,015	14%	99%	23,735	13%	99%	23,517	14%	99%
	Financial	25,662	15%	98%	24,478	14%	98%	23,438	14%	98%	23,689	13%	98%	23,132	13%	97%
	Energy	14,542	8%	96%	14,422	8%	96%	14,104	8%	96%	13,942	8%	96%	13,170	8%	96%
	Consumer (non-cyclical)	9,604	6%	99%	9,262	5%	98%	8,882	5%	98%	9,043	5%	100%	8,587	5%	100%
	Industrial	11,199	6%	99%	10,935	6%	99%	10,594	6%	99%	10,794	6%	99%	10,243	6%	100%
	Basic materials	2,390	1%	92%	2,499	2%	92%	2,562	2%	89%	2,786	2%	90%	2,576	1%	88%
	Consumer (cyclical)	3,275	2%	99%	3,089	2%	99%	2,767	2%	99%	2,900	2%	99%	2,855	2%	99%
	Securitized MBS/ABS	3,198	2%	99%	3,137	2%	99%	3,217	2%	99%	3,715	2%	99%	3,053	2%	99%
	Telecommunications	3,187	2%	99%	3,174	2%	99%	3,049	2%	99%	3,102	2%	99%	2,865	2%	99%
	Technology	2,291	1%	97%	2,240	1%	97%	2,114	1%	97%	2,173	1%	97%	2,037	1%	100%
	Media & internet	1,039	1%	100%	1,097	1%	100%	1,104	1%	100%	1,155	1%	100%	1,110	1%	100%
	Diversified & miscellaneous	886	1%	98%	822	1%	98%	786	0%	99%	743	0%	99%	710	0%	99%
	Total	**172,103**	**100%**	**99%**	**171,360**	**100%**	**98%**	**168,622**	**100%**	**98%**	**176,634**	**100%**	**98%**	**171,912**	**100%**	**98%**
Private Placements	Government & agency	3,288	10%	100%	3,236	11%	100%	3,030	10%	100%	2,938	10%	100%	2,817	11%	100%
	Utilities	14,595	47%	96%	14,565	48%	95%	14,546	49%	95%	13,947	49%	95%	13,504	50%	94%
	Financial	1,621	5%	93%	1,688	5%	93%	1,589	5%	96%	1,668	6%	96%	1,617	6%	96%
	Energy	1,573	5%	88%	1,698	5%	83%	1,671	6%	83%	1,582	6%	82%	1,633	6%	82%
	Consumer (non-cyclical)	3,912	13%	91%	3,912	13%	92%	3,558	12%	91%	3,257	11%	91%	2,533	9%	89%
	Industrial	2,667	9%	94%	2,629	9%	96%	2,494	9%	94%	2,236	8%	94%	2,025	8%	94%
	Basic materials	824	3%	86%	799	3%	84%	825	3%	84%	879	3%	85%	863	3%	84%
	Consumer (cyclical)	2,133	7%	89%	1,511	5%	87%	1,489	5%	87%	1,496	5%	88%	1,488	6%	88%
	Securitized MBS/ABS	303	1%	96%	290	1%	95%	297	1%	95%	251	1%	97%	150	1%	94%
	Telecommunications	38	0%	100%	39	0%	100%	42	0%	100%	42	0%	100%	43	0%	100%
	Technology	114	0%	66%	117	0%	66%	117	0%	66%	115	1%	66%	114	0%	67%
	Media & internet	57	0%	59%	71	0%	48%	71	0%	48%	81	0%	42%	82	0%	42%
	Diversified & miscellaneous	0	0%	n/a	0	0%	n/a	0	0%	n/a	0	0%	n/a	0	0%	n/a
	Total	**31,125**	**100%**	**94%**	**30,555**	**100%**	**94%**	**29,729**	**100%**	**94%**	**28,492**	**100%**	**93%**	**26,869**	**100%**	**93%**
Total	Government & agency	73,904	36%	99%	75,937	38%	97%	76,020	38%	98%	81,795	40%	98%	80,874	41%	98%
	Utilities	38,809	19%	98%	38,069	19%	98%	37,561	19%	98%	37,682	18%	98%	37,021	19%	98%
	Financial	27,283	13%	98%	26,166	13%	98%	25,027	13%	98%	25,357	12%	98%	24,749	12%	97%
	Energy	16,115	8%	95%	16,120	8%	94%	15,775	8%	94%	15,524	8%	95%	14,803	7%	95%
	Consumer (non-cyclical)	13,516	7%	96%	13,174	6%	96%	12,440	6%	96%	12,300	6%	97%	11,120	6%	97%
	Industrial	13,866	7%	98%	13,564	7%	99%	13,088	7%	98%	13,030	6%	98%	12,268	6%	99%
	Basic materials	3,214	1%	90%	3,298	2%	90%	3,387	2%	88%	3,665	2%	89%	3,439	2%	87%
	Consumer (cyclical)	5,408	3%	95%	4,600	2%	95%	4,256	2%	95%	4,396	2%	95%	4,343	2%	95%
	Securitized MBS/ABS	3,501	2%	99%	3,427	2%	99%	3,514	2%	99%	3,966	2%	99%	3,203	2%	98%
	Telecommunications	3,225	2%	99%	3,213	1%	99%	3,091	1%	99%	3,144	2%	99%	2,908	1%	99%
	Technology	2,405	1%	96%	2,357	1%	96%	2,231	1%	95%	2,288	1%	95%	2,151	1%	98%
	Media & internet	1,096	1%	98%	1,168	1%	97%	1,175	1%	97%	1,236	1%	96%	1,192	1%	96%
	Diversified & miscellaneous	886	0%	98%	822	0%	98%	786	0%	99%	743	0%	99%	710	0%	99%
	Total	**203,228**	**100%**	**97%**	**201,915**	**100%**	**97%**	**198,351**	**100%**	**97%**	**205,126**	**100%**	**97%**	**198,781**	**100%**	**97%**

INVESTED ASSETS - PROVISIONS, IMPAIRMENTS & UNREALIZED LOSSES

(Canadian $ in millions, unaudited)

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Unrealized (losses)

	As at Q2 2017				As at Q1 2017				As at Q4 2016				As at Q3 2016				As at Q2 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	67,540	(1,188)	2%	(111)	70,666	(1,876)	3%	(1)	71,254	(261)	3%	(1)	71,617	(261)	0%	(1)	69,980	(171)	0%	(1)
Corporate																				
Financials	24,553	(107)	0%	(14)	23,504	(131)	1%	(15)	22,593	(62)	1%	(15)	22,131	(62)	0%	(28)	21,588	(74)	0%	(34)
Non-financials	67,665	(424)	1%	(2)	67,270	(626)	1%	(5)	65,549	(261)	1%	(14)	63,455	(261)	0%	(46)	61,207	(331)	1%	(45)
Securitized																				
CMBS	781	(3)	0%	-	711	(3)	0%	-	804	(4)	1%	(2)	857	(4)	0%	(2)	855	(3)	0%	-
RMBS	60	-	0%	-	69	-	0%	-	72	-	0%	-	76	-	0%	-	28	-	0%	-
ABS	2,313	(6)	0%	-	2,321	(9)	0%	-	2,304	(3)	1%	-	2,673	(3)	0%	-	2,066	(8)	0%	-
Private placement debt	31,125	(161)	1%	-	30,555	(290)	1%	-	29,729	(76)	1%	(3)	28,492	(76)	0%	(1)	26,869	(125)	0%	(4)
Fixed income securities [1]	**194,037**	**(1,889)**	**1%**	**(127)**	**195,096**	**(2,935)**	**2%**	**(21)**	**192,305**	**(667)**	**2%**	**(35)**	**189,301**	**(667)**	**0%**	**(78)**	**182,593**	**(712)**	**0%**	**(84)**

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

Provisions, impairments and recoveries [2]

	Q2 2017			Q1 2017			Q4 2016			Q3 2016			Q2 2016		
	Par	Non-par	Total	Par	Non-par	Total	Par	Non-par	Total	Par	Non-par	Total	Par	Non-par	Total
Credit related															
Loans	1	(1)	-	-	5	5	-	(1)	(1)	(1)	11	10	-	4	4
Debt securities - FVTPL	4	12	16	1	-	1	(6)	(28)	(34)	1	2	3	5	8	13
Debt securities - AFS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other [3]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	**5**	**11**	**16**	**1**	**5**	**6**	**(6)**	**(29)**	**(35)**	**-**	**13**	**13**	**5**	**12**	**17**
Equity related															
Public - AFS	-	(5)	(5)	-	(4)	(4)	-	(5)	(5)	-	(14)	(14)	-	(20)	(20)
Private equities - AFS and Other [3]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	**-**	**(5)**	**(5)**	**-**	**(4)**	**(4)**	**-**	**(5)**	**(5)**	**-**	**(14)**	**(14)**	**-**	**(20)**	**(20)**
Total	**5**	**6**	**11**	**1**	**1**	**2**	**(6)**	**(34)**	**(40)**	**-**	**(1)**	**(1)**	**5**	**(8)**	**(3)**

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

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

Net impaired fixed income assets

	As at Q2 2017			As at Q1 2017			As at Q4 2016			As at Q3 2016			As at Q2 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	55	(25)	30	57	(27)	30	59	(26)	33	61	(28)	33	41	(22)	19
Private placements	96	(49)	47	138	(74)	64	244	(92)	152	248	(91)	157	222	(110)	112
Sub-total	**151**	**(74)**	**77**	**195**	**(101)**	**94**	**303**	**(118)**	185	**309**	**(119)**	**190**	**263**	**(132)**	**131**
Other fixed income [4]															
Debt securities - FVTPL	51	-	51	40	-	40	38	-	38	23	-	23	21	-	21
Debt securities - AFS	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-
Other	1	-	1	1	-	1	1	-	1	1	-	1	1	-	1
Sub-total	**53**	**-**	**53**	**41**	**-**	**41**	**39**	**-**	**39**	**24**	**-**	**24**	**22**	**-**	**22**
Total	**204**	**(74)**	**130**	**236**	**(101)**	**135**	**342**	**(118)**	**224**	**333**	**(119)**	**214**	**285**	**(132)**	**153**

[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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	Q2 2017		Q1 2017		Q4 2016		Q3 2016		Q2 2016	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
Cash and short-term securities										
Investment income	43	n/a	42	n/a	23	n/a	32	n/a	32	n/a
Debt securities										
Interest income	1,459	3.5%	1,406	3.5%	1,440	3.7%	1,420	3.7%	1,369	3.7%
Recoveries (impairments), net [1]	16		-		(33)		3		13	
Gains (losses) on assets backing surplus	(80)		(18)		(75)		302		25	
Total	1,395	3.3%	1,388	3.3%	1,332	3.7%	1,725	3.9%	1,407	3.9%
Public equities										
Dividend income	144	2.6%	124	2.5%	231	3.5%	110	2.9%	149	3.1%
Impairments, net	(5)		(4)		(5)		(14)		(19)	
Gains (losses) on assets backing surplus	79		74		67		68		55	
Total	218	4.1%	194	3.9%	293	4.5%	164	3.8%	185	3.8%
Loans										
Mortgage loan interest income	421	3.9%	412	3.8%	418	3.9%	414	3.9%	412	3.9%
Private placement interest income	397	5.3%	369	5.0%	377	5.6%	359	5.4%	364	5.5%
Policy loan interest income	97	6.2%	92	6.1%	96	6.1%	89	6.0%	86	4.7%
Loans to bank clients interest income	16	3.8%	16	3.7%	17	3.9%	17	3.9%	17	3.9%
Recoveries (impairments), net	-		5		(2)		10		4	
Total	931	4.5%	894	4.5%	906	4.6%	889	4.6%	883	4.4%
Real estate										
Rental and other income	141	3.9%	133	3.8%	116	3.7%	124	3.8%	139	3.9%
Gains on assets backing surplus	-		(5)		(7)		3		45	
Total	141	3.8%	128	3.7%	109	3.9%	127	4.2%	184	4.4%
Other investments										
Investment income	477	n/a	354	n/a	480	n/a	290	n/a	267	n/a
Derivatives										
Investment income	239	n/a	317	n/a	166	n/a	341	n/a	255	n/a
Investment income [2]	**3,444**	**4.2%**	**3,317**	**4.2%**	**3,309**	**4.3%**	**3,568**	**4.5%**	**3,213**	**4.4%**
Realized and unrealized gains (losses) on assets supporting insurance and investment contract liabilities and on macro equity hedges										
Debt securities	2,311		548		(7,231)		297		4,617	
Public equities	245		702		166		616		205	
Loans	54		(28)		132		11		(53)	
Real estate	131		62		12		122		(38)	
Other investments	100		(30)		209		417		261	
Derivatives, including macro equity hedging program	462		(664)		(9,709)		(692)		2,930	
Total	3,303	n/a	590	n/a	(16,421)	n/a	771	n/a	7,922	n/a
Total investment income (loss)	6,747	6.7%	3,907	4.9%	(13,112)	-15.2%	4,339	5.6%	11,135	16.1%
Investment expenses related to invested assets	(135)	n/a	(135)	n/a	(173)	n/a	(142)	n/a	(142)	n/a
Investment income (loss) less investment expenses	6,612	6.5%	3,772	4.8%	(13,285)	-15.4%	4,197	5.5%	10,993	15.1%

[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
Q2 2017	100,846	8,011	92,835	9,582	1,579	8,003	5,129	6,083	11,212
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

	Net of Reinsurance[1]		
As at Q2 2017	**Total Guarantee Value [4]**	**Total Fund Value [4]**	**Net Amount at Risk [2,4]**
U.S.			
Withdrawal Benefits	44,464	39,197	5,636
Income Benefits	498	427	82
Death Benefits	4,091	4,721	463
	49,053	44,345	6,181
Canada			
Withdrawal Benefits	15,741	14,484	1,256
Maturity Benefits	15,179	15,157	22
Death Benefits	2,184	6,858	52
	33,104	36,499	1,330
Japan			
Withdrawal Benefits	4,225	4,049	195
Maturity Benefits	2,502	2,887	3
Death Benefits	982	952	21
	7,709	7,888	219
Reinsurance & Other	2,969	3,197	273

Key markets, closing levels	S&P 500	TSX	TOPIX	EAFE
As at Q2 2017	2,423	15,182	1,612	1,883
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

[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.

REGULATORY CAPITAL
(Canadian $ in millions, unaudited)

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	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
The Manufacturers Life Insurance Company's MCCSR					
Capital available:					
Tier 1 capital					
Common shares	31,437	31,437	30,451	29,616	29,616
Retained earnings and CTA	15,944	15,688	14,489	15,642	13,958
Qualifying non-controlling interests	758	699	649	633	572
Innovative instruments	1,000	1,000	1,000	1,000	1,000
Other	2,256	2,257	2,288	2,239	2,224
Gross Tier 1 capital	51,395	51,081	48,877	49,130	47,370
Deductions:					
Goodwill	(5,816)	(5,885)	(5,884)	(5,699)	(5,673)
Other	(9,341)	(8,866)	(8,187)	(9,128)	(7,874)
Adjustments	(1,234)	(1,232)	(1,214)	(1,213)	(1,162)
Net Tier 1 capital - A	35,004	35,098	33,592	33,090	32,661
Tier 2 Capital					
Tier 2A	279	359	273	236	146
Tier 2B allowed	5,203	5,722	5,728	6,676	6,672
Tier 2C	8,580	8,522	8,155	7,886	6,905
Adjustments	(1,234)	(1,232)	(1,214)	(1,213)	(1,162)
Total Tier 2 capital allowed	12,828	13,371	12,942	13,585	12,561
Total Tier 1 and Tier 2 capital	47,832	48,469	46,534	46,675	45,222
Less Adjustments	-	-	-	-	-
Total Capital Available - B	47,832	48,469	46,534	46,675	45,222
Capital Required:					
Asset default & market risk	13,523	13,550	13,064	12,508	11,916
Insurance risks	3,749	3,761	3,779	3,902	3,815
Interest rate risks	3,558	3,524	3,428	3,562	3,454
Total Capital Required - C	20,830	20,835	20,271	19,972	19,185
MCCSR Ratio: Total (B/C) x 100	230%	233%	230%	234%	236%

Manulife

Supplementary Disclosure

Wealth and Asset Management

WEALTH AND ASSET MANAGEMENT [1,2]

(Canadian $ in millions, unaudited)

	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Shareholders' Income Statement										
Revenue										
Fee income	1,284	1,240	1,253	1,222	1,185	8%	2,524	2,382	6%	4,857
Investment income	16	11	(16)	7	9	78%	27	14	93%	5
Total	1,300	1,251	1,237	1,229	1,194	9%	2,551	2,396	6%	4,862
Expenses										
General, administrative and investment expenses	759	733	749	767	723	5%	1,492	1,464	2%	2,980
Commissions	294	306	298	294	289	2%	600	588	2%	1,180
Total	1,053	1,039	1,047	1,061	1,012	4%	2,092	2,052	2%	4,160
Income before income taxes	247	212	190	168	182	36%	459	344	33%	702
Income tax (expense) recovery	(50)	(40)	(19)	(15)	(32)	56%	(90)	(61)	48%	(95)
Net income attributed to shareholders	197	172	171	153	150	31%	369	283	30%	607
Earnings (loss) Analysis[2]										
Core earnings										
Asia	55	51	48	52	37	49%	106	75	41%	175
Canadian	59	57	43	33	46	28%	116	85	36%	161
U.S.	93	74	84	82	68	37%	167	132	27%	298
Corporate and other	-	-	3	(8)	1	-100%	-	-	-	(5)
Core earnings	207	182	178	159	152	36%	389	292	33%	629
Core earnings on a constant currency basis	207	184	178	162	157	32%	391	295	33%	635
Material/exceptional items and tax rate changes	(10)	(10)	(7)	(6)	(2)	400%	(20)	(9)	122%	(22)
Direct impact of equity markets and interest rates & other investment experience	-	-	-	-	-	-	-	-	-	-
Net income attributed to shareholders	197	172	171	153	150	31%	369	283	30%	607
Core EBITDA by Division[2,3]										
Asia	70	63	57	54	51	37%	133	100	33%	211
Canadian	104	105	83	78	83	25%	209	165	27%	326
U.S.	196	166	156	160	147	33%	362	297	22%	613
Corporate and other	(0)	0	10	(4)	7	-	-	11	-100%	17
Core EBITDA	369	335	306	288	288	28%	704	573	23%	1,167
Core EBITDA on a constant currency basis	369	338	307	294	297	24%	707	578	22%	338
Core EBITDA Margin [4]	28.4%	26.8%	24.7%	23.4%	24.1%	430 bps	27.6%	23.9%	370 bps	24.0%
Core Earnings before income taxes, depreciation and amortization (Core EBITDA)[3]										
Core EBITDA	369	335	306	288	288	28%	704	573	23%	1,167
Amortization of deferred acquisition costs and other depreciation	88	85	85	89	77	14%	173	162	7%	336
Amortization of deferred sales commissions	23	28	24	24	26	-12%	51	55	-7%	103
Total depreciation and amortization	111	113	109	113	103	8%	224	217	3%	439
Core earnings before income taxes	258	222	197	175	185	40%	480	356	35%	728
Core income tax (expense) recovery	(51)	(40)	(19)	(16)	(33)	55%	(91)	(64)	42%	(99)
Core Earnings	207	182	178	159	152	36%	389	292	33%	629
Deferred Acquisition Costs and Deferred Sales Commissions by Division										
Asia	332	330	328	313	305	9%	332	305	9%	328
Canadian	248	248	250	247	248	0%	248	248	0%	250
U.S.	1,747	1,796	1,813	1,771	1,766	-1%	1,747	1,766	-1%	1,813
Total deferred acquisition costs and deferred sales commissions	2,327	2,374	2,391	2,331	2,319	0%	2,327	2,319	0%	2,391

[1] Wealth and asset management is comprised of our fee based businesses with little or no insurance risk, including retirement, retail and institutional asset management.

[2] The 2017 results for Asia, Canadian and U.S. Divisions include institutional asset management (previously reported under Corporate & Other segment).

[3] Core EBITDA excludes certain acquisition expenses related to insurance contracts in our retirement businesses which are deferred and amortized over the expected life time of the customer relationship under the Canadian Asset Liability Method (CALM).

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

WEALTH AND ASSET MANAGEMENT (CONT'D) [1,2]

(Canadian $ in millions, unaudited)

Manulife

	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Assets Under Management and Administration by Division										
Asia	65,569	63,594	60,400	55,389	51,759	27%	65,569	51,759	27%	60,400
Canadian	145,813	143,471	138,888	134,146	128,898	13%	145,813	128,898	13%	138,888
U.S. and other	361,073	357,470	345,025	335,909	322,267	12%	361,073	322,267	12%	345,025
Assets under management and administration	572,455	564,535	544,313	525,444	502,924	14%	572,455	502,924	14%	544,313
Assets under management and administration on a constant currency basis	572,455	555,814	533,663	521,699	501,881	14%	572,455	501,881	14%	533,663
Assets Under Management and Administration by Business Line										
Retirement	294,833	293,065	282,097	274,854	260,439	13%	294,833	260,439	13%	282,097
Retail	188,391	184,547	178,461	172,686	165,322	14%	188,391	165,322	14%	178,461
Institutional Asset Management[3]	89,231	86,923	83,755	77,904	77,163	16%	89,231	77,163	16%	83,755
Assets under management and administration	572,455	564,535	544,313	525,444	502,924	14%	572,455	502,924	14%	544,313
Changes in Assets Under Management and Administration										
Beginning balance	564,535	544,313	525,444	502,924	487,834	16%	543,926	510,455	7%	510,455
Assets acquired	-	-	1,817	-		-	-	-	-	1,817
Gross flows	30,939	32,954	38,160	27,418	26,644	16%	63,893	54,872	16%	120,450
Exchange traded fund net flows	322	105	-	-	-	-	427	-	-	-
Redemptions	(25,673)	(28,769)	(32,087)	(24,724)	(21,822)	18%	(54,442)	(48,374)	13%	(105,185)
Investment income (loss) and other	2,332	15,932	10,979	19,826	10,268	-77%	19,078	(14,029)	-	16,776
Ending balance	572,455	564,535	544,313	525,444	502,924	14%	572,455	502,924	14%	544,313

[1] Wealth and asset management is comprised of our fee based business with little or no insurance risk, including retirement,retail and institutional asset management.

[2] The 2017 results for Asia, Canadian and U.S. Dvisions include institutional asset management (previously reported under Corporate & Other segment).

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

WEALTH AND ASSET MANAGEMENT (CONT'D) [1,2]

(Canadian $ in millions, unaudited)

	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2017 Q2 vs. 2016 Q2	YTD 2017	YTD 2016	YTD 2017 vs. YTD 2016	Fiscal 2016
Net Flows by Division										
Asia	1,428	1,039	4,636	1,332	2,512	-43%	2,467	2,404	3%	8,372
Canadian	500	1,046	4,723	1,277	1,489	-66%	1,546	2,358	-34%	8,358
U.S. and other	3,660	2,205	(3,286)	85	821	346%	5,865	1,736	238%	(1,465)
Total net flows	5,588	4,290	6,073	2,694	4,822	16%	9,878	6,498	52%	15,265
Net flows on a constant currency basis	5,588	4,347	6,082	2,712	4,926	13%	9,935	6,582	51%	15,376
Net Flows by Business Line										
Retirement	660	918	(1,930)	2,393	1,229	-46%	1,578	1,426	11%	1,889
Retail	3,227	1,621	868	1,111	1,064	203%	4,848	1,751	177%	3,730
Institutional Asset Management[3]	1,701	1,751	7,135	(810)	2,529	-33%	3,452	3,321	4%	9,646
Total net flows	5,588	4,290	6,073	2,694	4,822	16%	9,878	6,498	52%	15,265
Gross Flows by Division										
Asia	6,671	5,514	11,308	4,981	5,606	19%	12,185	9,681	26%	25,970
Canadian	5,473	6,558	9,639	5,215	4,731	16%	12,031	9,803	23%	24,657
U.S. and other	18,795	20,882	17,213	17,222	16,307	15%	39,677	35,388	12%	69,823
Total gross flows	30,939	32,954	38,160	27,418	26,644	16%	63,893	54,872	16%	120,450
Gross flows on a constant currency basis	30,939	33,410	38,303	27,987	27,447	13%	64,349	55,153	17%	121,443
Gross Flows by Business Line										
Retirement	10,345	11,804	10,152	11,752	9,416	10%	22,149	19,902	11%	41,806
Retail	16,147	17,139	16,840	13,798	13,364	21%	33,286	27,273	22%	57,911
Institutional Asset Management[3]	4,447	4,011	11,168	1,868	3,864	15%	8,458	7,697	10%	20,733
Total gross flows	30,939	32,954	38,160	27,418	26,644	16%	63,893	54,872	16%	120,450

[1] Wealth and asset management is comprised of our fee based business with little or no insurance risk, including retirement, retail and institutional asset management.

[2] The 2017 results for Asia, Canadian and U.S. Dvisions include institutional asset management (previously reported under Corporate & Other segment).

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

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 Asset Management:** Accounts either separate or commingled of Institutional Clients for which Manulife 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 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.

Wealth and Asset Management: Wealth and asset management is comprised of our fee based businesses with little or no insurance risk, including Retirement, Retail and Institutional Asset Management businesses.

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 August 9, 2017)

Purpose	Rating agency	Rating
Financial strength	S&P Global Ratings	AA-
	Moody's Investors Service Inc.	A1
	Fitch Ratings Inc.	AA-
	DBRS Limited	AA (low)
	A.M. Best Company	A+ (Superior)

John Hancock Life Insurance Company (U.S.A) (as at August 9, 2017)

Purpose	Rating agency	Rating
Financial strength	S&P Global Ratings	AA-
	Moody's Investors Service Inc.	A1
	Fitch Ratings Inc.	AA-
	DBRS Limited	not rated
	A.M. Best Company	A+ (Superior)