

JOHN HANCOCK PREMIUM DIVIDEND FUND
Form N-CSRS
July 06, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-05908

John Hancock Premium Dividend Fund
(Exact name of registrant as specified in charter)

601 Congress Street, Boston, Massachusetts 02210
(Address of principal executive offices) (Zip code)

Salvatore Schiavone
Treasurer

601 Congress Street

Boston, Massachusetts 02210
(Name and address of agent for service)

Registrant's telephone number, including area code: 617-663-4497

Date of fiscal year end: October 31

Date of reporting period: April 30, 2011

ITEM 1. REPORTS TO STOCKHOLDERS.

Portfolio summary

Top 10 Holdings (29.5% of Total Investments on 4-30-11) ¹

CH Energy Group, Inc.	3.5%	Duquesne Light Company, 6.500%	2.8%
Wells Fargo & Company, 8.000%	3.2%	NSTAR	2.7%
Alabama Power Company, 5.200%	3.1%	PPL Electric Utilities Corp., Depository Shares, 6.250%	2.7%
Nexen, Inc., 7.350%	3.1%	HSBC USA, Inc., 2.858%	2.6%
MetLife, Inc., Series B, 6.500%	2.9%		
Bank of America Corp., 6.375%	2.9%		

Sector Composition^{2,3}

Utilities	55%	Consumer Staples	2%
Financials	27%	Industrials	1%
Energy	7%	Consumer Discretionary	1%
Telecommunication Services	6%	Short-Term Investments & Other	1%

¹ Cash and cash equivalents not included in Top 10 Holdings.

² As a percentage of the Fund's total investments on 4-30-11.

³ The Fund normally will invest at least 25% of its managed assets in securities of companies in the utilities industry. Such an investment focus makes the Fund more susceptible to factors adversely affecting the utilities industry than a more broadly diversified fund. Sector investing is subject to greater risks than the market as a whole.

Fund's investments

As of 4-30-11 (unaudited)

	Shares	Value
Preferred Securities 89.72% (62.58% of Total Investments)		\$579,535,203
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(Cost \$591,108,738)		
Consumer Discretionary 1.09%		7,014,087
Media 1.09%		
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Comcast Corp., 7.000% (Z)	42,530	1,082,387
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Viacom, Inc., 6.850% (Z)	230,000	5,931,700
Consumer Staples 2.88%		18,577,722
Food & Staples Retailing 2.88%		
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Ocean Spray Cranberries, Inc., Series A, 6.250% (S)(Z)	224,250	18,577,722
Energy 5.24%		33,866,476
Oil, Gas & Consumable Fuels 5.24%		
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Apache Corp., Series D, 6.000%	80,500	5,665,590
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Nexen, Inc., 7.350% (Z)	1,112,900	28,200,886
Financials 38.92%		251,419,013
Capital Markets 1.70%		
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Credit Suisse Guernsey, 7.900% (Z)	174,000	4,753,680
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Lehman Brothers Holdings, Inc., Depository Shares, Series D, 5.670% (I)	488,600	9,772
Morgan Stanley Capital Trust III, 6.250% (Z)	99,900	2,441,556
The Goldman Sachs Group, Inc., Series B, 6.200% (Z)	150,200	3,751,996
Commercial Banks 7.46%		
HSBC Holdings PLC, Series A, 6.200% (Z)	25,000	609,250
Santander Finance Preferred SA Unipersonal, Series 10, 10.500% (Z)	234,600	6,754,134
Santander Holdings USA, Inc., Series C, 7.300% (Z)	456,000	11,404,560
Wells Fargo & Company, 8.000% (L)(Z)	1,017,000	29,381,130
Consumer Finance 6.96%		
HSBC Finance Corp., Depository Shares, Series B, 6.360% (Z)	35,600	847,280
HSBC USA, Inc., 2.858% (L)(Z)	499,700	23,885,660
SLM Corp., Series A, 6.970% (L)(Z)	445,500	20,247,975
Diversified Financial Services 15.98%		
Bank of America Corp., 6.375% (L)(Z)	1,160,000	26,610,400
Bank of America Corp., 6.625% (L)(Z)	360,000	8,740,800
Bank of America Corp., 8.200% (Z)	35,000	910,000

See notes to financial statements

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	Shares	Value
Diversified Financial Services (continued)		
Bank of America Corp., Depository Shares, Series D, 6.204% (L)(Z)	960,000	\$22,156,800
Bank of America Corp., Series MER, 8.625% (Z)	102,000	2,745,840
Citigroup Capital VII, 7.125%	35,000	884,100
Citigroup Capital VIII, 6.950%	29,800	744,404
Citigroup Capital XII (8.500% to 3-30-15, then 3 month LIBOR + 5.870%) (Z)	291,500	7,710,175
Citigroup Capital XIII (7.875% to 10-30-15, then 3 month LIBOR + 6.370%)	26,000	721,760
Citigroup, Inc., 8.125%	328,830	8,960,618
Deutsche Bank Contingent Capital Trust II, 6.550% (Z)	285,275	7,109,053
Deutsche Bank Contingent Capital Trust III, 7.600% (L)(Z)	597,000	15,951,840
Insurance 5.48%		
MetLife, Inc., Series B, 6.500% (L)(Z)	1,057,000	27,006,350
Principal Financial Group, 6.518%, Series B (6.518% to 6-30-35, then higher of 10 year Constant Maturity Treasury (CMT), or 30 year CMT or 3 month LIBOR + 2.100%) (Z)	160,000	3,996,800
Prudential PLC, 6.750% (Z)	176,100	4,420,110
Real Estate Investment Trusts 1.27%		

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Kimco Realty Company, 6.650%, Depository Shares, Series F (Z)	200,000	4,978,000
Public Storage, Inc., 6.125% (Z)	35,000	879,200
Wachovia Preferred Funding Corp., Series A, 7.250%	90,500	2,369,290
Thriffs & Mortgage Finance 0.07%		
Federal Home Loan Mortgage Corp., Series Z (8.375% to 12-31-12, then higher of 3 month LIBOR + 4.160% or 7.875%) (I)	55,000	111,100
Federal National Mortgage Association, Series S (8.250% to 12-31-10, then higher of 3 month LIBOR + 4.230% or 7.750%) (I)	159,500	325,380
Industrials 1.38%		8,918,000
Road & Rail 1.38%		
AMERCO, Inc., Series A, 8.500% (L)(Z)	350,000	8,918,000
Telecommunication Services 4.35%		28,109,069
Diversified Telecommunication Services 0.00%		
Touch America Holdings, Inc., 6.875% (I)	161,778	0
Wireless Telecommunication Services 4.35%		
Telephone & Data Systems, Inc., 6.875%	161,250	4,031,250
Telephone & Data Systems, Inc., 6.625% (L)(Z)	280,000	6,888,000
United States Cellular Corp., 7.500% (L)(Z)	679,977	17,189,819
Utilities 35.86%		231,630,836
Electric Utilities 25.71%		
Alabama Power Company, 5.200% (L)(Z)	1,178,600	28,769,626

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Carolina Power & Light Company, 5.440% (Z)	11,382	1,090,538
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See notes to financial statements

	Shares	Value
Electric Utilities (continued)		
Duquesne Light Company, 6.500% (Z)	519,900	\$25,556,360
Entergy Arkansas, Inc., 6.450% (Z)	350,000	8,542,205
Entergy Mississippi, Inc., 6.250%	667,000	16,424,875
FPC Capital I, Series A, 7.100% (Z)	240,000	6,182,400
HECO Capital Trust III, 6.500% (Z)	181,000	4,660,750
NSTAR Electric Company, 4.780% (Z)	100,000	8,462,500
PPL Electric Utilities Corp., Depositary Shares, 6.250% (L)(Z)	1,000,000	25,000,000
PPL Energy Supply, LLC, 7.000% (Z)	272,500	6,910,600
Southern California Edison Company, 6.125% (Z)	195,000	18,372,666
Southern California Edison Company, Series C, 6.000% (Z)	80,000	7,575,000
Westar Energy, Inc., 6.100% (Z)	333,700	8,512,687
Independent Power Producers & Energy Traders 1.34%		
Constellation Energy Group, Inc., Series A, 8.625% (Z)	323,600	8,627,176

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Multi-Utilities 8.81%

Baltimore Gas & Electric Company, Series 1993, 6.700% (Z)	20,250	2,070,563
Baltimore Gas & Electric Company, Series 1995, 6.990% (Z)	134,000	13,818,750
BGE Capital Trust II, 6.200% (Z)	616,000	15,369,200
Consolidated Edison Company of New York, Inc., Series C, 4.650%	18,320	1,630,480
Consolidated Edison Company of New York, Inc., Series D, 4.650%	5,000	411,717
Interstate Power & Light Company, Series B, 8.375% (Z)	132,800	3,853,856
Pacific Enterprises, 4.360% (L)(Z)	42,400	3,349,600
Pacific Enterprises, 4.750% (Z)	52,285	4,444,748
Union Electric Company, 3.700% (Z)	12,262	801,628
Virginia Electric & Power Company, 6.980% (Z)	45,500	4,692,188
Xcel Energy, Inc., Series B, 4.080% (Z)	8,610	657,632
Xcel Energy, Inc., Series D, 4.110% (Z)	34,581	2,629,885
Xcel Energy, Inc., Series E, 4.160% (Z)	40,020	3,213,206

Common Stocks 52.38% (36.53% of Total Investments)

\$338,336,226

(Cost \$297,622,998)

Energy 4.45%

28,761,800

Oil, Gas & Consumable Fuels 4.45%

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BP PLC, SADR (Z)	100,000	4,614,000
Chevron Corp. (L)(Z)	102,500	11,217,600
Kinder Morgan, Inc.	10,000	285,800
Spectra Energy Corp.	170,000	4,936,800
Total SA, SADR	120,000	7,707,600

See notes to financial statements

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	Shares	Value
Industrials 0.41%		\$2,658,500
Industrial Conglomerates 0.41%		
General Electric Company (L)(Z)	130,000	2,658,500
Telecommunication Services 4.07%		26,265,550
Diversified Telecommunication Services 4.07%		
AT&T, Inc. (Z)	410,000	12,759,200
Verizon Communications, Inc. (L)(Z)	357,500	13,506,350
Utilities 43.45%		280,650,376
Electric Utilities 12.33%		
American Electric Power Company, Inc. (L)(Z)	220,000	8,025,600
Duke Energy Corp. (L)(Z)	355,000	6,620,750
Entergy Corp.	130,000	9,063,600

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FirstEnergy Corp.	410,000	16,383,600
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Northeast Utilities (L)(Z)	192,500	6,853,000
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PNM Resources, Inc. (Z)	500,000	7,665,000
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Progress Energy, Inc. (Z)	385,000	18,268,250
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Progress Energy, Inc. (I)	337,750	47,285
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Southern Company	75,000	2,928,000
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UIL Holding Corp.	120,000	3,818,400
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Gas Utilities 0.87%		
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Atmos Energy Corp. (L)(Z)	110,000	3,837,900
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ONEOK, Inc.	25,000	1,748,500
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Multi-Utilities 30.25%		
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Alliant Energy Corp. (Z)	447,520	17,694,941
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Ameren Corp. (L)(Z)	80,000	2,344,800
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Black Hills Corp. (L)(Z)	95,000	3,301,250
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CH Energy Group, Inc. (Z)	600,000	32,172,000
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Consolidated Edison, Inc. (L)(Z)	60,000	3,127,200
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Dominion Resources, Inc. (L)(Z)	195,000	9,051,900
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DTE Energy Company (L)(Z)	410,000	20,717,300
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Integrus Energy Group, Inc. (L)(Z)	240,000	12,566,400
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National Grid PLC, SADR	145,000	7,442,850
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NiSource, Inc. (Z)	490,000	9,530,500
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NSTAR (L)(Z)	545,000	25,233,500
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OGE Energy Corp. (Z)	255,000	13,558,350
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Public Service Enterprise Group, Inc.	120,000	3,860,400
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TECO Energy, Inc. (L)(Z)	570,000	10,983,900
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Vectren Corp. (L)(Z)	220,000	6,287,600
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Xcel Energy, Inc. (L)(Z)	720,000	17,517,600

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	Yield	Maturity date	Par value	Value
Short-Term Investments 1.27% (0.89% of Total Investments)				\$8,199,991
<hr/>				
(Cost \$8,199,991)				
Commercial Paper* 1.27%				8,199,991
Chevron Corp.	0.040%	5-2-11	\$8,200,000	8,199,991
Total investments (Cost \$896,931,727) 143.37%				\$926,071,420
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Other assets and liabilities, net (43.37%)				(\$280,126,471)
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Total net assets 100.00%				\$645,944,949

The percentage shown for each investment category is the total value of the category as a percentage of the net assets of the Fund.

LIBOR London Interbank Offered Rate

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SADR Sponsored American Depositary Receipts

(I) Non-income producing security.

(L) All or a portion of this security is on loan as of 4-30-11. Total value of securities on loan at 4-30-11 was \$245,959,921.

(S) This security is exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be resold, normally to qualified institutional buyers, in transactions exempt from registration.

(Z) All or a portion of this security is pledged as collateral pursuant to the Committed Facility Agreement. Total collateral value at 4-30-11 was \$712,078,894.

* Yield represents the annualized yield at the date of purchase.

□ At 4-30-11, the aggregate cost of investment securities for federal income tax purposes was \$899,853,600. Net unrealized appreciation aggregated \$26,217,820, of which \$78,204,652 related to appreciated investment securities and \$51,986,832 related to depreciated investment securities.

See notes to financial statements

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FINANCIAL STATEMENTS

Financial statements

Statement of assets and liabilities 4-30-11 (unaudited)

This Statement of Assets and Liabilities is the Fund's balance sheet. It shows the value of what the Fund owns, is due and owes. You'll also find the net asset value per share.

Assets

Investments, at value (Cost \$896,931,727)	\$926,071,420
Cash	44,799
Dividends receivable	3,549,911
Other receivables and prepaid assets	619,520

Total assets **930,285,650**

Liabilities

Committed facility agreement payable (Note 7)	284,000,000
Interest payable (Note 7)	24,326
Payable to affiliates	
Accounting and legal services fees	67,151
Trustees' fees	88,999

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Other liabilities and accrued expenses 160,225

Total liabilities 284,340,701

Net assets

Capital paid-in \$616,083,154

Undistributed net investment income 2,216,293

Accumulated net realized loss on investments (1,494,191)

Net unrealized appreciation on investments 29,139,693

Net assets \$645,944,949

Net asset value per share

Based on 49,969,927 shares of beneficial interest outstanding □ unlimited
number of shares authorized with no par value \$12.93

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FINANCIAL STATEMENTS

Statement of operations For the six-month period ended 4-30-11
(unaudited)

This Statement of Operations summarizes the Fund's investment income earned, expenses incurred in operating the Fund and net gains (losses) for the period stated.

Investment income

Dividends \$26,927,597

Interest 90,819

Less foreign taxes withheld (6,426)

Total investment income 27,011,990

Expenses

Investment management fees (Note 4) 3,578,755

Accounting and legal services fees (Note 4) 445,669

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Transfer agent fees	72,400
Trustees' fees (Note 4)	53,281
Printing and postage	102,823
Professional fees (Note 9)	102,304
Custodian fees	47,307
Interest expense (Note 7)	1,573,149
Stock exchange listing fees	21,887
Other	136,206
Total expenses	6,133,781
Less expense reductions (Note 9)	(457,590)
Net expenses	5,676,191
Net investment income	21,335,799
Realized and unrealized gain (loss)	
<hr/>	
Net realized gain on investments	1,564,485
Change in net unrealized appreciation (depreciation) of investments	37,931,046
Net realized and unrealized gain	39,495,531
Increase in net assets from operations	\$60,831,330

See notes to financial statements

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FINANCIAL STATEMENTS

Statements of changes in net assets

These Statements of Changes in Net Assets show how the value of the Fund's net assets has changed during the last two periods. The difference reflects earnings less expenses, any investment gains and losses, distributions, if any, paid to shareholders and the net of Fund share transactions.

Six months	
ended	Year
4-30-11	ended
(unaudited)	10-31-10

Increase (decrease) in net assets**From operations**

Net investment income	\$21,335,799	\$40,435,861
Net realized gain (loss)	1,564,485	(74,449)
Change in net unrealized appreciation (depreciation)	37,931,046	122,768,814

Increase in net assets resulting from operations	60,831,330	163,130,226
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Distributions to shareholders

From net investment income	(22,636,377)	(43,273,957)
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Total increase	38,194,953	119,856,269
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Net assets

Beginning of period	607,749,996	487,893,727
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End of period	\$645,944,949	\$607,749,996
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Undistributed net investment income	\$2,216,293	\$3,516,871
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FINANCIAL STATEMENTS

Statement of cash flows

This Statement of Cash Flows shows cash flow from operating and financing activities for the period stated.

**For the
six-month
period ended
4-30-11
(unaudited)**

Cash flows from operating activities

Net increase in net assets from operations	\$60,831,330
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Adjustments to reconcile net increase in net assets from operations to net

cash provided by operating activities:

Long-term investments purchased	(41,652,450)
Long-term investments sold	27,362,931
Decrease in short-term investments	22,300,009
Increase in dividends receivable	(113,500)
Decrease in payable for investments purchased	(5,481,256)
Increase in other receivables and prepaid expenses	(515,945)
Increase in payable to affiliates	21,589
Decrease in interest payable	(10,506)
Decrease in other liabilities and accrued expenses	(664,145)
Net change in unrealized (appreciation) depreciation on investments	(37,931,046)
Net realized gain on investments	(1,564,485)
Net cash provided by operating activities	\$22,582,526

Cash flows from financing activities

Distributions to common shareholders	(22,636,377)
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Net cash used in financing activities **(\$22,636,377)**

Net decrease in cash **(\$53,851)**

Cash at beginning of period **\$98,650**

Cash at end of period **\$44,799**

Supplemental disclosure of cash flow information

Cash paid for interest	\$1,583,655
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See notes to financial statements

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Financial highlights

The Financial Highlights show how the Fund's net asset value for a share has changed since the end of the previous period.

COMMON SHARES

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Period ended	4-30-11 ¹	10-31-10	10-31-09	10-31-08	10-31-07	10-31-06
Per share operating performance						
Net asset value, beginning						
of period	\$12.16	\$9.76	\$8.67	\$12.61	\$12.87	\$11.78
Net investment income ²	0.43	0.81	0.77	0.82	0.87	0.88
Net realized and unrealized gain						
(loss) on investments	0.79	2.46	1.15	(3.98)	(0.24)	1.11
Distributions to DARTS*	□	□	□	(0.20)	(0.29)	(0.25)
Total from investment operations	1.22	3.27	1.92	(3.36)	0.34	1.74
Less distributions to common shareholders						
From net investment income	(0.45)	(0.87)	(0.72)	(0.58)	(0.60)	(0.65)
From net realized gain	□	□	(0.12)	(0.01)	□	□
Total distributions	(0.45)	(0.87)	(0.84)	(0.59)	(0.60)	(0.65)
Anti-dilutive impact of tender offer and share repurchase	□	□	0.01 ³	0.01 ⁴	□	□
Net asset value, end of period	\$12.93	\$12.16	\$9.76	\$8.67	\$12.61	\$12.87
Per share market value, end of period	\$11.64	\$11.72	\$9.14			