

JOHN HANCOCK PREMIUM DIVIDEND FUND
Form N-Q
September 28, 2012

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

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS 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 Schaivone

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: July 31, 2012

ITEM 1. SCHEDULE OF INVESTMENTS

Premium Dividend Fund

As of 7-31-12 (Unaudited)

| | Shares | Value |
|---|-----------|----------------------|
| Preferred Securities 85.7% (58.9% of Total Investments) | | \$621,067,703 |
| <hr/> | | |
| (Cost \$596,834,850) | | |
| Consumer Staples 2.9% | | 20,764,158 |
| <hr/> | | |
| Food & Staples Retailing 2.9% | | |
| Ocean Spray Cranberries, Inc., Series A, 6.250% (S) | 224,250 | 20,764,158 |
| Energy 4.9% | | 35,345,305 |
| <hr/> | | |
| Oil, Gas & Consumable Fuels 4.9% | | |
| Apache Corp., Series D, 6.000% (Z) | 136,500 | 6,629,805 |
| Nexen, Inc., 7.350% | 1,135,000 | 28,715,500 |
| Financials 43.5% | | 315,734,317 |
| <hr/> | | |
| Capital Markets 2.4% | | |
| Credit Suisse Guernsey, 7.900% (Z) | 175,000 | 4,599,000 |
| Lehman Brothers Holdings, Inc., Depository Shares, Series D, 5.670% (I) | 162,700 | 1,627 |
| Morgan Stanley Capital Trust III, 6.250% (Z) | 105,000 | 2,622,900 |
| The Goldman Sachs Group, Inc., Series B, 6.200% (Z) | 397,000 | 9,956,760 |
| Commercial Banks 14.3% | | |
| Barclays Bank PLC, Series 3, 7.100% | 192,500 | 4,841,375 |
| Barclays Bank PLC, Series 5, 8.125% | 310,000 | 7,963,900 |
| BB&T Corp., 5.625% (I) | 746,500 | 18,513,200 |
| PNC Financial Services Group, Inc. (6.125% to 05/01/2022, then 3 month LIBOR + 4.067%) | 311,600 | 8,509,796 |
| Santander Finance Preferred SA Unipersonal, Series 10, 10.500% (Z) | 259,600 | 6,806,712 |

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| | | |
|--|-----------|------------|
| Santander Holdings USA, Inc., Series C, 7.300% (Z) | 500,000 | 12,525,000 |
| U.S. Bancorp (6.000% to 04/15/2017, then 3 month LIBOR + 4.861%) | 160,000 | 4,384,000 |
| U.S. Bancorp (6.500% to 01/15/2022, then 3 month LIBOR + 4.468%) | 324,500 | 9,413,745 |
| Wells Fargo & Company, 8.000% (L)(Z) | 1,017,000 | 31,181,220 |
| Consumer Finance 6.8% | | |
| HSBC Finance Corp., Depository Shares, Series B, 6.360% (Z) | 115,000 | 2,887,650 |
| HSBC USA, Inc., 2.858% (L)(Z) | 508,400 | 25,592,856 |
| SLM Corp., Series A, 6.970% (L)(Z) | 445,500 | 20,804,850 |
| Diversified Financial Services 14.0% | | |
| Bank of America Corp., 6.375% (Z) | 1,160,000 | 28,918,800 |
| Bank of America Corp., 6.625% (Z) | 360,000 | 9,450,000 |
| Bank of America Corp., 8.200% (Z) | 35,000 | 897,750 |
| Bank of America Corp., Depository Shares, Series D, 6.204% | 960,000 | 23,884,800 |
| Bank of America Corp., Series MER, 8.625% (Z) | 102,000 | 2,663,220 |
| Citigroup Capital VII, 7.125% | 35,000 | 891,100 |
| Citigroup Capital VIII, 6.950% | 30,000 | 757,800 |
| Citigroup, Inc., 8.125% (Z) | 338,830 | 9,914,166 |
| Deutsche Bank Contingent Capital Trust II, 6.550% (Z) | 287,000 | 7,175,000 |
| Deutsche Bank Contingent Capital Trust III, 7.600% (L)(Z) | 662,000 | 17,238,480 |
| Insurance 4.6% | | |
| MetLife, Inc., Series B, 6.500% (L)(Z) | 1,061,000 | 27,108,550 |

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Premium Dividend Fund

As of 7-31-12 (Unaudited)

| | Shares | Value |
|--|--------|-------------|
| Financials (continued) | | |
| Principal Financial Group, Inc., 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%) | 55,000 | \$1,511,950 |

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| | | |
|--|-----------|--------------------|
| Prudential PLC, 6.750% (Z) | 176,100 | 4,536,336 |
| Real Estate Investment Trusts 1.3% | | |
| Kimco Realty Company, Depository Shares, Series F, 6.650% | 174,760 | 4,388,224 |
| Public Storage, Inc., 6.125% | 24,000 | 620,400 |
| Senior Housing Properties Trust, 5.625% | 95,000 | 2,308,500 |
| Wachovia Preferred Funding Corp., Series A, 7.250% | 90,500 | 2,457,980 |
| Thriffs & Mortgage Finance 0.1% | | |
| Federal Home Loan Mortgage Corp., Series Z (Higher of 3 month LIBOR + 4.160% or 7.875%), 8.375% (I) | 55,000 | 110,000 |
| Federal National Mortgage Association, Series S (Higher of 3 month LIBOR + 4.230% or 7.750%), 8.250% (I) | 159,500 | 296,670 |
| Telecommunication Services 6.2% | | 45,075,750 |
| <hr/> | | |
| Diversified Telecommunication Services 3.9% | | |
| Qwest Corp., 7.375% (L)(Z) | 1,021,000 | 28,077,500 |
| Wireless Telecommunication Services 2.3% | | |
| Telephone & Data Systems, Inc., 6.625% (Z) | 285,000 | 7,324,500 |
| Telephone & Data Systems, Inc., 6.875% (Z) | 170,000 | 4,632,500 |
| United States Cellular Corp., 6.950% | 185,000 | 5,041,250 |
| Utilities 28.2% | | 204,148,173 |
| <hr/> | | |
| Electric Utilities 20.8% | | |
| Alabama Power Company, 5.200% (L)(Z) | 1,178,600 | 30,902,892 |
| Carolina Power & Light Company, 5.440% (Z) | 11,382 | 1,153,495 |
| Duquesne Light Company, 6.500% | 519,900 | 25,816,310 |
| Entergy Arkansas, Inc., 6.450% | 350,000 | 8,815,625 |
| Entergy Mississippi, Inc., 6.250% | 667,000 | 17,446,252 |
| FPC Capital I, Series A, 7.100% (Z) | 240,000 | 6,211,200 |
| HECO Capital Trust III, 6.500% (Z) | 181,000 | 4,619,120 |
| NextEra Energy Capital Holdings, Inc., 5.700% | 160,000 | 4,339,200 |
| NSTAR Electric Company, 4.250% | 13,347 | 1,213,643 |
| NSTAR Electric Company, 4.780% (Z) | 100,000 | 10,096,880 |
| SCE Trust I, 5.625% | 42,500 | 1,129,225 |
| Southern California Edison Company, 6.125% (Z) | 195,000 | 19,707,188 |

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| | | |
|--|---------|------------|
| Southern California Edison Company, Series C, 6.000% (Z) | 194,577 | 19,536,757 |
| Independent Power Producers & Energy Traders 1.2% | | |
| Constellation Energy Group, Inc., Series A, 8.625% (Z) | 326,000 | 8,681,380 |
| Multi-Utilities 6.2% | | |
| Baltimore Gas & Electric Company, Series 1993, 6.700% (Z) | 20,250 | 2,046,516 |
| Baltimore Gas & Electric Company, Series 1995, 6.990% (Z) | 134,000 | 13,693,125 |
| BGE Capital Trust II, 6.200% | 616,000 | 15,744,960 |
| DTE Energy Company, 6.500% | 126,000 | 3,598,875 |
| Interstate Power & Light Company, Series B, 8.375% (Z) | 132,800 | 3,685,200 |
| Union Electric Company, 3.700% (Z) | 12,262 | 1,075,017 |
| Virginia Electric & Power Company, 6.980% (Z) | 45,500 | 4,635,313 |

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Premium Dividend Fund

As of 7-31-12 (Unaudited)

| | Shares | Value |
|---|---------|----------------------|
| Common Stocks 58.4% (40.2% of Total Investments) | | \$423,761,037 |
| <hr/> | | |
| (Cost \$342,299,186) | | |
| Energy 7.5% | | 54,613,685 |
| <hr/> | | |
| Oil, Gas & Consumable Fuels 7.5% | | |
| BP PLC, ADR (L)(Z) | 100,000 | 3,990,000 |
| Chevron Corp. (Z) | 112,000 | 12,272,960 |
| ConocoPhillips | 155,000 | 8,438,200 |
| Phillips 66 | 77,500 | 2,914,000 |
| Royal Dutch Shell PLC, ADR | 84,000 | 5,728,800 |
| Spectra Energy Corp. (Z) | 315,000 | 9,667,350 |
| Total SA, ADR | 252,500 | 11,602,375 |
| Industrials 0.4% | | 2,697,500 |

| | | |
|--|---------|--------------------|
| Industrial Conglomerates 0.4% | | |
| General Electric Company (L)(Z) | 130,000 | 2,697,500 |
| Materials 0.4% | | 2,760,940 |
| <hr/> | | |
| Metals & Mining 0.4% | | |
| Freeport-McMoRan Copper & Gold, Inc. | 82,000 | 2,760,940 |
| Telecommunication Services 4.4% | | 32,063,950 |
| <hr/> | | |
| Diversified Telecommunication Services 4.4% | | |
| AT&T, Inc. (L)(Z) | 420,000 | 15,926,400 |
| Verizon Communications, Inc. (L)(Z) | 357,500 | 16,137,550 |
| Utilities 45.7% | | 331,624,962 |
| <hr/> | | |
| Electric Utilities 22.3% | | |
| American Electric Power Company, Inc. | 220,000 | 9,292,800 |
| Duke Energy Corp. | 440,000 | 29,823,200 |
| Entergy Corp. | 210,000 | 15,260,700 |
| FirstEnergy Corp. (Z) | 440,000 | 22,096,800 |
| Northeast Utilities (L)(Z) | 680,000 | 27,118,400 |
| OGE Energy Corp. (L)(Z) | 250,000 | 13,277,500 |
| PNM Resources, Inc. (Z) | 500,000 | 10,400,000 |
| The Southern Company | 75,000 | 3,611,250 |
| UIL Holdings Corp. | 280,000 | 10,371,200 |
| Xcel Energy, Inc. (L)(Z) | 700,000 | 20,510,000 |
| Gas Utilities 1.2% | | |
| AGL Resources, Inc. | 90,000 | 3,645,000 |
| Atmos Energy Corp. (L)(Z) | 110,000 | 3,943,500 |
| ONEOK, Inc. | 24,000 | 1,068,240 |
| Multi-Utilities 22.2% | | |
| Alliant Energy Corp. (Z) | 452,520 | 21,137,209 |
| Ameren Corp. (L)(Z) | 80,000 | 2,736,800 |
| Black Hills Corp. (L)(Z) | 225,500 | 7,182,175 |

| | | |
|------------------------------------|---------|------------|
| CH Energy Group, Inc. | 597,000 | 38,822,910 |
| Dominion Resources, Inc. (L)(Z) | 195,000 | 10,590,450 |
| DTE Energy Company (L)(Z) | 390,000 | 23,934,300 |
| Integrus Energy Group, Inc. (L)(Z) | 240,000 | 14,529,600 |

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Premium Dividend Fund

As of 7-31-12 (Unaudited)

| | Shares | Value |
|---------------------------------------|---------|-------------|
| Utilities (continued) | | |
| National Grid PLC, ADR | 180,000 | \$9,342,000 |
| NiSource, Inc. (Z) | 469,200 | 12,006,828 |
| Public Service Enterprise Group, Inc. | 120,000 | 3,988,800 |
| TECO Energy, Inc. (L)(Z) | 570,000 | 10,368,300 |
| Vectren Corp. (L)(Z) | 220,000 | 6,567,000 |

| | Yield* | Maturity date | Par value | Value |
|--|--------|---------------|-----------|---------------------|
| Short-Term Investments 1.4% (0.9% of Total Investments) | | | | \$10,000,000 |

(Cost \$10,000,000)

| | | | | |
|---------------------------------------|--------|----------|------------|------------|
| Federal Home Loan Bank Discount Notes | 0.001% | 08/01/12 | 10,000,000 | 10,000,000 |
|---------------------------------------|--------|----------|------------|------------|

Total investments (Cost \$949,134,036)† 145.5% **\$1,054,828,740**

Other assets and liabilities, net (45.5%) **(\$330,065,443)**

Total net assets 100.0% **\$724,763,297**

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

ADR American Depositary Receipts

LIBOR London Interbank Offered Rate

(I) Non-income producing security.

(L) All or a portion of this security is a Lent Security as of 7-31-12, and is part of segregated collateral pursuant to the Committed Facility Agreement. Total value of Lent Securities at 7-31-12 was \$266,992,111.

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

(Z) All or a portion of this security is segregated as collateral pursuant to the Committed Facility Agreement. Total collateral value at 7-31-12 was \$579,721,583.

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

† At 7-31-12, the aggregate cost of investment securities for federal income tax purposes was \$951,775,505. Net unrealized appreciation aggregated \$103,053,235, of which \$132,119,619 related to appreciated investment securities and \$29,066,384 related to depreciated investment securities.

Premium Dividend Fund

As of 7-31-12 (Unaudited)

Notes to the Schedule of Investments (Unaudited)

Security valuation. Investments are stated at value as of the close of regular trading on the New York Stock Exchange (NYSE), normally at 4:00 P.M., Eastern Time. In order to value the securities, the Fund uses the following valuation techniques: Equity securities, including exchange traded funds, held by the Fund are valued at the last sale price or official closing price on the principal securities exchange on which they trade. In the event there were no sales during the day or closing prices are not available, then securities are valued using the last quoted bid or evaluated price. Swaps are marked-to-market daily based upon values from third party vendors, which may include a registered commodities exchange, or broker quotations. Foreign securities and currencies are valued in U.S. dollars, based on foreign currency exchange rates supplied by an independent pricing service. Certain securities traded only in the over-the-counter market are valued at the last bid price quoted by brokers making markets in the securities at the close of trading. Certain short-term securities are valued at amortized cost. Other portfolio securities and assets, where market quotations are not readily available, are valued at fair value, as determined in good faith by the Fund's Pricing Committee, following procedures established by the Board of Trustees.

The Fund uses a three-tier hierarchy to prioritize the pricing assumptions, referred to as inputs, used in valuation techniques to measure fair value. Level 1 includes securities valued using quoted prices in active markets for identical securities. Level 2 includes securities valued using significant observable inputs. Observable inputs may include quoted prices for similar securities, interest rates, prepayment speeds and credit risk. Prices for securities valued using these inputs are received from independent pricing vendors and brokers and are based on an evaluation of the inputs described. Level 3 includes securities valued using significant unobservable inputs when market prices are not readily available or reliable, including the Fund's own assumptions in determining the fair value of investments. Factors used in determining value may include market or issuer specific events, changes in interest rates and credit quality. The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy.

The following is a summary of the values by input classification of the Fund's investments as of July 31, 2012, by major security category or type:

Level 2

Level 3

| | Total Market Value at 07/31/12 | Level 1 Quoted Price | Significant Observable Inputs | Significant Unobservable Inputs |
|--|---|-------------------------------------|--|--|
| Preferred Securities | | | | |
| Consumer Staples | \$20,764,158 | — | \$20,764,158 | — |
| Energy | 35,345,305 | \$35,345,305 | — | — |
| Financials | 315,734,317 | 290,526,990 | 25,207,327 | — |
| Telecommunication Services | 45,075,750 | 45,075,750 | — | — |
| Utilities | 204,148,173 | 72,187,620 | 131,960,553 | — |
| Common Stocks | | | | |
| Energy | 54,613,685 | 54,613,685 | — | — |
| Industrials | 2,697,500 | 2,697,500 | — | — |
| Materials | 2,760,940 | 2,760,940 | — | — |
| Telecommunication Services | 32,063,950 | 32,063,950 | — | — |
| Utilities | 331,624,962 | 331,624,962 | — | — |
| Short-Term Investments | 10,000,000 | — | 10,000,000 | — |
| Total Investments in Securities | \$1,054,828,740 | \$866,896,702 | \$187,932,038 | — |
| Other Financial Instruments: | | | | |
| Interest Rate Swaps | (\$3,622,833) | — | (\$3,622,833) | — |

Premium Dividend Fund

As of 7-31-12 (Unaudited)

Interest rate swaps. Interest rate swaps represent an agreement between a Fund and counterparty to exchange cash flows based on the difference between two interest rates applied to a notional amount. The payment flows are usually netted against each other, with the difference being paid by one party to the other. The Fund settles accrued net interest receivable or payable under the swap contracts at specified, future intervals. Upfront payments made/received by the Fund are amortized/accreted for financial reporting purposes. Swaps are marked-to-market daily based upon values from third party vendors or broker quotations, and the change in value is recorded as unrealized appreciation/depreciation of swap contracts. A termination payment by the counterparty or the Fund is recorded as realized gain or loss, as well as the net periodic payments received or paid by the Fund.

During the period ended July 31, 2012, the Fund used interest rate swaps in anticipation of rising interest rates. The following table summarizes the interest rate swap contracts held as of July 31, 2012. During the period ended July 31, 2012, the Fund held interest rate swaps with total USD notional amounts up to \$174,000,000, as measured at each quarter end.

| USD NOTIONAL | PAYMENTS | PAYMENTS | MATURITY |
|--------------|----------|----------|----------|
|--------------|----------|----------|----------|

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| COUNTERPARTY | AMOUNT | MADE BY FUND | RECEIVED BY FUND | DATE | MARKET VALUE |
|------------------------------------|--------------|---------------|-------------------|----------|----------------------|
| Morgan Stanley Capital Services | \$82,000,000 | Fixed 1.4625% | 3 Month LIBOR (a) | Aug 2016 | (\$3,252,285) |
| Morgan Stanley Capital Services | 82,000,000 | Fixed 0.8750% | 3 Month LIBOR (a) | Jul 2017 | (370,548) |
| Totals | | | | | (\$3,622,833) |

(a) At July 31, 2012 the 3 month LIBOR rate was .44260%

Fair value of derivative instruments by risk category

The table below summarizes the fair value of derivatives held by the Fund at July 31, 2012 by risk category:

| RISK | FINANCIAL INSTRUMENTS LOCATION | ASSETS DERIVATIVES FAIR VALUE | LIABILITY DERIVATIVES FAIR VALUE |
|-------------------------|-----------------------------------|----------------------------------|-------------------------------------|
| Interest Rate Contracts | Interest Rate Swaps | — | (\$3,622,833) |

For additional information on the Fund's significant accounting policies, please refer to the Fund's most recent semiannual or annual shareholder report.

ITEM 2. CONTROLS AND PROCEDURES.

(a) Based upon their evaluation of the registrant's disclosure controls and procedures as conducted within 90 days of the filing date of this Form N-Q, the registrant's principal executive officer and principal accounting officer have concluded that those disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

Separate certifications for the registrant's principal executive officer and principal accounting officer, as required by Rule 30a-2(a) under the Investment Company Act of 1940, are attached.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

John Hancock Premium Dividend Fund

By: /s/ Hugh McHaffie

Hugh McHaffie
President

Date: September 24, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Hugh McHaffie

Hugh McHaffie
President

Date: September 24, 2012

By: /s/ Charles A. Rizzo

Charles A. Rizzo
Chief Financial Officer

Date: September 24, 2012