

SUPPLEMENTARY TABLES

TABLE 1 Key Performance Measures

As at and for the years ended December 31

(Canadian \$ in millions unless otherwise stated) 2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	
Net income	1,370	1,167	1,068	866	710	743	503	481	281	187	85
Net operating income	1,370	1,167	1,068	866	710	624	503	372	281	187	85
Shareholders' net income ⁽¹⁾	1,378	1,159	1,075	874	710	743	503	481	281	187	85
Capital ⁽²⁾	11,978	11,513	8,555	7,771	7,415	6,377	4,859	3,826	3,052	2,771	2,584
Operating return on shareholders' equity (%) ⁽³⁾	16.2%	15.1%	16.1%	14.0%	12.9%	13.6%	12.4%	11.4%	9.6%	7.0%	3.3%
Capital ⁽²⁾ as a per cent of liabilities	17.3%	17.2%	16.7%	16.1%	16.2%	14.4%	11.5%	10.6%	8.2%	7.8%	8.0%

(1) For years prior to 2000, shareholders' net income refers to earnings from mutual operations (prior to demutualization) and net income attributed to shareholders (after demutualization).

(2) Capital includes total equity, subordinated debt, non-controlling interest in Manulife Financial Capital Trust and trust preferred securities issued by subsidiaries.

(3) Reported as operating return on surplus prior to demutualization.

TABLE 2 Summary Consolidated Statements of Operations

For the years ended December 31

(Canadian \$ in millions)	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Revenue											
Premium income	10,779	10,247	8,515	8,672	5,696	5,622	5,694	5,193	4,988	4,456	4,104
Investment income	4,235	4,479	4,350	4,369	4,123	4,010	3,734	3,231	2,882	2,853	2,744
Other revenue	1,518	1,505	1,287	1,015	792	574	447	212	218	151	102
Total revenue	16,532	16,231	14,152	14,056	10,611	10,206	9,875	8,636	8,088	7,460	6,950
Policy benefits and expenses											
Payments to policyholders and beneficiaries	9,431	10,134	7,654	6,608	6,385	6,508	5,883	5,132	4,678	3,764	3,239
Policyholder dividends and experience rating refunds	932	900	859	738	604	508	471	356	312	267	247
Change in actuarial liabilities	307	(208)	822	2,628	252	169	873	1,089	1,214	1,788	2,004
General expenses and commissions	3,697	3,611	3,277	2,703	2,118	1,868	1,693	1,220	1,204	1,058	996
Interest expense	243	257	191	179	158	156	161	203	243	281	297
Premium taxes	111	105	96	84	74	83	72	64	57	50	52
Non-controlling interest in subsidiaries	72	4	(151)	(114)	7	11	6	2	1	2	(3)
Trust preferred securities issued by subsidiaries	65	65	63	62	62	54	-	-	-	-	-
Total policy benefits and expenses	14,858	14,868	12,811	12,888	9,660	9,357	9,159	8,066	7,709	7,210	6,832
Income before preferred share dividends, unusual items and income taxes	1,674	1,363	1,341	1,168	951	849	716	570	379	250	118
Preferred share dividends	-	-	-	-	-	-	-	-	-	-	(16)
Unusual items	-	-	-	-	-	176	-	126	-	-	-
Income taxes	(304)	(196)	(273)	(302)	(241)	(282)	(213)	(215)	(98)	(63)	(17)
Net income	1,370	1,167	1,068	866	710	743	503	481	281	187	85
Net income (loss) attributed to:											
Participating policyholders (after demutualization)	(8)	8	(7)	(8)	-	-	-	-	-	-	-
Net income attributed to:											
Shareholders (after demutualization)	1,378	1,159	1,075	267	-	-	-	-	-	-	-
Mutual operations (prior to demutualization)	-	-	-	607	710	743	503	481	281	187	85
Adjusted shareholders' net income	1,378	1,159	1,075	874	710	743	503	481	281	187	85
Net income	1,370	1,167	1,068	866	710	743	503	481	281	187	85

TABLE 3 Summary Consolidated Balance Sheets

As at December 31

(Canadian \$ in millions)

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Assets											
Bonds	46,677	46,070	33,270	30,853	30,691	28,662	25,627	21,259	18,452	16,763	14,805
Mortgages	9,294	7,902	7,174	6,867	7,702	7,809	8,106	6,917	8,555	9,368	9,565
Stocks	6,898	6,964	4,621	4,832	4,042	3,529	2,796	2,592	2,954	2,684	2,260
Real estate	3,570	3,484	3,262	3,179	2,992	2,806	3,044	2,888	3,350	3,395	3,275
Policy loans	4,939	4,644	3,616	3,207	3,137	2,663	2,354	1,973	1,856	1,651	1,425
Cash and short-term investments	5,143	4,995	3,783	3,047	1,329	1,842	2,600	1,792	2,683	2,447	1,554
Other investments	1,041	693	884	1,180	499	479	292	173	209	368	557
Total invested assets	77,562	74,752	56,610	53,165	50,392	47,790	44,819	37,594	38,059	36,676	33,441
Other assets	3,633	3,861	3,457	3,543	2,710	2,733	2,424	2,268	2,168	1,818	1,459
Total assets	81,195	78,613	60,067	56,708	53,102	50,523	47,243	39,862	40,227	38,494	34,900
Liabilities											
Actuarial liabilities	56,397	54,690	41,384	39,748	38,738	37,227	36,248	31,257	31,296	29,028	26,666
Other liabilities	12,761	12,346	9,829	8,439	6,873	6,865	6,088	4,759	5,863	6,678	5,635
Subordinated debt	1,436	1,418	588	582	627	581	566	341	-	-	-
Non-controlling interest in subsidiaries	1,059	1,064	299	750	76	54	48	20	16	17	15
Trust preferred securities issued by subsidiaries	794	802	756	735	783	728	-	-	-	-	-
Total equity⁽¹⁾	8,748	8,293	7,211	6,454	6,005	5,068	4,293	3,485	3,052	2,771	2,584
Total liabilities and equity	81,195	78,613	60,067	56,708	53,102	50,523	47,243	39,862	40,227	38,494	34,900

(1) Reported as surplus prior to demutualization.

TABLE 4 Summary Consolidated Statements of Equity⁽¹⁾

For the years ended December 31

(Canadian \$ in millions)

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Balance, January 1	8,293	7,211	6,454	6,005	5,068	4,293	3,485	3,052	2,771	2,584	2,162
Net income for the year	1,370	1,167	1,068	866	710	743	503	481	281	187	85
Shareholder dividends	(285)	(231)	(193)	-	-	-	-	-	-	-	-
Adjustment to equity ⁽¹⁾	-	-	-	-	-	(48)	321	-	-	-	337
Conversion costs	-	-	-	(31)	-	-	-	-	-	-	-
Cash distributions to policyholders	-	-	-	(694)	-	-	-	-	-	-	-
Issue of common shares	8	2	-	694	-	-	-	-	-	-	-
Initial public offering costs	-	-	-	(58)	-	-	-	-	-	-	-
Purchase and cancellation of common shares	(726)	-	(206)	(128)	-	-	-	-	-	-	-
Transfer of participating policyholders' retained earnings on acquisition	38	-	-	-	-	-	-	-	-	-	-
Issuance costs	-	(12)	-	-	-	-	-	-	-	-	-
Change in Currency Translation Account	50	156	88	(200)	227	80	(16)	(48)	-	-	-
Balance, December 31	8,748	8,293	7,211	6,454	6,005	5,068	4,293	3,485	3,052	2,771	2,584

(1) Reported as surplus prior to demutualization.

TABLE 5 Funds under Management

As at December 31

(Canadian \$ in millions)

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Funds under management											
by category											
General fund	81,195	78,613	60,067	56,708	53,102	50,523	47,243	39,862	40,227	38,494	34,900
Segregated funds	58,831	59,206	54,908	49,055	38,200	27,018	18,553	5,532	5,445	4,012	2,734
Mutual funds	2,167	1,653	1,563	1,641	1,708	2,125	2,782	934	746	563	441
Securitized funds	–	–	–	–	–	–	–	–	4,622	4,477	3,696
Other managed funds ⁽¹⁾	3,982	2,710	6,982	4,732	3,680	2,652	2,944	330	279	–	–
Total	146,175	142,182	123,520	112,136	96,690	82,318	71,522	46,658	51,319	47,546	41,771

(1) Other managed funds included Seamark Asset Management Ltd. ("Seamark") third party managed funds of \$4,288, \$3,074, \$2,314, \$1,797 and \$931 as at December 31, 2000, 1999, 1998, 1997 and 1996, respectively. Disposition of a portion of the Company's controlling interest in Seamark occurred in July 2001, at which time the Company ceased consolidation of the assets and liabilities and results of operations of Seamark and commenced accounting for this investment on an equity basis.

TABLE 6 Premiums and Deposits by Line of Business and Geographic Territory

For the years ended December 31

(Canadian \$ in millions)

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
General fund premiums by											
line of business											
Life and health insurance	7,279	6,594	5,284	5,552	3,953	3,758	3,743	3,089	2,836	2,541	2,295
Annuities and pensions	2,437	2,862	2,463	2,304	994	1,067	1,298	1,535	1,598	1,417	1,408
Reinsurance	1,063	791	768	816	749	797	653	569	554	498	401
Total	10,779	10,247	8,515	8,672	5,696	5,622	5,694	5,193	4,988	4,456	4,104
General fund premiums by											
geographic territory											
United States	3,897	4,187	3,652	3,498	2,276	2,202	2,181	2,152	2,241	2,373	2,161
Canada	3,237	2,963	2,540	3,347	2,292	2,294	2,549	2,142	1,963	1,548	1,459
International	3,645	3,097	2,323	1,825	1,120	1,121	964	806	685	438	367
Divested operations	–	–	–	2	8	5	–	93	99	97	117
Total	10,779	10,247	8,515	8,672	5,696	5,622	5,694	5,193	4,988	4,456	4,104
Segregated fund deposits by											
geographic territory											
United States	14,229	11,790	12,650	9,031	6,837	5,376	3,365	931	670	385	214
Canada	1,283	1,190	1,681	1,347	1,730	1,418	757	323	671	488	204
International	1,501	1,064	446	331	279	232	169	113	78	57	37
Divested operations	–	–	–	–	–	–	–	37	171	162	161
Total	17,013	14,044	14,777	10,709	8,846	7,026	4,291	1,404	1,590	1,092	616

TABLE 7 Quarterly Information – Summary Consolidated Statements of Operations

For the three months ended

(Canadian \$ in millions)

	12/31/02	9/30/02	6/30/02	3/31/02	12/31/01	9/30/01	6/30/01	3/31/01
Revenues								
Premium income	2,765	2,826	2,668	2,520	2,802	2,771	2,558	2,116
Investment income	1,163	1,031	924	1,117	1,289	1,023	1,166	1,001
Other revenue	392	378	371	377	401	401	357	346
Total revenue	4,320	4,235	3,963	4,014	4,492	4,195	4,081	3,463
Policy benefits and expenses								
Payments to policyholders and beneficiaries	2,305	2,054	2,390	2,682	2,676	2,981	2,549	1,928
Policyholder dividends and experience rating refunds	247	239	237	209	239	253	215	193
Change in actuarial liabilities	208	554	(126)	(329)	37	(237)	(69)	61
General expenses and commissions	1,000	878	902	917	989	872	895	855
Interest expense	63	67	59	54	68	66	57	66
Premium taxes	27	28	28	28	28	25	28	24
Non-controlling interest in subsidiaries	17	17	19	19	7	–	2	(5)
Trust preferred securities issued by subsidiaries	16	16	16	17	16	17	16	16
Total policy benefits and expenses	3,883	3,853	3,525	3,597	4,060	3,977	3,693	3,138
Income before income taxes	437	382	438	417	432	218	388	325
Income taxes	(68)	(58)	(95)	(83)	(96)	31	(80)	(51)
Net income	369	324	343	334	336	249	308	274
Net income (loss) attributed to participating policyholders	(3)	(3)	(1)	(1)	–	1	3	4
Net income attributed to shareholders	372	327	344	335	336	248	305	270
Net income	369	324	343	334	336	249	308	274
Return on shareholders' equity (annualized)	17.2%	15.2%	16.1%	16.3%	16.4%	12.6%	16.2%	15.0%
Capital as a per cent of liabilities	17.3%	17.2%	17.9%	17.4%	17.2%	15.1%	14.9%	18.3%

SOURCE OF EARNINGS

Manulife uses the Source of Earnings to identify the primary sources of gains or losses in each reporting period. It is one of the key tools in understanding and managing our business.

In the Source of Earnings, the components of the business are attributed to one of six categories: expected profit from in force business, the impact of new business, experience gains or losses comparing actual to expected outcomes, the impact of changes in actuarial assumptions, earnings on surplus funds and the cost of taxes. In aggregate, these elements generated the published \$1,378 million in shareholders' net income in 2002.

The expected profit from in force business represents the formula-driven release of Provisions for Adverse Deviation ("PfADs") on the non-fee income insurance businesses and the expected annual income on fee businesses.

Writing new business creates economic value but Manulife follows conservative actuarial practices and establishes strong initial reserves on new business. Consequently, the Company reported an overall loss in the income statement from new business in the first year. The value created by the new business is reflected in the embedded value calculation. In the financial statements, this value was offset by the conservative PfADs in the actuarial reserves. The impact of new business also includes any acquisition expenses that are not fully covered by the product pricing at time of issue.

The experience gains or losses arise from items such as claims, investment returns and expenses, where the actual experience in the current period differs from the expected results assumed in the actuarial reserves or where the current period fee income differs from the amount expected due to investment market performance. The Company believes its expected assumptions are prudent. This is consistent with a history of favourable experience variances.

Future assumption changes in the actuarial reserves flow through the income statement and are reflected in the changes in actuarial assumptions line.

Earnings on surplus funds reflect the actual investment returns on the assets supporting the Company's surplus (capital). These assets comprise a diversified portfolio and returns will vary in harmony with the underlying asset categories.

Income taxes represent the tax charges to our earnings based on the varying tax rates in the jurisdictions in which we conduct business.

Manulife's shareholders' net income increased to \$1,378 million in 2002 from \$1,159 million the previous year.

SOURCE OF EARNINGS

For the years ended December 31

(Canadian \$ in millions)

	2002	2001	2000	1999	1998
Expected profit from in force business	\$ 1,068	\$ 918	\$ 805	\$ 747	\$ 665
Impact of new business	(119)	(195)	(82)	(242)	(99)
Experience gains	215	118	69	136	11
Changes in actuarial methods and assumptions	(9)	(131)	(93)	(3)	(24)
Earnings on surplus funds	527	645	649	538	398
Income before income taxes	\$ 1,682	\$ 1,355	\$ 1,348	\$ 1,176	\$ 951
Income taxes	(304)	(196)	(273)	(302)	(241)
Net income attributed to shareholders	\$ 1,378	\$ 1,159	\$ 1,075	\$ 874	\$ 710

EMBEDDED VALUE

Manulife Financial's embedded value represents the value of shareholders' equity plus an estimated value of the Company's in force business. The calculation values the future profit stream from the in force business adjusted for the cost of regulatory capital deployed to support this business. As at December 31, 2002, Manulife's embedded value was more than \$15 billion.

The actual value of the Company (from an investor's perspective) is measured by the value of the Company's shares on any particular day. In valuing the Company's shares, investors take into account the value of shareholders' equity, the value of the in force business, the value of future business (i.e., the franchise value), and other considerations.

During the fourth quarter of 2002, Manulife's market value, measured by its market capitalization, ranged from \$13.0 billion to \$18.4 billion. Normally, the embedded value of a company would be less than its market value because the embedded value excludes the value of future business.

EMBEDDED VALUE

For the years ended December 31

(Canadian \$ in millions)

	2002	2001	2000
Embedded value as at January 1	\$ 14,000	\$ 11,300	\$ 9,900
Interest on year-start embedded value	1,190	1,090	1,000
New business	664	580	600
Acquisitions	118	850	—
Equity market impact	(1,206)	(970)	—
Other experience variances and assumption changes	453	620	—
Discount rate changes	774	360	—
Currency adjustment	24	400	—
Embedded value before shareholder dividends and share repurchases	\$ 16,017	\$ 14,230	\$ 11,500
Shareholder dividends	(285)	(230)	(200)
Share repurchases	(718)	—	—
Embedded value as at December 31	\$ 15,014	\$ 14,000	\$ 11,300

(Canadian \$ in millions unless otherwise stated)

	2002	2001	2000
Embedded value before shareholder dividends and share repurchases as at December 31	\$ 16,017	\$ 14,230	\$ 11,500
Embedded value per share before shareholder dividends and share repurchases as at December 31	\$ 33.22	\$ 29.50	\$ 23.85
Annual growth rate	14%	26%	—

The principal economic assumptions used in the embedded value calculations were as follows:

	Canada	U.S.	Hong Kong	Japan
MCCSR ratio	150%	150%	150%	150%
Discount rate	8.75%	8.00%	9.00%	6.00%
Currency conversion rates (C\$)	\$	1.58	\$ 0.20	\$ 0.013
Income tax rate	36%	35%	Included in premium taxes	36%
	decreasing to 31%			

Discount rates have been derived from government bond rates in the respective countries, plus risk premiums varying from four per cent to five per cent. Higher discount rates were used in some Asian businesses.

Embedded value has been calculated using the financial position of the Company as at June 30, 2002 projected to December 31, 2002, allowing for the actual change in key elements such as the market value of securities, new business contributions and in force policy experience. The future stream of profits has been calculated on a Canadian GAAP basis in all countries using assumptions consistent with those used in the calculation of the actuarial liabilities. The Company's target equity/debt structure has been utilized, which assumes that 25 per cent of the capital is in the form of debt.

SUBSIDIARY LISTING

As at December 31, 2002 (Canadian \$ in millions)	Ownership Percentage	Equity Interest	Address	Description
MANULIFE FINANCIAL CORPORATION			Toronto, Canada	Publicly traded stock life insurance company
The Manufacturers Life Insurance Company	100	\$ 767	Toronto, Canada	Leading Canadian-based financial services company that offers a diverse range of financial protection products and wealth management services
The Manufacturers Investment Corporation	100	4,813	Bloomfield Hills, Michigan, U.S.A.	Holding company
The Manufacturers Life Insurance Company (U.S.A.)	100			U.S.-based life insurance company that provides individual life insurance, annuities, group pension products and reinsurance
The Manufacturers Life Insurance Company of New York	100			Provides group pension, individual annuities and life insurance products in the State of New York
Manufacturers Securities Services, LLC	100			Investment advisor
Manulife Reinsurance Limited	100			Provides financial reinsurance
Manulife Holdings (Bermuda) Limited	100	450	Hamilton, Bermuda	Holding company
Manufacturers P&C Limited	100			Provides property & casualty and financial reinsurance
Manulife International Holdings Limited	100	1,237	Hamilton, Bermuda	Holding company
Manulife (International) Limited	100			Hong Kong life insurance company
Manulife-Sinochem Life Insurance Co. Ltd.	51			Chinese life insurance company
Manulife Funds Direct (Barbados) Limited	100			Holding company
Manulife Asset Management (Hong Kong) Limited	100			Mutual fund marketing, investment management and advisory company
Manulife Bank of Canada	100	59	Waterloo, Canada	Provides integrated banking products and service options not available from an insurance company
Manulife Canada Ltd.	100	110	Waterloo, Canada	Canadian life insurance company
FNA Financial Inc.	100	22	Toronto, Canada	Holding company
Elliott & Page Limited	100			Investment counseling, portfolio and mutual fund manager and mutual fund dealer
First North American Insurance Company	100	6	Toronto, Canada	Canadian property and casualty insurance company
NAL Resources Management Limited	100	5	Calgary, Canada	Management company for oil and gas properties
3550435 Canada Inc.	100	166	Waterloo, Canada	Holding company
MFC Insurance Company Limited	100			Canadian life insurance company
Manulife Securities International Ltd.	100	–	Waterloo, Canada	Mutual fund dealer for Canadian Operations
Manulife International Capital Corporation Limited	100	33	Toronto, Canada	A specialized financing corporation and holding company
Regional Power Inc.	80			Operator of hydro-electric power projects
MLI Resources Inc.	100	834	Calgary, Canada	Holding company for oil and gas assets and Japanese operations
Manulife Life Insurance Company	100			Japanese life insurance company
P.T. Asuransi Jiwa Manulife Indonesia	71	30	Jakarta, Indonesia	Indonesian life insurance company
The Manufacturers Life Insurance Co. (Phils.), Inc.	100	51	Manila, Philippines	Philippines life insurance company
Manulife (Singapore) Pte. Ltd.	100	34	Singapore	Singapore life insurance company
Manulife (Vietnam) Limited	100	21	Ho Chi Minh City, Vietnam	Vietnamese life insurance company
Manulife Europe Ruckversicherungs-Aktiengesellschaft	100	55	Cologne, Germany	European property and casualty reinsurance company
MFC Global Fund Management (Europe) Limited	100	8	London, England	Investment management company for Manulife Financial's international funds
Manulife European Holdings (Alberta) Limited	100	33	Calgary, Canada	Holding company for European financing subsidiary
Total		\$8,734		