

## Supplementary Tables

**Table 1** □ Key Performance Measures

As at and for the years ended December 31

(Canadian \$ in millions  
unless otherwise stated)

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Net income	<b>1,536</b>	1,370	1,167	1,068	866	710	743	503	481	281	187
Net operating income	<b>1,536</b>	1,370	1,167	1,068	866	710	624	503	372	281	187
Shareholders' net income <sup>(1)</sup>	<b>1,546</b>	1,378	1,159	1,075	874	710	743	503	481	281	187
Capital <sup>(2)</sup>	<b>12,031</b>	11,978	11,513	8,555	7,771	7,415	6,377	4,859	3,826	3,052	2,771
Operating return on common shareholders' equity (%) <sup>(3)</sup>	<b>17.7%</b>	16.2%	15.1%	16.1%	14.0%	12.9%	13.6%	12.4%	11.4%	9.6%	7.0%
Capital <sup>(2)</sup> as a per cent of liabilities	<b>18.4%</b>	17.3%	17.2%	16.7%	16.1%	16.2%	14.4%	11.5%	10.6%	8.2%	7.8%

(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)

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
<b>Revenue</b>											
Premium income	<b>10,540</b>	10,779	10,247	8,515	8,672	5,696	5,622	5,694	5,193	4,988	4,456
Investment income	<b>4,561</b>	4,235	4,479	4,350	4,369	4,123	4,010	3,734	3,231	2,882	2,853
Other revenue	<b>1,555</b>	1,518	1,505	1,287	1,015	792	574	447	212	218	151
<b>Total revenue</b>	<b>16,656</b>	16,532	16,231	14,152	14,056	10,611	10,206	9,875	8,636	8,088	7,460
<b>Policy benefits and expenses</b>											
Payments to policyholders and beneficiaries	<b>8,442</b>	9,431	10,134	7,654	6,608	6,385	6,508	5,883	5,132	4,678	3,764
Policyholder dividends and experience rating refunds	<b>889</b>	932	900	859	738	604	508	471	356	312	267
Change in actuarial liabilities	<b>1,147</b>	307	(208)	822	2,628	252	169	873	1,089	1,214	1,788
General expenses and commissions	<b>3,839</b>	3,697	3,611	3,277	2,703	2,118	1,868	1,693	1,220	1,204	1,058
Interest expense	<b>253</b>	243	257	191	179	158	156	161	203	243	281
Premium taxes	<b>119</b>	111	105	96	84	74	83	72	64	57	50
Non-controlling interest in subsidiaries	<b>57</b>	72	4	(151)	(114)	7	11	6	2	1	2
Trust preferred securities issued by subsidiaries	<b>58</b>	65	65	63	62	62	54	-	-	-	-
<b>Total policy benefits and expenses</b>	<b>14,804</b>	14,858	14,868	12,811	12,888	9,660	9,357	9,159	8,066	7,709	7,210
<b>Income before unusual items and income taxes</b>	<b>1,852</b>	1,674	1,363	1,341	1,168	951	849	716	570	379	250
Unusual items	-	-	-	-	-	-	176	-	126	-	-
Income taxes	<b>(316)</b>	(304)	(196)	(273)	(302)	(241)	(282)	(213)	(215)	(98)	(63)
<b>Net income</b>	<b>1,536</b>	1,370	1,167	1,068	866	710	743	503	481	281	187
<b>Net income (loss) attributed to:</b>											
Participating policyholders (after demutualization)	<b>(10)</b>	(8)	8	(7)	(8)	-	-	-	-	-	-
<b>Net income attributed to:</b>											
Shareholders (after demutualization)	<b>1,546</b>	1,378	1,159	1,075	267	-	-	-	-	-	-
Mutual operations (prior to demutualization)	-	-	-	-	607	710	743	503	481	281	187
<b>Adjusted shareholders' net income</b>	<b>1,546</b>	1,378	1,159	1,075	874	710	743	503	481	281	187
<b>Net income</b>	<b>1,536</b>	1,370	1,167	1,068	866	710	743	503	481	281	187

**Table 3** □ **Summary Consolidated Balance Sheets**

<b>As at December 31</b> (Canadian \$ in millions)	<b>2003</b>	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
<b>Assets</b>											
Bonds	<b>42,216</b>	46,677	46,070	33,270	30,853	30,691	28,662	25,627	21,259	18,452	16,763
Mortgages	<b>10,401</b>	9,294	7,902	7,174	6,867	7,702	7,809	8,106	6,917	8,555	9,368
Stocks	<b>5,866</b>	6,898	6,964	4,621	4,832	4,042	3,529	2,796	2,592	2,954	2,684
Real estate	<b>3,962</b>	3,570	3,484	3,262	3,179	2,992	2,806	3,044	2,888	3,350	3,395
Policy loans	<b>4,348</b>	4,939	4,644	3,616	3,207	3,137	2,663	2,354	1,973	1,856	1,651
Cash and short-term investments	<b>5,877</b>	5,143	4,995	3,783	3,047	1,329	1,842	2,600	1,792	2,683	2,447
Other investments	<b>1,795</b>	1,041	693	884	1,180	499	479	292	173	209	368
Total invested assets	<b>74,465</b>	77,562	74,752	56,610	53,165	50,392	47,790	44,819	37,594	38,059	36,676
Other assets	<b>3,051</b>	3,633	3,861	3,457	3,543	2,710	2,733	2,424	2,268	2,168	1,818
<b>Total assets</b>	<b>77,516</b>	81,195	78,613	60,067	56,708	53,102	50,523	47,243	39,862	40,227	38,494
<b>Liabilities</b>											
Actuarial liabilities	<b>51,647</b>	56,397	54,690	41,384	39,748	38,738	37,227	36,248	31,257	31,296	29,028
Other liabilities	<b>13,801</b>	12,761	12,346	9,829	8,439	6,873	6,865	6,088	4,759	5,863	6,678
Subordinated debt	<b>1,123</b>	1,436	1,418	588	582	627	581	566	341	-	-
Non-controlling interest in subsidiaries	<b>1,037</b>	1,059	1,064	299	750	76	54	48	20	16	17
Trust preferred securities issued by subsidiaries	<b>650</b>	794	802	756	735	783	728	-	-	-	-
Total equity <sup>(1)</sup>	<b>9,258</b>	8,748	8,293	7,211	6,454	6,005	5,068	4,293	3,485	3,052	2,771
<b>Total liabilities and equity</b>	<b>77,516</b>	81,195	78,613	60,067	56,708	53,102	50,523	47,243	39,862	40,227	38,494

(1) Reported as surplus prior to demutualization.

**Table 4** □ **Summary Consolidated Statements of Equity** <sup>(1)</sup>

<b>For the years ended December 31</b> (Canadian \$ in millions)	<b>2003</b>	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Balance, January 1	<b>8,748</b>	8,293	7,211	6,454	6,005	5,068	4,293	3,485	3,052	2,771	2,584
Net income for the year	<b>1,536</b>	1,370	1,167	1,068	866	710	743	503	481	281	187
Preferred shareholder dividends	<b>(7)</b>	-	-	-	-	-	-	-	-	-	-
Common shareholder dividends	<b>(361)</b>	(285)	(231)	(193)	-	-	-	-	-	-	-
Adjustment to equity <sup>(1)</sup>	-	-	-	-	-	-	(48)	321	-	-	-
Conversion costs	-	-	-	-	(31)	-	-	-	-	-	-
Cash distributions to policyholders	-	-	-	-	(694)	-	-	-	-	-	-
Issue of common shares	<b>3</b>	8	2	-	694	-	-	-	-	-	-
Issue of preferred shares	<b>350</b>	-	-	-	-	-	-	-	-	-	-
Initial public offering costs	-	-	-	-	(58)	-	-	-	-	-	-
Purchase and cancellation of common shares	<b>(9)</b>	(726)	-	(206)	(128)	-	-	-	-	-	-
Transfer of participating policyholders' retained earnings on acquisition	-	38	-	-	-	-	-	-	-	-	-
Issuance costs	<b>(6)</b>	-	(12)	-	-	-	-	-	-	-	-
Stock-based compensation expense	<b>14</b>	-	-	-	-	-	-	-	-	-	-
Change in Currency Translation Account	<b>(1,010)</b>	50	156	88	(200)	227	80	(16)	(48)	-	-
<b>Balance, December 31</b>	<b>9,258</b>	8,748	8,293	7,211	6,454	6,005	5,068	4,293	3,485	3,052	2,771

(1) Reported as surplus prior to demutualization.

**Table 5** □ **Funds under Management****As at December 31**

(Canadian \$ in millions)

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
<b>Funds under management</b>											
<b>by category</b>											
General fund	<b>77,516</b>	81,195	78,613	60,067	56,708	53,102	50,523	47,243	39,862	40,227	38,494
Segregated funds	<b>71,464</b>	58,831	59,206	54,908	49,055	38,200	27,018	18,553	5,532	5,445	4,012
Mutual funds	<b>3,360</b>	2,167	1,653	1,563	1,641	1,708	2,125	2,782	934	746	563
Securitized funds	—	—	—	—	—	—	—	—	—	4,622	4,477
Other managed funds <sup>(1)</sup>	<b>4,335</b>	3,982	2,710	6,982	4,732	3,680	2,652	2,944	330	279	—
<b>Total</b>	<b>156,675</b>	146,175	142,182	123,520	112,136	96,690	82,318	71,522	46,658	51,319	47,546

(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)

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
<b>General fund premiums</b>											
<b>by line of business</b>											
Life and health insurance	<b>7,504</b>	7,279	6,594	5,284	5,552	3,953	3,758	3,743	3,089	2,836	2,541
Annuities and pensions	<b>2,300</b>	2,437	2,862	2,463	2,304	994	1,067	1,298	1,535	1,598	1,417
Reinsurance	<b>736</b>	1,063	791	768	816	749	797	653	569	554	498
<b>Total</b>	<b>10,540</b>	10,779	10,247	8,515	8,672	5,696	5,622	5,694	5,193	4,988	4,456
<b>General fund premiums</b>											
<b>by geographic territory</b>											
United States	<b>3,756</b>	3,897	4,187	3,652	3,498	2,276	2,202	2,181	2,152	2,241	2,373
Canada	<b>3,576</b>	3,237	2,963	2,540	3,347	2,292	2,294	2,549	2,142	1,963	1,548
International	<b>3,208</b>	3,645	3,097	2,323	1,825	1,120	1,121	964	806	685	438
Divested operations	—	—	—	—	2	8	5	—	93	99	97
<b>Total</b>	<b>10,540</b>	10,779	10,247	8,515	8,672	5,696	5,622	5,694	5,193	4,988	4,456
<b>Segregated fund deposits</b>											
<b>by geographic territory</b>											
United States	<b>14,014</b>	14,229	11,790	12,650	9,031	6,837	5,376	3,365	931	670	385
Canada	<b>1,993</b>	1,283	1,190	1,681	1,347	1,730	1,418	757	323	671	488
International	<b>1,680</b>	1,501	1,064	446	331	279	232	169	113	78	57
Divested operations	—	—	—	—	—	—	—	—	37	171	162
<b>Total</b>	<b>17,687</b>	17,013	14,044	14,777	10,709	8,846	7,026	4,291	1,404	1,590	1,092

**Table 7** □ **Quarterly Information – Summary Statements of Operations****For the three months ended**

(Canadian \$ in millions)

	12/31/03	9/30/03	6/30/03	3/31/03	12/31/02	9/30/02	6/30/02	3/31/02
<b>Revenues</b>								
Premium income	2,643	2,459	2,598	2,840	2,765	2,826	2,668	2,520
Investment income	1,164	1,126	1,186	1,085	1,163	1,031	924	1,117
Other revenue	428	394	372	361	392	378	371	377
<b>Total revenue</b>	<b>4,235</b>	<b>3,979</b>	<b>4,156</b>	<b>4,286</b>	4,320	4,235	3,963	4,014
<b>Policy benefits and expenses</b>								
Payments to policyholders and beneficiaries	2,220	1,963	2,147	2,112	2,305	2,054	2,390	2,682
Policyholder dividends and experience rating refunds	229	233	215	212	247	239	237	209
Change in actuarial liabilities	171	245	252	479	208	554	(126)	(329)
General expenses and commissions	1,029	922	946	942	1,000	878	902	917
Interest expense	63	65	63	62	63	67	59	54
Premium taxes	32	27	31	29	27	28	28	28
Non-controlling interest in subsidiaries	(1)	20	19	19	17	17	19	19
Trust preferred securities issued by subsidiaries	13	15	14	16	16	16	16	17
<b>Total policy benefits and expenses</b>	<b>3,756</b>	<b>3,490</b>	<b>3,687</b>	<b>3,871</b>	3,883	3,853	3,525	3,597
<b>Income before income taxes</b>	<b>479</b>	<b>489</b>	<b>469</b>	<b>415</b>	437	382	438	417
Income taxes	(63)	(94)	(82)	(77)	(68)	(58)	(95)	(83)
<b>Net income</b>	<b>416</b>	<b>395</b>	<b>387</b>	<b>338</b>	369	324	343	334
<b>Less: net income (loss) attributed to participating policyholders</b>								
	(12)	(1)	1	2	(3)	(3)	(1)	(1)
<b>Net income attributed to shareholders</b>	<b>428</b>	<b>396</b>	<b>386</b>	<b>336</b>	372	327	344	335
<b>Net income</b>	<b>416</b>	<b>395</b>	<b>387</b>	<b>338</b>	369	324	343	334
Return on common shareholders' equity (annualized)	19.1%	17.9%	18.0%	15.8%	17.2%	15.2%	16.1%	16.3%
Capital as a per cent of liabilities	18.4%	18.6%	18.5%	17.6%	17.3%	17.2%	17.9%	17.4%

## 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 methods and assumptions, earnings on surplus funds and the cost of taxes. In aggregate, these elements generated the published \$1,546 million in shareholders' net income in 2003.

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 is 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 methods and 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 earnings based on the varying tax rates in the jurisdictions in which we conduct business.

Manulife's shareholders' net income increased to \$1,546 million in 2003 from \$1,378 million the previous year.

### Source of Earnings

(Canadian \$ in millions)

For the years ended December 31	2003	2002	2001	2000	1999
Expected profit from in force business	\$ 1,190	\$ 1,068	\$ 918	\$ 805	\$ 747
Impact of new business	(183)	(119)	(195)	(82)	(242)
Experience gains	362	215	118	69	136
Changes in actuarial methods and assumptions	(78)	(9)	(131)	(93)	(3)
Earnings on surplus funds	571	527	645	649	538
Income before income taxes	\$ 1,862	\$ 1,682	\$ 1,355	\$ 1,348	\$ 1,176
Income taxes	(316)	(304)	(196)	(273)	(302)
<b>Net income attributed to shareholders</b>	<b>\$ 1,546</b>	<b>\$ 1,378</b>	<b>\$ 1,159</b>	<b>\$ 1,075</b>	<b>\$ 874</b>

## 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, 2003, Manulife's embedded value was \$15.4 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 2003, Manulife's market value, measured by its market capitalization, ranged from \$17.5 billion to \$19.9 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

(Canadian \$ in millions)

<b>For the years ended December 31</b>	<b>2003</b>	2002	2001	2000
<b>Embedded value as at January 1</b>	<b>\$ 15,014</b>	\$ 14,000	\$ 11,300	\$ 9,900
Interest on year-start embedded value	<b>1,106</b>	1,190	1,090	1,000
Value of new business	<b>903</b>	664	580	600
Acquisitions	<b>13</b>	118	850	–
Equity market impact	<b>711</b>	(1,206)	(970)	–
Other experience variances and assumption changes	<b>267</b>	453	620	–
<b>Embedded value before discount rate, currency and capital changes</b>	<b>\$ 18,014</b>	\$ 15,219	\$ 13,470	\$ 11,500
Discount rate changes	<b>(150)</b>	774	360	–
Currency movement	<b>(2,096)</b>	24	400	–
Shareholder dividends	<b>(361)</b>	(285)	(230)	(200)
Share repurchases and other capital	<b>9</b>	(718)	–	–
<b>Embedded value as at December 31</b>	<b>\$ 15,416</b>	\$ 15,014	\$ 14,000	\$ 11,300
Embedded value per share	<b>\$ 33.32</b>	\$ 32.46	\$ 29.03	\$ 23.43
Annual growth rate (before impact of discount rate, currency and capital changes)	<b>20%</b>	9%	19%	16%

The principal economic assumptions used in the embedded value calculations in 2003 were as follows:

	<b>Canada</b>	<b>US</b>	<b>Hong Kong</b>	<b>Japan</b>
MCCSR ratio	150%	150%	150%	150%
Discount rate	8.75%	8.25%	9.25%	6.50%
Risk premium	4.00%	4.00%	5.00%	5.00%
Equity return	8.75%	8.25%	9.25%	6.50%
Inflation	2.0%	2.0%	2.5%	0.0%
Income tax rate	33% decreasing to 31%	35%	Included in premium taxes	36%

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, 2003 projected to December 31, 2003, 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, 2003  
(Canadian \$ in millions)

	Ownership Percentage	Equity Interest	Address	Description
<b>MANULIFE FINANCIAL CORPORATION</b>			Toronto, Canada	Publicly traded stock life insurance company
<b>The Manufacturers Life Insurance Company</b>	100	\$ 2,534	Toronto, Canada	Canadian-based financial services company that offers a diverse range of financial protection and wealth management products and services
<b>The Manufacturers Investment Corporation</b>	100	2,035	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, and group pension products in all states in the U.S. except New York
The Manufacturers Life Insurance Company of New York	100			Provides individual life insurance, annuities, and group pension products in the State of New York
Manufacturers Securities Services, LLC	100			Investment advisor
Manulife Reinsurance Limited	100			Provides financial reinsurance
<b>Manulife Holdings (Bermuda) Limited</b>	100	429	Hamilton, Bermuda	Holding company
Manufacturers P&C Limited	100			Provides property and casualty and financial reinsurance
<b>Manulife International Holdings Limited</b>	100	988	Hamilton, Bermuda	Holding company
Manulife (International) Limited	100			Life insurance company serving Hong Kong
Manulife-Sinochem Life Insurance Co. Ltd.	51			Chinese life insurance company
Manulife Asset Management (Asia) Limited	100			Holding company
Manulife Asset Management (Hong Kong) Limited	100			Investment management and advisory company marketing mutual funds
<b>Manulife Bank of Canada</b>	100	77	Waterloo, Canada	Provides integrated banking products and service options not available from an insurance company
<b>Manulife Canada Ltd.</b>	100	49	Waterloo, Canada	Canadian life insurance company
<b>FNA Financial Inc.</b>	100	18	Toronto, Canada	Holding company
Elliott & Page Limited	100			Investment counseling, portfolio and mutual fund management in Canada
<b>First North American Insurance Company</b>	100	6	Toronto, Canada	Canadian property and casualty insurance company
<b>NAL Resources Management Limited</b>	100	9	Calgary, Canada	Management company for oil and gas properties
<b>3550435 Canada Inc.</b>	100	136	Waterloo, Canada	Holding company
MFC Insurance Company Limited	100			Canadian life insurance company
<b>Manulife Securities International Ltd.</b>	100	–	Waterloo, Canada	Mutual fund dealer for Canadian operations
<b>Manulife International Capital Corporation Limited</b>	100	52	Toronto, Canada	A specialized financing corporation and holding company
Regional Power Inc.	80			Operator of hydro-electric power projects
<b>MLI Resources Inc.</b>	100	660	Calgary, Canada	Holding company for oil and gas assets and Japanese operations
Manulife Life Insurance Company	100			Japanese life insurance company
<b>P.T. Asuransi Jiwa Manulife Indonesia</b>	71	29	Jakarta, Indonesia	Indonesian life insurance company
<b>The Manufacturers Life Insurance Co. (Phils.), Inc.</b>	100	58	Manila, Philippines	Filipino life insurance company
<b>Manulife (Singapore) Pte. Ltd.</b>	100	22	Singapore	Singaporean life insurance company
<b>Manulife (Vietnam) Limited</b>	100	34	Ho Chi Minh City, Vietnam	Vietnamese life insurance company
<b>Manulife Europe Ruckversicherungs-Aktiengesellschaft</b>	100	74	Cologne, Germany	European property and casualty reinsurance company
<b>MFC Global Fund Management (Europe) Limited</b>	100	4	London, England	Investment management company for Manulife Financial's international funds
<b>Manulife European Holdings 2003 (Alberta) Limited</b>	100	58	Calgary, Canada	Holding company for European financing subsidiary
<b>MREFCP Trust</b>	100	113	Toronto, Canada	Real estate trust
<b>Total</b>		<b>\$ 7,385</b>		