



**Manulife**

**Statistical Information Package**

**Q4 2019**



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**Use of this document:**

Information in the document is supplementary to the Company's current quarter Press Release, MD&A and audited financial statements in the most recent 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 exchange rate basis ("CER"), 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 flows 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.

**Reporting Segments** are Asia, Canada, U.S., Global Wealth and Asset Management, and Corporate and Other.

**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.

**Annualized Premium Equivalent ("APE") Sales** are comprised of 100% of regular premiums/deposits sales and 10% of single premiums/deposits sales.

(i) For individual insurance, APE and Insurance Sales 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, APE and Insurance Sales includes 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 annuities, APE reflect the annualized premium expected in the first year of a policy that requires premium payments for more than one year. This includes certain single premium wealth accumulation products and individual annuities, both fixed and variable.

**Annuities Sales** are comprised of 100% of all new deposits. 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.

**Total Weighted Premium Income** is comprised of 10% of single premiums/deposits and 100% of first year and renewal premiums/deposits before reinsurance. This applies to general fund and segregated funds of Insurance & Annuity business lines.

**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.

**Expense Efficiency Ratio** is calculated as Pre-Tax Total Core General Expenses over Pre-Tax Total Core General Expenses plus Pre-Tax Total Core Earnings.

**Items excluded from core earnings** are disclosed at the Reporting Segment level as these items are managed at that level.

**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.

**Actual exchange rate basis ("AER")**

Quarterly amounts stated on an actual exchange rate basis are calculated using actual income statement and statement of financial position exchange rates for the respective periods as appropriate.

**Constant exchange rate basis ("CER")**

Quarterly amounts stated on a constant exchange rate basis are calculated using Q2 2019 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)



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4 AER <sup>1</sup>	2019 Q4 vs. 2018 Q4 CER <sup>1</sup>	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018 AER <sup>1</sup>	YTD 2019 vs. YTD 2018 CER <sup>1</sup>
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**Shareholders' Net Income (loss) by Reporting Segment<sup>2</sup>**

Asia	636	128	476	695	318	100%	90%	1,935	1,704	14%	9%
Canada	226	(172)	317	751	(74)	-	-	1,122	982	14%	14%
U.S.	143	342	502	441	513	-72%	-72%	1,428	2,291	-38%	-39%
Global Wealth and Asset Management	265	281	243	233	218	22%	22%	1,022	954	7%	5%
Corporate and other	(42)	144	(63)	56	(382)	89%	89%	95	(1,131)	-	-
<b>Net income (loss) attributed to shareholders</b>	<b>1,228</b>	<b>723</b>	<b>1,475</b>	<b>2,176</b>	<b>593</b>	<b>107%</b>	<b>102%</b>	<b>5,602</b>	<b>4,800</b>	<b>17%</b>	<b>14%</b>
Preferred share dividends	(43)	(43)	(43)	(43)	(43)	0%		(172)	(168)	-2%	
<b>Common shareholders' net income (loss)</b>	<b>1,185</b>	<b>680</b>	<b>1,432</b>	<b>2,133</b>	<b>550</b>	<b>115%</b>	<b>110%</b>	<b>5,430</b>	<b>4,632</b>	<b>17%</b>	<b>15%</b>
<b>Common shareholders' net income (loss) CER</b>	<b>1,185</b>	<b>673</b>	<b>1,418</b>	<b>2,135</b>	<b>565</b>		<b>110%</b>	<b>5,411</b>	<b>4,718</b>		<b>15%</b>

**Earnings Analysis<sup>2</sup>**

<b>Core earnings</b>											
Asia	494	520	471	520	463	7%	5%	2,005	1,766	14%	11%
Canada	288	318	312	283	305	-6%	-6%	1,201	1,327	-9%	-9%
U.S.	489	471	441	475	454	8%	8%	1,876	1,789	5%	2%
Global Wealth and Asset Management	265	281	242	233	231	15%	15%	1,021	985	4%	2%
Corporate and other (excl. core investment gains)	(159)	(163)	(114)	(63)	(216)	26%	26%	(499)	(657)	24%	24%
Core investment gains	100	100	100	100	100	0%	0%	400	400	0%	0%
<b>Total core earnings</b>	<b>1,477</b>	<b>1,527</b>	<b>1,452</b>	<b>1,548</b>	<b>1,337</b>	<b>10%</b>	<b>10%</b>	<b>6,004</b>	<b>5,610</b>	<b>7%</b>	<b>5%</b>
<b>Total core earnings CER</b>	<b>1,477</b>	<b>1,526</b>	<b>1,436</b>	<b>1,541</b>	<b>1,345</b>		<b>10%</b>	<b>5,980</b>	<b>5,691</b>		<b>5%</b>
<b>Items excluded from core earnings</b>											
Investment-related experience outside of core earnings	182	(289)	146	327	(130)			366	200		
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	(389)	(494)	(144)	249	(675)			(778)	(857)		
Change in actuarial methods and assumptions	-	(21)	-	-	-			(21)	(51)		
Reinsurance transactions	(34)	-	63	52	142			81	175		
Restructuring charge	-	-	-	-	(63)			-	(263)		
Tax-related items and other	(8)	-	(42)	-	(18)			(50)	(14)		
<b>Net income (loss) attributed to shareholders</b>	<b>1,228</b>	<b>723</b>	<b>1,475</b>	<b>2,176</b>	<b>593</b>	<b>107%</b>	<b>102%</b>	<b>5,602</b>	<b>4,800</b>	<b>17%</b>	<b>14%</b>

<sup>1</sup> AER percentage changes are calculated using actual exchange rates. CER percentage changes are calculated on a constant exchange rate basis.

<sup>2</sup> 2018 earnings by segment reflects a restatement of 2018 earnings on assets backing capital allocated to each segment from the Corporate and Other segment to align with the methodology used in 2019.

**Components of Direct Impact of Equity Markets and Interest Rates and Variable Annuity Guarantee Liabilities**

Direct impact of equity markets and variable annuity guarantee liabilities	125	(38)	2	367	(723)			456	(928)		
Fixed income reinvestment rates assumed in the valuation of policy liabilities	(583)	(213)	(174)	(160)	112			(1,130)	354		
Sale of AFS bonds and derivative positions in the Corporate and Other segment	69	257	28	42	(64)			396	(283)		
Change to the ultimate reinvestment rate	-	(500)	-	-	-			(500)	-		
<b>Direct impact of equity markets and interest rates and variable annuity guarantee liabilities</b>	<b>(389)</b>	<b>(494)</b>	<b>(144)</b>	<b>249</b>	<b>(675)</b>			<b>(778)</b>	<b>(857)</b>		

**Selected Performance Measures**

Basic earnings (loss) per common share	\$0.61	\$0.35	\$0.73	\$1.09	\$0.28	118%		\$ 2.77	\$2.34	18%	
Diluted core earnings per common share	\$0.73	\$0.76	\$0.72	\$0.76	\$0.65	12%		\$ 2.97	\$2.74	8%	
Diluted earnings (loss) per common share	\$0.61	\$0.35	\$0.73	\$1.08	\$0.28	118%		\$ 2.77	\$2.33	19%	
Return on common shareholders' equity (annualized) (%)	10.3%	5.9%	12.9%	20.1%	5.3%	5 pps		12.2%	11.6%	0.6 pps	
Core ROE (annualized) (%)	12.5%	13.0%	12.7%	14.2%	12.5%	-		13.1%	13.7%	-0.6 pps	

**FINANCIAL HIGHLIGHTS (CONT'D)**

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



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4 AER	2019 Q4 vs. 2018 Q4 CER	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018 AER	YTD 2019 vs. YTD 2018 CER
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**Earnings Analysis (Pre-tax) <sup>1</sup>**

<b>Core earnings</b>											
Asia	565	610	535	608	532	6%	5%	2,318	2,134	9%	6%
Canada	364	423	417	378	396	-8%	-8%	1,582	1,691	-6%	-6%
U.S.	578	539	534	583	557	4%	4%	2,234	2,203	1%	-1%
Global Wealth and Asset Management	294	307	276	267	263	12%	12%	1,144	1,098	4%	3%
Corporate and other (excl. core investment gains)	(190)	(184)	(150)	(130)	(345)	45%	45%	(654)	(901)	27%	27%
Core investment gains	128	125	105	105	174	-26%	-26%	463	545	-15%	-15%
<b>Total core earnings</b>	1,739	1,820	1,717	1,811	1,577	10%	10%	7,087	6,770	5%	3%
<b>Items excluded from core earnings</b>											
Investment-related experience outside of core earnings	233	(363)	152	344	(183)			366	231		
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	(590)	(550)	(186)	273	(780)			(1,053)	(1,027)		
Change in actuarial methods and assumptions	1	(61)	-	-	-			(60)	(65)		
Reinsurance transactions	(47)	-	81	66	180			100	232		
Restructuring charges	-	-	-	-	(96)			-	(346)		
Tax-related items and other	(9)	-	(23)	-	(22)			(32)	(366)		
<b>Net income attributed to shareholders</b>	1,327	846	1,741	2,494	676	96%	94%	6,408	5,429	18%	15%

**Earnings Analysis (Tax Rate) <sup>1</sup>**

<b>Core earnings</b>											
Asia	13%	15%	12%	14%	13%			14%	17%		
Canada	21%	25%	25%	25%	23%			24%	22%		
U.S.	15%	13%	17%	19%	18%			16%	19%		
Global Wealth and Asset Management	10%	8%	12%	13%	12%			11%	10%		
Corporate and other (excl. core investment gains)	(16)%	(11)%	(24)%	(52)%	(37)%			(24)%	(27)%		
Core investment gains	22%	20%	5%	5%	43%			14%	27%		
<b>Total core earnings <sup>1</sup></b>	15%	16%	15%	15%	15%			15%	17%		
<b>Items excluded from core earnings</b>											
Investment-related experience outside of core earnings	22%	(20)%	4%	5%	(29)%			0%	13%		
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	(34)%	(10)%	(23)%	9%	(13)%			(26)%	(17)%		
Change in actuarial methods and assumptions	-	(66)%	-	-	-			(65)%	(22)%		
Reinsurance transactions	(28)%	-	22%	21%	21%			19%	25%		
Restructuring charge	-	-	-	-	(34)%			-	(24)%		
Tax-related items and other	(11)%	-	83%	-	(18)%			56%	(96)%		
<b>Net income attributed to shareholders</b>	7%	15%	15%	13%	12%			13%	12%		

**Core General Expenses**

Asia	619	585	540	524	575	8%	6%	2,268	2,123	7%	5%
Canada	376	345	354	330	354	6%	6%	1,405	1,341	5%	5%
U.S.	291	272	285	278	270	8%	8%	1,126	1,097	3%	2%
Global Wealth and Asset Management	592	545	556	534	570	4%	4%	2,227	2,200	1%	-1%
Corporate and Other	177	178	159	135	174	2%	2%	649	563	15%	15%
<b>Total core general expenses</b>	2,055	1,925	1,894	1,801	1,943	6%	5%	7,675	7,324	5%	3%
<b>Non-core general expenses</b>											
Restructuring charge	-	-	-	-	96	-100%		-	346	-100%	
Integration and acquisition costs	-	-	-	-	19	-100%		-	45	-100%	
Other	11	-	-	-	119	-91%		11	242	-95%	
<b>Total general expenses</b>	2,066	1,925	1,894	1,801	2,177	-5%	-5%	7,686	7,957	-3%	-5%

**Expense Efficiency <sup>1</sup>**

Asia	52.3%	48.9%	50.3%	46.3%	52.0%			49.5%	49.9%		
Canada	50.8%	44.9%	45.9%	46.6%	47.1%			47.0%	44.2%		
U.S.	33.5%	33.5%	34.7%	32.3%	32.7%			33.5%	33.3%		
Global Wealth and Asset Management	66.8%	64.1%	66.9%	66.6%	68.5%			66.1%	66.7%		
<b>Total company</b>	54.2%	51.4%	52.5%	49.9%	55.2%			52.0%	52.0%		

<sup>1</sup> 2018 earnings and expense efficiency by segment reflects a restatement of 2018 earnings on assets backing capital allocated to each segment from the Corporate and Other segment to align with the methodology used in 2019.

## FINANCIAL HIGHLIGHTS - SOURCE OF EARNINGS

(Canadian \$ in millions, unaudited)



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4 AER	2019 Q4 vs. 2018 Q4 CER	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018 AER	YTD 2019 vs. YTD 2018 CER
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### Source of Earnings <sup>1,2</sup>

Expected profit from in-force business	1,012	1,021	1,004	991	939	8%	6%	4,028	3,857	4%	3%
Impact of new business	286	232	202	276	276	4%	2%	996	917	9%	7%
Core investment gains	128	125	105	105	174	-26%	-27%	463	545	-15%	-15%
Experience gains (losses) (excl. core investment gains)	(659)	(1,338)	(231)	401	(832)	21%	22%	(1,827)	(370)	-394%	-390%
Management actions and changes in assumptions	62	302	119	119	(10)	-	-	602	(758)	-	-
Earnings on surplus funds	235	226	279	327	(39)	-	-	1,067	399	167%	158%
Other <sup>3</sup>	47	55	59	51	9	422%	377%	212	23	822%	nm
Insurance	1,111	623	1,537	2,270	517	115%	116%	5,541	4,613	20%	18%
Global Wealth and Asset Management	294	307	276	267	247	19%	19%	1,144	1,062	8%	6%
Manulife Bank	51	50	47	54	41	24%	24%	202	173	17%	17%
Unallocated overhead <sup>4</sup>	(129)	(134)	(119)	(97)	(129)	0%	1%	(479)	(419)	-14%	-14%
<b>Income (loss) before income taxes</b>	<b>1,327</b>	<b>846</b>	<b>1,741</b>	<b>2,494</b>	<b>676</b>	<b>96%</b>	<b>94%</b>	<b>6,408</b>	<b>5,429</b>	<b>18%</b>	<b>15%</b>
Income tax (expense) recovery	(99)	(123)	(266)	(318)	(83)	-19%	-19%	(806)	(629)	-28%	-25%
<b>Net income attributed to shareholders</b>	<b>1,228</b>	<b>723</b>	<b>1,475</b>	<b>2,176</b>	<b>593</b>	<b>107%</b>	<b>102%</b>	<b>5,602</b>	<b>4,800</b>	<b>17%</b>	<b>14%</b>
Preferred share dividends	(43)	(43)	(43)	(43)	(43)	0%	-	(172)	(168)	-2%	-
<b>Common shareholders' net income</b>	<b>1,185</b>	<b>680</b>	<b>1,432</b>	<b>2,133</b>	<b>550</b>	<b>115%</b>	<b>110%</b>	<b>5,430</b>	<b>4,632</b>	<b>17%</b>	<b>15%</b>
Expected profit from in-force business CER	1,012	1,020	995	967	958	-	6%	3,994	3,929	-	3%

### Source of Earnings - Core

Expected profit from in-force business	1,012	1,021	1,004	991	939	8%	6%	4,028	3,857	4%	3%
Impact of new business	286	232	202	276	276	4%	2%	996	917	9%	7%
Core investment gains	128	125	105	105	174	-26%	-27%	463	545	-15%	-15%
Experience gains (losses) (excl. core investment gains)	(143)	(31)	(73)	(35)	10	-	-	(282)	25	-	-
Management actions and changes in assumptions	12	18	21	(4)	(4)	-	-	47	(13)	-	-
Earnings on surplus funds	186	182	210	210	5	nm	nm	788	460	71%	66%
Other <sup>3</sup>	42	50	44	44	4	950%	982%	180	128	41%	42%
Insurance	1,523	1,597	1,513	1,587	1,404	8%	8%	6,220	5,919	5%	3%
Global Wealth and Asset Management	294	307	276	267	263	12%	12%	1,144	1,098	4%	3%
Manulife Bank	51	50	47	54	41	24%	24%	202	173	17%	17%
Unallocated overhead <sup>4</sup>	(129)	(134)	(119)	(97)	(131)	2%	1%	(479)	(420)	-14%	-14%
<b>Core Earnings before income taxes</b>	<b>1,739</b>	<b>1,820</b>	<b>1,717</b>	<b>1,811</b>	<b>1,577</b>	<b>10%</b>	<b>10%</b>	<b>7,087</b>	<b>6,770</b>	<b>5%</b>	<b>3%</b>
Income tax (expense) recovery	(262)	(293)	(265)	(263)	(240)	-9%	-8%	(1,083)	(1,160)	7%	8%
<b>Total Core Earnings</b>	<b>1,477</b>	<b>1,527</b>	<b>1,452</b>	<b>1,548</b>	<b>1,337</b>	<b>10%</b>	<b>10%</b>	<b>6,004</b>	<b>5,610</b>	<b>7%</b>	<b>5%</b>

<sup>1</sup> The expected profit from in-force business denominated in foreign currencies is translated at the current quarter's statement of income rate.

<sup>2</sup> The 'Source of Earnings' lines excludes the portion related to non-controlling interest.

<sup>3</sup> Includes tax items related to minority interest and release of premium income tax allowables. These balances are offset in the Income tax (expense) recovery line.

<sup>4</sup> Unallocated overhead represents Corporate and Other segment general expenses net of recoveries.

### Glossary

Expected profit from in-force business	Formula-driven release of PfADs (Provisions for Adverse Deviations).
Impact of new business	The capitalized value of future profits less PfADs in respect of new business.
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.
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.
Earnings (loss) on surplus funds	Actual investment returns on the Company's surplus (shareholders' equity).
Other	Earnings items not included in any other line of the SOE.
Income taxes	Tax charges to income.

**FINANCIAL HIGHLIGHTS (CONT'D)**

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



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4 AER	2019 Q4 vs. 2018 Q4 CER	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018 AER	YTD 2019 vs. YTD 2018 CER
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**Annualized Premium Equivalents Sales**

Asia	975	1,052	915	1,336	1,040	-6%	-8%	4,278	4,012	7%	4%
Canada	271	235	290	261	277	-2%	-2%	1,057	975	8%	8%
U.S.	249	156	154	143	152	64%	64%	702	553	27%	24%
<b>Total Annualized premium equivalents sales</b>	<b>1,495</b>	<b>1,443</b>	<b>1,359</b>	<b>1,740</b>	<b>1,469</b>	<b>2%</b>	<b>1%</b>	<b>6,037</b>	<b>5,540</b>	<b>9%</b>	<b>7%</b>
<b>Total Annualized premium equivalents sales CER</b>	<b>1,495</b>	<b>1,443</b>	<b>1,345</b>	<b>1,729</b>	<b>1,487</b>		<b>1%</b>	<b>6,012</b>	<b>5,616</b>		<b>7%</b>

**Insurance Sales <sup>1</sup>**

Asia	845	897	761	1,177	861	-2%	-3%	3,680	3,209	15%	13%
Canada	214	186	240	205	227	-6%	-6%	845	745	13%	13%
U.S.	249	156	154	143	152	64%	64%	702	553	27%	24%
<b>Total Insurance sales</b>	<b>1,308</b>	<b>1,239</b>	<b>1,155</b>	<b>1,525</b>	<b>1,240</b>	<b>5%</b>	<b>4%</b>	<b>5,227</b>	<b>4,507</b>	<b>16%</b>	<b>14%</b>
<b>Total Insurance sales CER</b>	<b>1,308</b>	<b>1,240</b>	<b>1,142</b>	<b>1,514</b>	<b>1,253</b>		<b>4%</b>	<b>5,204</b>	<b>4,559</b>		<b>14%</b>

<sup>1</sup> Insurance sales consist of 100% of recurring premiums and 10% of both excess and single premiums.

**Annuities Sales <sup>2</sup>**

Asia	887	1,060	1,036	1,007	1,227	-28%	-30%	3,990	5,746	-31%	-33%
Canada	572	494	500	556	500	14%	14%	2,122	2,298	-8%	-8%
<b>Total Annuities sales</b>	<b>1,459</b>	<b>1,554</b>	<b>1,536</b>	<b>1,563</b>	<b>1,727</b>	<b>-16%</b>	<b>-17%</b>	<b>6,112</b>	<b>8,044</b>	<b>-24%</b>	<b>-26%</b>
<b>Total Annuities sales CER</b>	<b>1,459</b>	<b>1,545</b>	<b>1,532</b>	<b>1,565</b>	<b>1,759</b>		<b>-17%</b>	<b>6,101</b>	<b>8,207</b>		<b>-26%</b>

<sup>2</sup> Annuities sales, including single premium accumulation products, in Asia is comprised of 100% regular premiums/deposits sales and 100% single premium/deposits sales.

**New Business Value ("NBV") <sup>3</sup>**

Asia	390	430	364	411	402	-3%	-4%	1,595	1,443	11%	8%
Canada	59	51	65	62	51	16%	16%	237	207	14%	14%
U.S.	77	45	50	46	48	60%	61%	218	98	122%	119%
<b>Total New business value</b>	<b>526</b>	<b>526</b>	<b>479</b>	<b>519</b>	<b>501</b>	<b>5%</b>	<b>4%</b>	<b>2,050</b>	<b>1,748</b>	<b>17%</b>	<b>15%</b>
<b>Total New business value CER</b>	<b>526</b>	<b>526</b>	<b>472</b>	<b>517</b>	<b>507</b>		<b>4%</b>	<b>2,041</b>	<b>1,773</b>		<b>15%</b>

<sup>3</sup> New Business Value is not calculated for Global Wealth and Asset Management businesses, Manulife Bank, and Property and Casualty Reinsurance business.

**Global Wealth and Asset Management Gross Flows**

Asia	5,927	5,740	4,761	4,611	5,255	13%	12%	21,039	23,653	-11%	-11%
Canada	6,512	5,994	5,292	6,349	4,918	32%	32%	24,147	23,126	4%	4%
U.S. <sup>4</sup>	20,489	16,234	15,424	16,913	16,133	27%	28%	69,060	72,223	-4%	-7%
<b>Total Global Wealth and Asset Management Gross flows</b>	<b>32,928</b>	<b>27,968</b>	<b>25,477</b>	<b>27,873</b>	<b>26,306</b>	<b>25%</b>	<b>25%</b>	<b>114,246</b>	<b>119,002</b>	<b>-4%</b>	<b>-6%</b>
<b>Total Global Wealth and Asset Management Gross flows CER</b>	<b>32,928</b>	<b>27,950</b>	<b>25,176</b>	<b>27,649</b>	<b>26,289</b>		<b>25%</b>	<b>113,703</b>	<b>120,369</b>		<b>-6%</b>

**Global Wealth and Asset Management Net Flows**

Asia	164	2,325	1,678	614	1,078	-85%	-85%	4,781	5,706	-16%	-19%
Canada	1,038	(6,854)	129	2,052	(666)	-	-	(3,635)	1,998	-	-
U.S. <sup>4</sup>	3,686	119	(1,841)	(3,989)	(9,366)	-	-	(2,025)	(6,141)	67%	-68%
<b>Total Global Wealth and Asset Management Net flows</b>	<b>4,888</b>	<b>(4,410)</b>	<b>(34)</b>	<b>(1,323)</b>	<b>(8,954)</b>	<b>-</b>	<b>-</b>	<b>(879)</b>	<b>1,563</b>	<b>-</b>	<b>-</b>
<b>Total Global Wealth and Asset Management Net flows CER</b>	<b>4,888</b>	<b>(4,408)</b>	<b>(16)</b>	<b>(1,307)</b>	<b>(8,929)</b>		<b>-</b>	<b>(843)</b>	<b>1,904</b>		<b>-</b>

<sup>4</sup> U.S. business line includes Europe.

**FINANCIAL HIGHLIGHTS (CONT'D)**

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



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4 AER	2019 Q4 vs. 2018 Q4 CER	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018 AER	YTD 2019 vs. YTD 2018 CER
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**Premiums and Deposits - Insurance**

Net premiums and investment contract deposits <sup>1,2</sup>	9,346	9,447	8,796	8,427	1,928	385%		36,016	24,433	47%	
Segregated fund deposits	1,837	1,804	1,758	1,792	2,003	-8%		7,191	8,437	-15%	
ASO premium equivalents	893	884	897	821	836	7%		3,495	3,295	6%	
<b>Total Premiums and deposits - Insurance</b>	<b>12,076</b>	<b>12,135</b>	<b>11,451</b>	<b>11,040</b>	<b>4,767</b>	<b>153%</b>	<b>151%</b>	<b>46,702</b>	<b>36,165</b>	<b>29%</b>	<b>28%</b>
<b>Total Premiums and deposits - Insurance CER</b>	<b>12,076</b>	<b>12,187</b>	<b>11,562</b>	<b>11,066</b>	<b>4,810</b>		<b>151%</b>	<b>46,891</b>	<b>36,577</b>		<b>28%</b>

<sup>1</sup> Net premiums include life, health and annuity premiums, and premiums in the Canada Group Benefits reinsurance ceded agreement.

<sup>2</sup> Includes the \$7.0 billion impact of the Group Pay-out Annuity transaction in Q4 2018, \$3.7 billion impact of the Individual Pay-out Annuity transaction in Q3 2018, and the \$0.7 billion John Hancock Life Insurance Company of New York ("JHNY") portion of both transactions in Q1 2019.

<b>Premiums and Deposits - Corporate &amp; Other</b>	<b>36</b>	<b>25</b>	<b>27</b>	<b>24</b>	<b>27</b>	<b>33%</b>	<b>33%</b>	<b>112</b>	<b>98</b>	<b>14%</b>	<b>14%</b>
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**Assets Under Management and Administration <sup>3</sup>**

Asia	121,386	118,752	114,082	110,999	108,109	12%	17%	121,386	108,109	12%	17%
Canada	151,258	152,246	150,441	146,586	141,913	7%	7%	151,258	141,913	7%	7%
U.S. <sup>2</sup>	230,356	233,825	225,775	224,290	223,646	3%	8%	230,356	223,646	3%	8%
Global Wealth and Asset Management <sup>4</sup>	681,366	659,228	653,127	648,143	608,759	12%	16%	681,366	608,759	12%	16%
Corporate and Other	4,492	2,499	4,466	4,494	1,095	310%	310%	4,492	1,095	310%	310%
<b>Total Assets under management and administration</b>	<b>1,188,858</b>	<b>1,166,550</b>	<b>1,147,891</b>	<b>1,134,512</b>	<b>1,083,522</b>	<b>10%</b>	<b>13%</b>	<b>1,188,858</b>	<b>1,083,522</b>	<b>10%</b>	<b>13%</b>
<b>Total Assets under management and administration CER</b>	<b>1,188,858</b>	<b>1,151,759</b>	<b>1,141,655</b>	<b>1,112,971</b>	<b>1,047,468</b>		<b>13%</b>	<b>1,188,858</b>	<b>1,047,468</b>		<b>13%</b>

<sup>3</sup> 2018 AUMA by segment reflects a restatement of 2018 assets backing capital allocated to each segment from the Corporate and Other segment to align with the methodology used in 2019.

<sup>4</sup> Global Wealth and Asset Management AUMA at December 31, 2019 is \$854 billion and includes \$198 billion of asset managed on behalf of other segments. (see page 23).

**Assets Under Management and Administration <sup>3</sup>**

<b>Assets Under Management</b>											
General fund <sup>2</sup>	378,527	380,115	367,285	359,458	353,664	7%		378,527	353,664	7%	
Segregated funds excluding institutional advisory accounts	341,149	334,622	333,088	332,687	311,373	10%		341,149	311,373	10%	
Mutual funds <sup>5,6</sup>	217,015	207,371	202,694	200,158	188,729	15%		217,015	188,729	15%	
Institutional asset management	97,369	95,101	99,921	99,520	97,649	0%		97,369	97,649	0%	
Other funds <sup>7</sup>	9,401	8,916	8,767	8,488	7,658	23%		9,401	7,658	23%	
<b>Total assets under management</b>	<b>1,043,461</b>	<b>1,026,125</b>	<b>1,011,755</b>	<b>1,000,311</b>	<b>959,073</b>	<b>9%</b>	<b>13%</b>	<b>1,043,461</b>	<b>959,073</b>	<b>9%</b>	<b>13%</b>
Assets under administration	145,397	140,425	136,136	134,201	124,449	17%	21%	145,397	124,449	17%	21%
<b>Total assets under management and administration</b>	<b>1,188,858</b>	<b>1,166,550</b>	<b>1,147,891</b>	<b>1,134,512</b>	<b>1,083,522</b>	<b>10%</b>	<b>13%</b>	<b>1,188,858</b>	<b>1,083,522</b>	<b>10%</b>	<b>13%</b>

<sup>3</sup> Includes ETF assets.

<sup>6</sup> Mutual Funds include Separate Managed Accounts (SMA) and Unified Managed Accounts (UMA), which were previously reported as Institutional Asset Management. Prior periods have been restated to conform with current presentation.

<sup>7</sup> Other funds includes College Savings (529 plan).



**FINANCIAL HIGHLIGHTS (CONT'D)**

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



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018
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**Common Share Statistics**

Share Price - Toronto (in Canadian \$) <sup>1</sup>									
high	26.55	24.89	25.18	23.85	23.30	14%	26.55	27.77	-4%
low	20.81	21.37	22.52	18.94	17.80	17%	18.94	17.80	6%
close	26.36	24.30	23.80	22.60	19.37	36%	26.36	19.37	36%
Share Price - New York (in U.S \$) <sup>2</sup>									
high	20.40	18.87	18.71	17.96	18.18	12%	20.40	22.16	-8%
low	16.92	16.06	16.71	13.90	13.33	27%	13.90	13.33	4%
close	20.29	18.36	18.18	16.91	14.19	43%	20.29	14.19	43%
Common shares outstanding (millions)									
- end of period	1,949	1,952	1,962	1,970	1,971	-1%	1,949	1,971	-1%
- weighted average	1,948	1,961	1,965	1,965	1,980	-2%	1,958	1,983	-1%
- diluted weighted average	1,953	1,965	1,969	1,969	1,983	-2%	1,962	1,988	-1%
Dividend per common share paid in the quarter <sup>3</sup>	0.250	0.250	0.250	0.250	0.250	0%	1.000	0.910	10%
Common share dividend payout ratio	41%	73%	34%	23%	91%	-50 pps	36%	39%	-3 pps
Common share core dividend payout ratio	34%	33%	35%	33%	38%	-4 pps	34%	33%	1 pps

<sup>1</sup> The share prices are based on all Canadian trading venues, including the Toronto Stock Exchange.

<sup>2</sup> The share prices are based on all U.S. trading venues, including the New York Stock Exchange.

<sup>3</sup> On February 12, 2020, the Board of Directors approved an increase of 12% or 3.0 cents to the quarterly shareholders' dividend, resulting in a dividend of 28.0 cents per share on the common shares of the Company, payable on or after March 19, 2020 to shareholders of record at the close of business on February 25, 2020.

**Change in Common Shares Outstanding**

Beginning Balance	1,952	1,962	1,970	1,971	1,985		1,971	1,982	
Repurchased for cancellation	(11)	(19)	(18)	(10)	(23)		(58)	(23)	
Issued under dividend reinvestment plans	7	7	9	8	9		31	9	
Issued on exercise of stock options and deferred share units	1	2	1	1	-		5	3	
Ending Balance	1,949	1,952	1,962	1,970	1,971		1,949	1,971	

**Valuation Data**

Book value per common share	23.25	23.51	22.89	22.34	21.38	9%	23.25	21.38	9%
Market value to book value ratio	1.13	1.03	1.04	1.01	0.91	25%	1.13	0.91	25%
Book value excluding goodwill per common share	20.31	20.54	19.94	19.40	18.41	10%	20.31	18.41	10%
Book value excluding AOCI per common share	19.94	19.60	19.52	19.06	18.23	9%	19.94	18.23	9%
Market value to book value excluding goodwill ratio	1.30	1.18	1.19	1.17	1.05	23%	1.30	1.05	23%
Market capitalization (\$ billions)	51.4	47.4	46.7	44.5	38.2	35%	51.4	38.2	35%

**Capital Information**

Consolidated capital <sup>4</sup>	57,369	59,130	58,217	57,325	56,010	2%	57,369	56,010	2%
Financial leverage ratio <sup>5</sup>	25.1%	26.1%	26.4%	27.0%	28.6%	-3.5 pps	25.1%	28.6%	-3.5 pps
LICAT Total Ratio - The Manufacturers Life Insurance Company	140%	146%	144%	144%	143%	-3 pps	140%	143%	-3 pps

<sup>4</sup> Consolidated capital includes total equity less AOCI on cash flow hedges 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.

<sup>5</sup> Financial leverage ratio is calculated as the sum of long-term debt, capital instruments, and preferred shares divided by the sum of long-term debt, capital instruments, and total equity.

**Foreign Exchange Information <sup>6</sup>**

- Statements of Financial Position	(CDN to \$ 1 US)	1.2988	1.3243	1.3087	1.3363	1.3642	-5%
	(CDN to 1 YEN)	0.0120	0.0123	0.0121	0.0121	0.0124	-4%
- Statements of Income	(CDN to \$ 1 US)	1.3200	1.3204	1.3377	1.3295	1.3204	0%
	(CDN to 1 YEN)	0.0122	0.0123	0.0122	0.0121	0.0117	4%

<sup>6</sup> 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)



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	10,535	10,508	9,829	10,187	9,990	5%	41,059	39,150	5%
Premiums ceded to reinsurers <sup>1</sup>	(1,297)	(1,173)	(1,138)	(1,873)	(8,158)	84%	(5,481)	(15,138)	64%
Net premiums	9,238	9,335	8,691	8,314	1,832	404%	35,578	24,012	48%
<b>Investment income</b>									
Investment income <sup>2</sup>	4,004	3,932	3,710	3,747	3,278	22%	15,393	13,560	14%
Realized/ unrealized gains (losses) on assets supporting insurance and investment contract liabilities and on macro hedge program <sup>2</sup>	(4,503)	6,592	7,185	8,926	1,113	-	18,200	(9,028)	-
Net investment income (loss)	(499)	10,524	10,895	12,673	4,391	-	33,593	4,532	641%
<b>Other revenue</b>	2,433	2,770	2,634	2,562	2,291	6%	10,399	10,428	0%
<b>Total revenue</b>	11,172	22,629	22,220	23,549	8,514	31%	79,570	38,972	104%
<b>Contract benefits and expenses</b>									
To contract holders and beneficiaries									
Gross claims and benefits	7,284	6,920	7,287	7,169	7,521	-3%	28,660	27,878	3%
Increase (decrease) in insurance contract liabilities <sup>3</sup>	(712)	13,003	10,029	11,407	4,893	-	33,727	2,907	nm
Increase (decrease) in investment contract liabilities	34	26	67	43	47	-28%	170	35	386%
Benefits and expenses ceded to reinsurers	(1,592)	(802)	(1,505)	(1,474)	(1,437)	-11%	(5,373)	(5,153)	-4%
Decrease (increase) in reinsurance assets <sup>4</sup>	271	(1,579)	337	(298)	(7,563)	-	(1,269)	(9,733)	87%
<b>Net benefits and claims</b>	5,285	17,568	16,215	16,847	3,461	53%	55,915	15,934	251%
General expenses	2,066	1,925	1,894	1,801	2,177	-5%	7,686	7,957	-3%
Investment expenses	542	388	415	403	487	11%	1,748	1,708	2%
Commissions	1,638	1,582	1,525	1,548	1,576	4%	6,293	6,173	2%
Interest expense	325	348	318	328	359	-9%	1,319	1,275	3%
Net premium taxes	91	103	97	98	95	-4%	389	406	-4%
<b>Total contract benefits and expenses</b>	9,947	21,914	20,464	21,025	8,155	22%	73,350	33,453	119%
<b>Income before income taxes</b>	1,225	715	1,756	2,524	359	241%	6,220	5,519	13%
Income tax (expense) recovery	(89)	(100)	(240)	(289)	(43)	-107%	(718)	(632)	-14%
<b>Net income</b>	1,136	615	1,516	2,235	316	259%	5,502	4,887	13%
Less: net income (loss) attributed to non-controlling interests	69	13	78	73	10	590%	233	214	9%
Less: net income (loss) attributed to participating policyholders	(161)	(121)	(37)	(14)	(287)	44%	(333)	(127)	-162%
<b>Net income attributed to shareholders</b>	1,228	723	1,475	2,176	593	107%	5,602	4,800	17%
Preferred share dividends	(43)	(43)	(43)	(43)	(43)	0%	(172)	(168)	-2%
<b>Common shareholders' net income</b>	1,185	680	1,432	2,133	550	115%	5,430	4,632	17%

<sup>1</sup> Includes the \$7.0 billion impact of the Group Pay-out Annuity transaction in Q4 2018, the \$3.7 billion impact of the Individual Pay-out Annuity transaction in Q3 2018, and the \$0.7 billion JHNY portion of both transactions in Q1 2019.

<sup>2</sup> 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.

<sup>3</sup> 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 Increase (decrease) in insurance contract liabilities).

<sup>4</sup> Includes the \$7.5 billion impact of the Group Pay-out Annuity transaction in Q4 2018, the \$3.6 billion impact of the Individual Pay-out Annuity transaction in Q3 2018, and the \$0.8 billion JHNY portion of both transactions in Q1 2019.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Canadian \$ in millions, unaudited)



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4
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**ASSETS**

Invested assets						
Cash and short-term securities	20,300	18,018	16,770	16,097	16,215	25%
Securities						
Debt securities	198,122	202,405	194,328	188,486	185,594	7%
Public equities	22,851	21,694	21,529	21,146	19,179	19%
Loans						
Mortgages	49,376	50,027	48,768	48,519	48,363	2%
Private placements	37,979	37,227	36,255	36,390	35,754	6%
Policy loans	6,471	6,456	6,352	6,390	6,446	0%
Loans to bank clients	1,740	1,737	1,773	1,793	1,793	-3%
Real estate	12,928	13,028	12,805	12,801	12,777	1%
Other invested assets	28,760	29,523	28,705	27,836	27,543	4%
<b>Total invested assets</b>	<b>378,527</b>	<b>380,115</b>	<b>367,285</b>	<b>359,458</b>	<b>353,664</b>	<b>7%</b>
Other assets						
Accrued investment income	2,416	2,431	2,352	2,483	2,427	0%
Outstanding premiums	1,385	1,397	1,382	1,610	1,369	1%
Derivatives	19,449	25,849	20,192	15,959	13,703	42%
Reinsurance assets	41,446	42,493	41,143	42,430	43,053	-4%
Deferred tax asset	4,574	4,322	4,154	4,196	4,318	6%
Goodwill and intangible assets	9,975	10,030	9,928	10,004	10,097	-1%
Miscellaneous	8,250	8,568	8,413	9,349	8,431	-2%
<b>Total other assets</b>	<b>87,495</b>	<b>95,090</b>	<b>87,564</b>	<b>86,031</b>	<b>83,398</b>	<b>5%</b>
<b>Segregated funds net assets</b>	<b>343,108</b>	<b>336,621</b>	<b>334,786</b>	<b>334,425</b>	<b>313,209</b>	<b>10%</b>
<b>Total assets</b>	<b>809,130</b>	<b>811,826</b>	<b>789,635</b>	<b>779,914</b>	<b>750,271</b>	<b>8%</b>

**LIABILITIES AND EQUITY**

Policy liabilities						
Insurance contract liabilities	351,161	356,114	340,904	335,269	328,654	7%
Investment contract liabilities	3,104	3,158	3,171	3,209	3,265	-5%
Deposits from bank clients	21,488	21,741	21,165	19,984	19,684	9%
Derivatives	10,284	12,970	10,051	8,249	7,803	32%
Deferred tax liabilities	1,972	2,370	2,219	2,025	1,814	9%
Other liabilities	16,244	15,308	14,719	14,902	15,190	7%
	404,253	411,661	392,229	383,638	376,410	7%
Long-term debt	4,543	4,631	4,576	4,672	4,769	-5%
Capital instruments	7,120	8,143	8,132	8,185	8,732	-18%
<b>Segregated funds net liabilities</b>	<b>343,108</b>	<b>336,621</b>	<b>334,786</b>	<b>334,425</b>	<b>313,209</b>	<b>10%</b>
<b>Total liabilities</b>	<b>759,024</b>	<b>761,056</b>	<b>739,723</b>	<b>730,920</b>	<b>703,120</b>	<b>8%</b>
<b>Equity</b>						
Issued share capital						
Preferred shares	3,822	3,822	3,822	3,822	3,822	0%
Common shares	23,127	23,066	23,067	23,052	22,961	1%
Contributed surplus	254	254	260	265	265	-4%
Shareholders' retained earnings	15,488	14,936	14,965	14,239	12,704	22%
Shareholders' accumulated other comprehensive income (loss)						
Pension and other post-employment plans	(350)	(422)	(420)	(423)	(426)	18%
Available-for-sale securities	1,511	2,330	1,522	687	(265)	-
Cash flow hedges	(143)	(217)	(173)	(146)	(127)	-13%
Real estate revaluation surplus	31	31	31	31	20	55%
Translation of foreign operations	5,398	5,909	5,650	6,319	7,010	-23%
<b>Total shareholders' equity</b>	<b>49,138</b>	<b>49,709</b>	<b>48,724</b>	<b>47,846</b>	<b>45,964</b>	<b>7%</b>
Participating policyholders' equity	(243)	(83)	40	77	94	-
Non-controlling interests	1,211	1,144	1,148	1,071	1,093	11%
<b>Total equity</b>	<b>50,106</b>	<b>50,770</b>	<b>49,912</b>	<b>48,994</b>	<b>47,151</b>	<b>6%</b>
<b>Total liabilities and equity</b>	<b>809,130</b>	<b>811,826</b>	<b>789,635</b>	<b>779,914</b>	<b>750,271</b>	<b>8%</b>

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Canadian \$ in millions, unaudited)



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	YTD 2019	YTD 2018
<b>Preferred shares</b>							
Balance, beginning of period	3,822	3,822	3,822	3,822	3,822	3,822	3,577
Issued	-	-	-	-	-	-	250
Issuance costs, net of tax	-	-	-	-	-	-	(5)
<b>Balance, end of period</b>	<b>3,822</b>	<b>3,822</b>	<b>3,822</b>	<b>3,822</b>	<b>3,822</b>	<b>3,822</b>	<b>3,822</b>
<b>Common shares</b>							
Balance, beginning of period	23,066	23,067	23,052	22,961	23,045	22,961	22,989
Repurchased	(126)	(227)	(208)	(116)	(269)	(677)	(269)
Issued on exercise of stock options and deferred share units	15	41	34	14	3	104	59
Issued under Dividend Reinvestment and Share Purchase Plans	172	185	189	193	182	739	182
<b>Balance, end of period</b>	<b>23,127</b>	<b>23,066</b>	<b>23,067</b>	<b>23,052</b>	<b>22,961</b>	<b>23,127</b>	<b>22,961</b>
<b>Contributed surplus</b>							
Balance, beginning of period	254	260	265	265	274	265	277
Exercise of stock options and deferred share units	(3)	(8)	(6)	(3)	-	(20)	(10)
Stock option expense	3	2	3	3	3	11	10
Impact of deferred tax asset rate change	-	-	(2)	-	-	(2)	-
Acquisition of non-controlling interest	-	-	-	-	(12)	-	(12)
<b>Balance, end of period</b>	<b>254</b>	<b>254</b>	<b>260</b>	<b>265</b>	<b>265</b>	<b>254</b>	<b>265</b>
<b>Shareholders' retained earnings</b>							
Balance, beginning of period	14,936	14,965	14,239	12,704	12,862	12,704	10,083
Opening adjustment on adoption of IFRS 16	-	-	-	(19)	-	(19)	-
Net income attributed to shareholders	1,228	723	1,475	2,176	593	5,602	4,800
Preferred share dividends	(43)	(43)	(43)	(43)	(43)	(172)	(168)
Common share dividends	(489)	(493)	(494)	(489)	(499)	(1,965)	(1,802)
Common shares repurchased	(144)	(216)	(212)	(90)	(209)	(662)	(209)
<b>Balance, end of period</b>	<b>15,488</b>	<b>14,936</b>	<b>14,965</b>	<b>14,239</b>	<b>12,704</b>	<b>15,488</b>	<b>12,704</b>
<b>Shareholders' accumulated other comprehensive income (loss)</b>							
Balance, beginning of period	7,631	6,610	6,468	6,212	3,985	6,212	4,087
Other comprehensive income (loss)							
Remeasurement of pension and other post-employment plans, net of tax expense of \$16	72	(2)	3	3	(40)	76	(62)
Real estate revaluation reserve, net of tax expense of nil	-	-	-	11	-	11	(1)
Available-for-sale ("AFS") securities unrealized gains (losses), net of tax recovery of \$156	(729)	1,082	865	990	340	2,208	(456)
AFS securities realized losses (gains) & impairments (recoveries), net of tax recovery of \$37	(91)	(273)	(30)	(39)	7	(433)	13
Cash flow hedges unrealized gains (losses), net of tax expense of \$6	72	(54)	(27)	(19)	(19)	(28)	(34)
Cash flow hedges realized (gains) losses, net of tax expense of \$1	2	10	-	-	6	12	16
Unrealized foreign exchange gains (losses), net of \$90 hedges and tax recovery of \$3	(511)	259	(669)	(691)	1,933	(1,612)	2,650
Share of other comprehensive income (loss) of associates, net of tax expense of nil	1	(1)	-	1	-	1	(1)
<b>Balance, end of period</b>	<b>6,447</b>	<b>7,631</b>	<b>6,610</b>	<b>6,468</b>	<b>6,212</b>	<b>6,447</b>	<b>6,212</b>
<b>Total shareholders' equity, end of period</b>	<b>49,138</b>	<b>49,709</b>	<b>48,724</b>	<b>47,846</b>	<b>45,964</b>	<b>49,138</b>	<b>45,964</b>
<b>Participating policyholders' equity</b>							
Balance, beginning of period	(83)	40	77	94	380	94	221
Opening adjustment on adoption of IFRS 16	-	-	-	(3)	-	(3)	-
Net income (loss) attributed to participating policyholders	(161)	(121)	(37)	(14)	(287)	(333)	(127)
Other comprehensive income attributed to participating policyholders	1	(2)	-	-	1	(1)	-
<b>Balance, end of period</b>	<b>(243)</b>	<b>(83)</b>	<b>40</b>	<b>77</b>	<b>94</b>	<b>(243)</b>	<b>94</b>
<b>Non-controlling interests</b>							
Balance, beginning of period	1,144	1,148	1,071	1,093	1,119	1,093	929
Net income (loss) attributed to non-controlling interests	69	13	78	73	10	233	214
Other comprehensive income (loss) attributed to non-controlling interests	-	-	2	2	1	4	(2)
Contributions (distributions), net	(2)	(17)	(3)	(97)	(37)	(119)	(48)
<b>Balance, end of period</b>	<b>1,211</b>	<b>1,144</b>	<b>1,148</b>	<b>1,071</b>	<b>1,093</b>	<b>1,211</b>	<b>1,093</b>
<b>Total equity, end of period</b>	<b>50,106</b>	<b>50,770</b>	<b>49,912</b>	<b>48,994</b>	<b>47,151</b>	<b>50,106</b>	<b>47,151</b>

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Canadian \$ in millions, unaudited)



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018
<b>Operating activities</b>									
Net income (loss)	1,136	615	1,516	2,235	316	259%	5,502	4,887	13%
Adjustments									
Increase (decrease) in insurance contract liabilities	(712)	13,003	10,029	11,407	4,893	-	33,727	2,907	nm
Increase (decrease) in investment contract liabilities	34	26	67	43	47	-28%	170	35	386%
Decrease (increase) in reinsurance assets	271	(1,579)	337	414	(557)	-	(557)	893	-
Amortization of premium/discount on invested assets	31	27	29	30	42	-26%	117	212	-45%
Other amortization	162	152	157	155	261	-38%	626	747	-16%
Net realized and unrealized (gains) losses, including impairments on assets	4,131	(7,057)	(8,028)	(9,311)	(1,159)	-	(20,265)	8,727	-
Deferred income tax expense (recovery)	(498)	(159)	71	132	228	-	(454)	930	-
Stock option expense	3	2	3	3	3	0%	11	10	10%
Cash provided by operating activities before undernoted items	4,558	5,030	4,181	5,108	4,074	12%	18,877	19,348	-2%
Changes in policy related and operating receivables and payables	1,100	531	1,231	(1,197)	662	66%	1,665	(160)	-
<b>Cash provided by (used in) operating activities</b>	<b>5,658</b>	<b>5,561</b>	<b>5,412</b>	<b>3,911</b>	<b>4,736</b>	<b>19%</b>	<b>20,542</b>	<b>19,188</b>	<b>7%</b>
<b>Investing activities</b>									
Purchases and mortgage advances	(20,448)	(20,236)	(20,401)	(19,525)	(23,706)	14%	(80,610)	(101,172)	20%
Disposals and repayments	18,127	16,110	15,171	15,925	21,036	-14%	65,333	82,111	-20%
Changes in investment broker net receivables and payables	867	26	136	130	(1,094)	-	1,159	(128)	-
Net cash decrease from sale and purchase of subsidiaries and businesses	19	16	-	253	187	-90%	288	187	54%
<b>Cash provided by (used in) investing activities</b>	<b>(1,435)</b>	<b>(4,084)</b>	<b>(5,094)</b>	<b>(3,217)</b>	<b>(3,577)</b>	<b>60%</b>	<b>(13,830)</b>	<b>(19,002)</b>	<b>27%</b>
<b>Financing activities</b>									
Increase (decrease) in repurchase agreements and securities sold but not yet purchased	(196)	208	51	203	(714)	73%	266	(189)	-
Redemption of long-term debt, net	-	-	-	-	-	-	-	(400)	100%
Issue (redemption) of capital instruments, net	(1,000)	-	-	(500)	(250)	-300%	(1,500)	147	-
Secured borrowings from securitization transactions	107	-	-	-	250	-57%	107	250	-57%
Changes in deposits from bank clients, net	(245)	576	1,180	308	560	-	1,819	1,490	22%
Lease payments	(32)	(30)	(28)	(27)	-	-	(117)	-	-
Shareholder dividends paid in cash	(360)	(351)	(348)	(339)	(360)	0%	(1,398)	(1,788)	22%
NCI dividends paid in cash	(2)	(11)	(3)	-	-	-	(16)	(2)	-700%
Contributions from (distributions to) non-controlling interest, net	-	(6)	-	-	(49)	100%	(6)	(58)	90%
Common shares repurchased	(270)	(443)	(420)	(206)	(478)	44%	(1,339)	(478)	-180%
Common shares issued, net	15	41	34	14	3	400%	104	59	76%
Preferred shares issued, net	-	-	-	-	-	-	-	245	-100%
<b>Cash provided by (used in) financing activities</b>	<b>(1,983)</b>	<b>(16)</b>	<b>466</b>	<b>(547)</b>	<b>(1,038)</b>	<b>-91%</b>	<b>(2,080)</b>	<b>(724)</b>	<b>-187%</b>
<b>Cash and short-term securities</b>									
Increase (decrease) during the period	2,240	1,461	784	147	121	nm	4,632	(538)	-
Effect of foreign exchange rate changes on cash and short-term securities	(169)	80	(171)	(206)	572	-	(466)	822	-
Balance, beginning of period	17,477	15,936	15,323	15,382	14,689	19%	15,382	15,098	2%
<b>Balance, end of period</b>	<b>19,548</b>	<b>17,477</b>	<b>15,936</b>	<b>15,323</b>	<b>15,382</b>	<b>27%</b>	<b>19,548</b>	<b>15,382</b>	<b>27%</b>
<b>Cash and short-term securities</b>									
<b>Beginning of period</b>									
Gross cash and short-term securities	18,018	16,770	16,097	16,215	14,689	23%	16,215	15,965	2%
Net payments in transit, included in other liabilities	(541)	(834)	(774)	(833)	-	-	(833)	(867)	4%
<b>Net cash and short-term securities, beginning of period</b>	<b>17,477</b>	<b>15,936</b>	<b>15,323</b>	<b>15,382</b>	<b>14,689</b>	<b>19%</b>	<b>15,382</b>	<b>15,098</b>	<b>2%</b>
<b>End of period</b>									
Gross cash and short-term securities	20,300	18,018	16,770	16,097	16,215	25%	20,300	16,215	25%
Net payments in transit, included in other liabilities	(752)	(541)	(834)	(774)	(833)	-10%	(752)	(833)	10%
<b>Net cash and short-term securities, end of period</b>	<b>19,548</b>	<b>17,477</b>	<b>15,936</b>	<b>15,323</b>	<b>15,382</b>	<b>27%</b>	<b>19,548</b>	<b>15,382</b>	<b>27%</b>

**ASIA**

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



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018
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**Statements of Income <sup>1</sup>**

	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018
<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	3,890	4,081	3,615	4,034	3,608	8%	15,620	14,483	8%
Premiums ceded to reinsurers	(137)	(135)	(122)	(146)	(120)	-14%	(540)	(507)	-7%
<b>Investment income</b>	512	491	511	424	423	21%	1,938	1,817	7%
<b>Other revenue</b>	150	329	190	248	230	-35%	917	1,000	-8%
<b>Subtotal revenue</b>	4,415	4,766	4,194	4,560	4,141	7%	17,935	16,793	7%
Realized/ unrealized gains on invested assets supporting insurance and investment contract liabilities <sup>2</sup>	220	613	813	2,024	(129)	-	3,670	(1,599)	-
<b>Total revenue</b>	4,635	5,379	5,007	6,584	4,012	16%	21,605	15,194	42%
<b>Contract benefits and expenses</b>									
To contract holders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities <sup>2</sup>	3,239	4,292	3,704	4,997	2,965	9%	16,232	10,362	57%
Ceded benefits and expenses and change in reinsurance assets	(127)	(11)	(107)	(114)	(76)	-67%	(359)	(455)	21%
Change in investment contract liabilities	-	-	2	(2)	1	-100%	-	1	-100%
General expenses	469	442	405	394	436	8%	1,710	1,637	4%
Investment expenses	42	41	38	36	29	45%	157	118	33%
Commissions	488	512	459	527	495	-1%	1,986	1,878	6%
Other	55	52	51	49	45	22%	207	173	20%
<b>Total contract benefits and expenses</b>	4,166	5,328	4,552	5,887	3,895	7%	19,933	13,714	45%
<b>Income (loss) before income taxes</b>	469	51	455	697	117	301%	1,672	1,480	13%
Income tax (expense) recovery	(73)	(11)	(37)	(88)	(16)	-356%	(209)	(278)	25%
<b>Net income (loss)</b>	396	40	418	609	101	292%	1,463	1,202	22%
Less net income (loss) attributed to non-controlling interests	50	7	58	55	4	nm	170	161	6%
Less net income (loss) attributed to participating policyholders	(135)	(64)	3	32	(143)	6%	(164)	(276)	41%
<b>Net income (loss) attributed to shareholders</b>	481	97	357	522	240	100%	1,457	1,317	11%
<b>Net income (loss) attributed to shareholders CER</b>	481	93	359	528	253	90%	1,461	1,337	9%

<sup>1</sup> 2018 earnings reflects a restatement of 2018 earnings on assets backing capital allocated to each segment from the Corporate and Other segment to align with the methodology used in 2019.

<sup>2</sup> 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.

**ASIA (CONT'D)**

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



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4 AER <sup>1</sup>	2019 Q4 vs. 2018 Q4 CER <sup>2</sup>	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018 AER <sup>1</sup>	YTD 2019 vs. YTD 2018 CER <sup>2</sup>
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**Earnings Analysis <sup>3</sup>**

Hong Kong	209	185	176	169	159	31%	31%	739	587	26%	26%
Japan	64	89	79	136	120	-47%	-48%	368	448	-18%	-19%
Asia Other	136	149	125	118	103	32%	29%	528	454	16%	18%
Regional Office	(35)	(29)	(28)	(32)	(32)	-9%	-9%	(124)	(126)	2%	2%
<b>Total Core earnings (loss)</b>	<b>374</b>	<b>394</b>	<b>352</b>	<b>391</b>	<b>350</b>	<b>7%</b>	<b>5%</b>	<b>1,511</b>	<b>1,363</b>	<b>11%</b>	<b>11%</b>
<b>Total Core earnings CER</b>	<b>374</b>	<b>394</b>	<b>351</b>	<b>392</b>	<b>357</b>		<b>5%</b>	<b>1,511</b>	<b>1,362</b>		<b>11%</b>
<b>Items excluded from core earnings</b>											
Investment-related experience outside of core earnings	34	(10)	36	87	75			147	219		
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	73	(282)	(31)	44	(185)			(196)	(287)		
Change in actuarial methods and assumptions	-	(5)	-	-	-			(5)	21		
Reinsurance transactions	-	-	-	-	-			-	4		
Tax-related items and other	-	-	-	-	-			-	(3)		
<b>Net income (loss) attributed to shareholders</b>	<b>481</b>	<b>97</b>	<b>357</b>	<b>522</b>	<b>240</b>	<b>100%</b>	<b>90%</b>	<b>1,457</b>	<b>1,317</b>	<b>11%</b>	<b>9%</b>

**Source of Earnings - Core <sup>3, 4</sup>**

Expected profit from in-force business	219	215	209	204	198	11%	9%	847	783	8%	8%
Impact of new business	149	134	103	177	177	-16%	-17%	563	651	-14%	-13%
Experience gains (losses)	(13)	20	16	15	(30)	57%	58%	38	(63)	-	-
Management actions and changes in assumptions	-	15	-	-	-	-	-	15	(3)	-	-
Earnings on surplus funds	42	42	41	41	38	11%	10%	166	152	9%	10%
Other <sup>5</sup>	31	36	30	21	21	48%	53%	118	128	-8%	-6%
<b>Core earnings before income taxes</b>	<b>428</b>	<b>462</b>	<b>399</b>	<b>458</b>	<b>404</b>	<b>6%</b>	<b>5%</b>	<b>1,747</b>	<b>1,648</b>	<b>6%</b>	<b>6%</b>
Income tax (expense) recovery	(54)	(68)	(47)	(67)	(54)	0%	-3%	(236)	(285)	17%	15%
<b>Total Core earnings</b>	<b>374</b>	<b>394</b>	<b>352</b>	<b>391</b>	<b>350</b>	<b>7%</b>	<b>5%</b>	<b>1,511</b>	<b>1,363</b>	<b>11%</b>	<b>11%</b>

<sup>1</sup> AER percentage changes are calculated using actual exchange rates.

<sup>2</sup> CER percentage changes are calculated on a constant exchange rate basis.

<sup>3</sup> 2018 earnings reflects a restatement of 2018 earnings on assets backing capital allocated to each segment from the Corporate and Other segment to align with the methodology used in 2019.

<sup>4</sup> The 'Source of Earnings - Core' lines excludes the portion related to non-controlling interest.

<sup>5</sup> Includes tax items related to minority interest and release of premium income tax allowables. These balances are offset in the Income tax (expense) recovery line. The 4Q 2019 balance includes negative US\$1 million (3Q 2019: negative US\$4 million), which is the portion attributable to minority interest related to a US\$3 million tax benefit (3Q 2019: US\$7 million tax benefit) due to change in China tax regulations which is presented in the Income tax expense line.

The 4Q YTD balance includes negative US\$16 million attributable to minority interest related to US\$32 million tax benefit due to change in China tax regulations which is presented in the Income tax expense line.

## ASIA (CONT'D)

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



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4 AER	2019 Q4 vs. 2018 Q4 CER	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018 AER	YTD 2019 vs. YTD 2018 CER
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### Annualized Premium Equivalents Sales

Hong Kong	227	268	199	165	186	22%	22%	859	647	33%	33%
Japan	145	145	136	409	295	-51%	-52%	835	1,087	-23%	-24%
Asia Other	366	383	350	431	306	20%	18%	1,530	1,360	13%	14%
<b>Total Annualized premium equivalents sales</b>	<b>738</b>	<b>796</b>	<b>685</b>	<b>1,005</b>	<b>787</b>	<b>-6%</b>	<b>-8%</b>	<b>3,224</b>	<b>3,094</b>	<b>4%</b>	<b>4%</b>
<b>Total Annualized premium equivalents sales CER</b>	<b>738</b>	<b>796</b>	<b>685</b>	<b>1,003</b>	<b>801</b>		<b>-8%</b>	<b>3,222</b>	<b>3,088</b>		<b>4%</b>

### Insurance Sales

Hong Kong	209	251	182	148	161	30%	30%	790	520	52%	52%
Japan	74	53	48	319	195	-62%	-63%	494	677	-27%	-28%
Asia Other	357	374	341	418	295	21%	19%	1,490	1,277	17%	18%
<b>Total Insurance sales</b>	<b>640</b>	<b>678</b>	<b>571</b>	<b>885</b>	<b>651</b>	<b>-2%</b>	<b>-3%</b>	<b>2,774</b>	<b>2,474</b>	<b>12%</b>	<b>13%</b>
<b>Total Insurance sales CER</b>	<b>640</b>	<b>680</b>	<b>568</b>	<b>883</b>	<b>662</b>		<b>-3%</b>	<b>2,771</b>	<b>2,462</b>		<b>13%</b>

### Annuities Sales

Hong Kong	181	162	176	168	257	-30%	-30%	687	1,277	-46%	-46%
Japan	396	544	510	466	566	-30%	-33%	1,916	2,344	-18%	-19%
Asia Other	94	97	88	124	106	-11%	-14%	403	821	-51%	-51%
<b>Total Annuities sales</b>	<b>671</b>	<b>803</b>	<b>774</b>	<b>758</b>	<b>929</b>	<b>-28%</b>	<b>-30%</b>	<b>3,006</b>	<b>4,442</b>	<b>-32%</b>	<b>-33%</b>
<b>Total Annuities sales CER</b>	<b>671</b>	<b>796</b>	<b>782</b>	<b>764</b>	<b>953</b>		<b>-30%</b>	<b>3,013</b>	<b>4,476</b>		<b>-33%</b>

### New Business Value (NBV)

Hong Kong	150	171	117	98	127	19%	19%	536	418	28%	28%
Japan	41	52	51	115	91	-56%	-57%	259	329	-21%	-22%
Asia Other	104	103	104	96	86	22%	20%	407	365	12%	13%
<b>Total NBV</b>	<b>295</b>	<b>326</b>	<b>272</b>	<b>309</b>	<b>304</b>	<b>-3%</b>	<b>-4%</b>	<b>1,202</b>	<b>1,112</b>	<b>8%</b>	<b>8%</b>
<b>Total NBV CER</b>	<b>295</b>	<b>325</b>	<b>272</b>	<b>310</b>	<b>308</b>		<b>-4%</b>	<b>1,202</b>	<b>1,110</b>		<b>8%</b>

### New Business Value (NBV) Margin <sup>1</sup>

Hong Kong	66.3%	63.7%	58.9%	59.5%	68.0%			62.5%	64.6%		
Japan	27.7%	36.0%	37.3%	28.2%	31.0%			31.0%	30.3%		
Asia Other	31.9%	30.2%	33.7%	27.6%	31.2%			30.7%	30.7%		
<b>Total NBV margin</b>	<b>42.2%</b>	<b>43.2%</b>	<b>42.2%</b>	<b>33.6%</b>	<b>40.2%</b>			<b>39.8%</b>	<b>38.0%</b>		
<b>Total NBV margin CER</b>	<b>42.2%</b>	<b>43.1%</b>	<b>42.1%</b>	<b>33.6%</b>	<b>40.0%</b>			<b>39.8%</b>	<b>37.9%</b>		

<sup>1</sup> 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.



**ASIA (CONT'D)**

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



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4 AER	2019 Q4 vs. 2018 Q4 CER	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018 AER	YTD 2019 vs. YTD 2018 CER
<b>Premiums and Deposits</b>											
Premiums and investment contract deposits	3,753	3,947	3,489	3,891	3,482	8%		15,080	13,974	8%	
Segregated fund and other deposits	630	616	590	579	652	-3%		2,415	3,120	-23%	
<b>Total Premiums and deposits</b>	<b>4,383</b>	<b>4,563</b>	<b>4,079</b>	<b>4,470</b>	<b>4,134</b>	<b>6%</b>	<b>5%</b>	<b>17,495</b>	<b>17,094</b>	<b>2%</b>	<b>3%</b>
<b>Total Premiums and deposits CER</b>	<b>4,383</b>	<b>4,557</b>	<b>4,080</b>	<b>4,461</b>	<b>4,167</b>		<b>5%</b>	<b>17,481</b>	<b>16,978</b>		<b>3%</b>
<b>Premiums and Deposits by Business Units</b>											
Hong Kong	1,331	1,343	1,236	1,110	1,305	2%	2%	5,020	4,911	2%	2%
Japan	1,353	1,584	1,367	1,789	1,481	-9%	-10%	6,093	6,290	-3%	-3%
Asia Other	1,699	1,636	1,476	1,571	1,348	26%	25%	6,382	5,893	8%	10%
<b>Total Premiums and deposits</b>	<b>4,383</b>	<b>4,563</b>	<b>4,079</b>	<b>4,470</b>	<b>4,134</b>	<b>6%</b>	<b>5%</b>	<b>17,495</b>	<b>17,094</b>	<b>2%</b>	<b>3%</b>
<b>Total Weighted Premium Income (TWPI)</b>											
Hong Kong	1,028	976	921	828	936	10%	10%	3,753	3,391	11%	11%
Japan	1,095	1,202	1,012	1,496	1,090	0%	-3%	4,805	4,684	3%	1%
Asia Other	1,280	1,219	1,116	1,203	1,015	26%	25%	4,818	3,930	23%	25%
<b>TWPI</b>	<b>3,403</b>	<b>3,397</b>	<b>3,049</b>	<b>3,527</b>	<b>3,041</b>	<b>12%</b>	<b>10%</b>	<b>13,376</b>	<b>12,005</b>	<b>11%</b>	<b>11%</b>
<b>TWPI CER</b>	<b>3,403</b>	<b>3,386</b>	<b>3,054</b>	<b>3,527</b>	<b>3,090</b>		<b>10%</b>	<b>13,370</b>	<b>11,993</b>		<b>11%</b>
<b>Assets Under Management <sup>1</sup></b>											
General fund	77,304	74,371	71,664	67,857	65,075	19%		77,304	65,075	19%	
Segregated funds	16,138	15,289	15,512	15,182	14,176	14%		16,138	14,176	14%	
<b>Total Assets under management</b>	<b>93,442</b>	<b>89,660</b>	<b>87,176</b>	<b>83,039</b>	<b>79,251</b>	<b>18%</b>	<b>17%</b>	<b>93,442</b>	<b>79,251</b>	<b>18%</b>	<b>17%</b>
<b>Total Assets under management CER</b>	<b>93,442</b>	<b>90,313</b>	<b>87,110</b>	<b>83,574</b>	<b>79,765</b>		<b>17%</b>	<b>93,442</b>	<b>79,765</b>		<b>17%</b>
<sup>1</sup> 2018 AUM and earnings on assets backing capital allocated to each segment from the Corporate and Other segment have been restated to align with the capital allocation methodology used in 2019.											
<b>Number of Agents</b>											
Hong Kong	10,083	9,508	8,831	8,696	8,817	14%		10,083	8,817	14%	
Japan	2,117	2,170	2,125	2,107	2,107	0%		2,117	2,107	0%	
Asia Other	83,439	79,905	73,858	70,332	68,644	22%		83,439	68,644	22%	
<b>Total Number of agents</b>	<b>95,639</b>	<b>91,583</b>	<b>84,814</b>	<b>81,135</b>	<b>79,568</b>	<b>20%</b>		<b>95,639</b>	<b>79,568</b>	<b>20%</b>	
<b>Canadian \$ in millions - Key Metrics <sup>1</sup></b>											
Core earnings	494	520	471	520	463	7%	5%	2,005	1,766	14%	11%
Items excluded from core earnings	142	(392)	5	175	(145)	-		(70)	(62)	-13%	
Net income (loss) attributed to shareholders	636	128	476	695	318	100%	90%	1,935	1,704	14%	9%
Annualized Premium Equivalents Sales	975	1,052	915	1,336	1,040	-6%	-8%	4,278	4,012	7%	4%
Insurance Sales	845	897	761	1,177	861	-2%	-3%	3,680	3,209	15%	13%
Annuities Sales	887	1,060	1,036	1,007	1,227	-28%	-30%	3,990	5,746	-31%	-33%
New Business Value (NBV)	390	430	364	411	402	-3%	-4%	1,595	1,443	11%	8%
Premiums and Deposits	5,787	6,027	5,455	5,942	5,462	6%	5%	23,211	22,145	5%	3%
Assets Under Management	121,386	118,752	114,082	110,999	108,109	12%	17%	121,386	108,109	12%	17%

**CANADA**

(Canadian \$ millions, unaudited)



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018
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**Statements of Income <sup>1</sup>**

<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	2,818	2,632	2,618	2,599	2,677	5%	10,667	10,974	-3%
Premiums ceded to reinsurers	(422)	(404)	(387)	(379)	(394)	-7%	(1,592)	(1,547)	-3%
<b>Investment income</b>	1,161	1,060	1,118	1,258	920	26%	4,597	4,119	12%
<b>Other revenue</b>	278	262	260	288	343	-19%	1,088	1,446	-25%
<b>Subtotal revenue</b>	3,835	3,550	3,609	3,766	3,546	8%	14,760	14,992	-2%
Realized/ unrealized gains on invested assets supporting insurance and investment contract liabilities <sup>2</sup>	(1,592)	974	2,143	3,324	284	-	4,849	(1,394)	-
<b>Total revenue</b>	2,243	4,524	5,752	7,090	3,830	-41%	19,609	13,598	44%
<b>Contract benefits and expenses</b>									
To contract holders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities <sup>2</sup>	1,335	4,796	4,676	5,681	3,189	-58%	16,488	9,641	71%
Ceded benefits and expenses and change in reinsurance assets	(291)	(942)	(174)	(252)	(174)	-67%	(1,659)	(1,119)	-48%
Change in investment contract liabilities	20	-	25	10	9	122%	55	40	38%
General expenses	376	345	354	330	356	6%	1,405	1,352	4%
Investment expenses	86	83	82	80	87	-1%	331	342	-3%
Commissions	351	327	325	294	319	10%	1,297	1,158	12%
Other	165	197	175	175	188	-12%	712	658	8%
<b>Total contract benefits and expenses</b>	2,042	4,806	5,463	6,318	3,974	-49%	18,629	12,072	54%
<b>Income (loss) before income taxes</b>									
Income tax (expense) recovery	201	(282)	289	772	(144)	-	980	1,526	-36%
<b>Net income (loss)</b>	43	73	(13)	(78)	(28)	-	25	(311)	-
<b>Net income (loss) attributed to participating policyholders</b>	244	(209)	276	694	(172)	-	1,005	1,215	-17%
Less: net income (loss) attributed to participating policyholders	18	(37)	(41)	(57)	(98)	-	(117)	233	-
<b>Net income (loss) attributed to shareholders</b>	226	(172)	317	751	(74)	-	1,122	982	14%

<sup>1</sup> 2018 earnings reflects a restatement of 2018 earnings on assets backing capital allocated to each segment from the Corporate and Other segment to align with the methodology used in 2019.

<sup>2</sup> 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.

**CANADA (CONT'D)**  
(Canadian \$ millions, unaudited)



	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2019 Q4</b>	<b>YTD</b>	<b>YTD</b>	<b>YTD 2019</b>
	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>vs.</b>	<b>2019</b>	<b>2018</b>	<b>vs.</b>
						<b>2018 Q4</b>			<b>YTD 2018</b>

**Earnings Analysis <sup>1</sup>**

Insurance	183	224	195	185	210	-13%	787	890	-12%
Annuities	68	57	82	58	65	5%	265	309	-14%
Manulife Bank	37	37	35	40	30	23%	149	128	16%
<b>Total core earnings (loss)</b>	<b>288</b>	<b>318</b>	<b>312</b>	<b>283</b>	<b>305</b>	<b>-6%</b>	<b>1,201</b>	<b>1,327</b>	<b>-9%</b>
<b>Items excluded from core earnings</b>									
Investment-related experience outside of core earnings	69	(47)	2	453	(143)		477	240	
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities <sup>2</sup>	(97)	(335)	7	11	(234)		(414)	(307)	
Change in actuarial methods and assumptions	-	(108)	-	-	-		(108)	(370)	
Reinsurance transactions	(34)	-	-	4	-		(30)	102	
Tax-related items and other	-	-	(4)	-	(2)		(4)	(10)	
<b>Net income (loss) attributed to shareholders</b>	<b>226</b>	<b>(172)</b>	<b>317</b>	<b>751</b>	<b>(74)</b>	<b>-</b>	<b>1,122</b>	<b>982</b>	<b>14%</b>

<sup>1</sup> 2018 earnings reflects a restatement of 2018 earnings on assets backing capital allocated to each segment from the Corporate and Other segment to align with the methodology used in 2019.

<sup>2</sup> Segregated fund products include guarantees. These products are also referred to as variable annuities.

**Source of Earnings - Core <sup>1</sup>**

Expected profit from in-force business	253	268	241	241	249	2%	1,003	1,015	-1%
Impact of new business	8	8	18	10	14	-43%	44	27	63%
Experience gains (losses)	(34)	15	2	(14)	2	-	(31)	86	-
Management actions and changes in assumptions	-	-	24	-	-	-	24	-	-
Earnings on surplus funds	86	84	86	86	94	-9%	342	375	-9%
Other	-	(2)	-	-	(4)	100%	(2)	15	-
Insurance	313	373	371	323	355	-12%	1,380	1,518	-9%
Manulife Bank	51	50	46	55	41	24%	202	173	17%
<b>Core Earnings before income taxes</b>	<b>364</b>	<b>423</b>	<b>417</b>	<b>378</b>	<b>396</b>	<b>-8%</b>	<b>1,582</b>	<b>1,691</b>	<b>-6%</b>
Income tax (expense) recovery	(76)	(105)	(105)	(95)	(91)	16%	(381)	(364)	-5%
<b>Total Core Earnings</b>	<b>288</b>	<b>318</b>	<b>312</b>	<b>283</b>	<b>305</b>	<b>-6%</b>	<b>1,201</b>	<b>1,327</b>	<b>-9%</b>

**CANADA (CONT'D)**  
(Canadian \$ millions, unaudited)



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018	Fiscal 2018
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**Annualized Premium Equivalents Sales**

Individual Insurance	110	106	102	78	94	17%	396	289	37%	289
Group Insurance	104	80	138	127	133	-22%	449	456	-2%	456
Annuities	57	49	50	56	50	14%	212	230	-8%	230
<b>Total Sales</b>	<b>271</b>	<b>235</b>	<b>290</b>	<b>261</b>	<b>277</b>	<b>-2%</b>	<b>1,057</b>	<b>975</b>	<b>8%</b>	<b>975</b>

**Annuities Sales <sup>1</sup>**

Retail segregated fund products <sup>2</sup>	547	475	482	531	474	15%	2,035	2,161	-6%	2,161
Fixed Products	25	19	18	25	26	-4%	87	136	-36%	136
<b>Total Annuities Sales</b>	<b>572</b>	<b>494</b>	<b>500</b>	<b>556</b>	<b>500</b>	<b>14%</b>	<b>2,122</b>	<b>2,297</b>	<b>-8%</b>	<b>2,297</b>

<sup>1</sup> Annuities sales is comprised of 100% regular premiums/deposits sales and 100% single premium/deposit sales.

<sup>2</sup> Retail segregated fund products include guarantees. These products are also referred to as variable annuities.

<b>New Business Value (NBV)</b>	<b>59</b>	<b>51</b>	<b>65</b>	<b>62</b>	<b>51</b>	<b>16%</b>	<b>237</b>	<b>207</b>	<b>14%</b>	<b>207</b>
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**Premiums and Deposits**

Net premiums <sup>3</sup> and investment contract deposits	2,540	2,366	2,367	2,353	2,414	5%	9,626	9,950	-3%	9,950
Segregated fund deposits	549	475	484	531	475	16%	2,039	2,165	-6%	2,165
ASO premium equivalents	893	884	897	821	836	7%	3,495	3,295	6%	3,295
<b>Total premiums and deposits</b>	<b>3,982</b>	<b>3,725</b>	<b>3,748</b>	<b>3,705</b>	<b>3,725</b>	<b>7%</b>	<b>15,160</b>	<b>15,410</b>	<b>-2%</b>	<b>15,410</b>

<sup>3</sup> Net premiums include life, health and annuity premiums, and premiums in the Canada Group Benefits reinsurance ceded agreement.

**Premiums and Deposits by Business**

Individual Insurance	1,016	932	939	883	968	5%	3,770	3,566	6%	3,566
Group Insurance	2,395	2,301	2,311	2,266	2,257	6%	9,273	9,543	-3%	9,543
Annuities	571	492	498	556	500	14%	2,117	2,301	-8%	2,301
<b>Total premiums and deposits</b>	<b>3,982</b>	<b>3,725</b>	<b>3,748</b>	<b>3,705</b>	<b>3,725</b>	<b>7%</b>	<b>15,160</b>	<b>15,410</b>	<b>-2%</b>	<b>15,410</b>

**Assets Under Management <sup>4</sup>**

General funds, excluding Manulife Bank net lending assets	93,435	94,918	93,045	89,493	86,981	7%	93,435	86,981	7%	86,981
Manulife Bank net lending assets	22,178	22,017	21,957	21,791	21,626	3%	22,178	21,626	3%	21,626
Segregated funds	35,645	35,311	35,439	35,302	33,306	7%	35,645	33,306	7%	33,306
<b>Total assets under management</b>	<b>151,258</b>	<b>152,246</b>	<b>150,441</b>	<b>146,586</b>	<b>141,913</b>	<b>7%</b>	<b>151,258</b>	<b>141,913</b>	<b>7%</b>	<b>141,913</b>

<sup>4</sup> 2018 AUM reflects a restatement of 2018 assets backing capital allocated to each segment from the Corporate and Other segment to align with the methodology used in 2019.

<b>Manulife Bank Average Net Lending Assets</b>	<b>22,098</b>	<b>21,987</b>	<b>21,874</b>	<b>21,709</b>	<b>21,517</b>	<b>3%</b>	<b>21,902</b>	<b>21,027</b>	<b>4%</b>	<b>21,027</b>
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**U.S.**

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



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018
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**Statements of Income <sup>1, 2</sup>**

<b>Revenue</b>									
<b>Premium income</b>									
Gross premiums	1,933	1,871	1,763	1,660	1,914	1%	7,227	7,201	0%
Premiums ceded to reinsurers <sup>3</sup>	(532)	(454)	(446)	(982)	(5,765)	91%	(2,414)	(9,878)	76%
<b>Investment income</b>	1,478	1,328	1,315	1,261	1,475	0%	5,382	5,624	-4%
<b>Other revenue</b>	409	560	559	472	281	46%	2,000	1,966	2%
<b>Subtotal revenue</b>	3,288	3,305	3,191	2,411	(2,095)	-	12,195	4,913	148%
Realized/ unrealized gains (losses) on invested assets supporting insurance and investment contract liabilities <sup>4</sup>	(2,413)	3,622	2,922	2,189	737	-	6,320	(4,423)	-
<b>Total revenue</b>	875	6,927	6,113	4,600	(1,358)	-	18,515	490	nm
<b>Contract benefits and expenses</b>									
To contract holders and beneficiaries									
Gross benefits and claims paid and change in insurance contract liabilities <sup>4</sup>	729	7,193	5,762	4,699	4,019	-82%	18,383	5,893	212%
Ceded benefits and expenses and change in reinsurance assets <sup>5</sup>	(660)	(1,088)	(653)	(1,028)	(6,616)	90%	(3,429)	(10,061)	66%
Change in investment contract liabilities	10	9	12	9	11	-9%	40	(61)	-
General expenses	229	206	213	209	306	-25%	857	1,051	-18%
Investment expenses	165	58	58	59	139	19%	340	369	-8%
Commissions	267	215	220	208	250	7%	910	1,104	-18%
Other	35	39	37	34	42	-17%	145	163	-11%
<b>Total contract benefits and expenses</b>	775	6,632	5,649	4,190	(1,849)	-	17,246	(1,542)	-
<b>Income (loss) before income taxes</b>	100	295	464	410	491	-80%	1,269	2,032	-38%
Income tax (expense) recovery	9	(37)	(89)	(78)	(102)	-	(195)	(264)	26%
<b>Net income (loss) attributed to shareholders</b>	109	258	375	332	389	-72%	1,074	1,768	-39%

<sup>1</sup> 2018 earnings reflects a restatement of 2018 earnings on assets backing capital allocated to each segment from the Corporate and Other segment to align with the methodology used in 2019.

<sup>2</sup> 1Q19 amounts have been restated to conform to current year's presentation.

<sup>3</sup> Includes the US\$5.3 billion impact of the Group Pay-out Annuity transaction in Q4 2018, the US\$2.8 billion impact of the Individual Pay-out Annuity transaction in Q3 2018, and the US\$0.5 billion JHNY portion of both transactions in Q1 2019.

<sup>4</sup> 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.

<sup>5</sup> Includes the US\$5.7 billion impact of the Group Pay-out Annuity transaction in Q4 2018, the US\$2.8 billion impact of the Individual Pay-out Annuity transaction in Q3 2018, and the US\$0.6 billion JHNY portion of both transactions in Q1 2019.

**U.S. (CONT'D)**

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



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018
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**Earnings Analysis <sup>1</sup>**

U.S. Insurance	248	249	234	255	246	1%	986	898	10%
U.S. Annuities	123	108	95	102	99	24%	428	482	-11%
<b>Total core earnings (loss)</b>	371	357	329	357	345	8%	1,414	1,380	2%
<b>Items excluded from core earnings</b>									
Investment-related experience outside of core earnings	134	(102)	124	(107)	11		49	10	
Direct impact of equity markets and interest rates and variable annuity guarantee liabilities	(390)	(51)	(129)	45	(72)		(525)	191	
Change in actuarial methods and assumptions	-	54	-	-	-		54	219	
Reinsurance transactions	-	-	47	37	108		84	51	
Tax-related items and other	(6)	-	4	-	(3)		(2)	(83)	
<b>Total net income (loss) attributed to shareholders</b>	109	258	375	332	389	-72%	1,074	1,768	-39%

<sup>1</sup> 2018 earnings reflects a restatement of 2018 earnings on assets backing capital allocated to each segment from the Corporate and Other segment to align with the methodology used in 2019.

**Source of Earnings - Core <sup>1</sup>**

Expected profit from in-force business	335	338	344	329	319	5%	1,346	1,360	-1%
Impact of new business	62	35	34	24	22	182%	155	34	356%
Experience gains (losses)	(62)	(60)	(73)	(17)	6	-	(212)	(15)	nm
Management actions and changes in assumptions	11	-	-	-	-	-	11	-	-
Earnings on surplus funds	91	91	91	91	90	1%	364	361	1%
Other	1	5	3	11	(14)	-	20	(40)	-
<b>Core Earnings before income taxes</b>	438	409	399	438	423	4%	1,684	1,700	-1%
Income tax (expense) recovery	(67)	(52)	(70)	(81)	(78)	14%	(270)	(320)	16%
<b>Total Core Earnings</b>	371	357	329	357	345	8%	1,414	1,380	2%

**U.S. (CONT'D)**

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



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018
<b>Annualized Premium Equivalents Sales</b>									
JH Life	189	118	115	108	115	64%	530	426	24%
<b>Total Sales</b>	189	118	115	108	115	64%	530	426	24%
<b>New Business Value (NBV)</b>									
	58	34	37	35	36	61%	164	75	119%
<b>Premiums and Deposits</b>									
Premiums and investment contract deposits <sup>1</sup>	1,401	1,417	1,317	678	(3,851)	-	4,813	(2,677)	-
Segregated fund deposits	348	389	362	370	504	-31%	1,469	1,724	-15%
<b>Total premiums and deposits</b>	1,749	1,806	1,679	1,048	(3,347)	-	6,282	(953)	-
<b>Premiums and Deposits</b>									
JH Life	1,005	1,045	939	869	1,037	-3%	3,858	3,889	-1%
JH Long-Term Care	557	549	550	547	576	-3%	2,203	2,247	-2%
JH Annuities <sup>1</sup>	187	212	190	(368)	(4,960)	-	221	(7,089)	-
<b>Total premiums and deposits</b>	1,749	1,806	1,679	1,048	(3,347)	-	6,282	(953)	-
<b>Assets Under Management <sup>2</sup></b>									
General funds <sup>1</sup>	118,364	119,293	114,627	110,681	110,520	7%	118,364	110,520	7%
Segregated funds	58,996	57,271	57,890	57,164	53,420	10%	58,996	53,420	10%
<b>Total assets under management</b>	177,360	176,564	172,517	167,845	163,940	8%	177,360	163,940	8%
<b>Canadian \$ in millions - Key Metrics <sup>2</sup></b>									
Core earnings	489	471	441	475	454	8%	1,876	1,789	5%
Items excluded from core earnings	(346)	(129)	61	(34)	59	-	(448)	502	-
Net income (loss) attributed to shareholders	143	342	502	441	513	-72%	1,428	2,291	-38%
Annualized Premium Equivalents Sales	249	156	154	143	152	64%	702	553	27%
Total premiums and deposits <sup>1</sup>	2,308	2,383	2,248	1,393	(4,420)	-	8,332	(1,390)	-
Total assets under management <sup>1</sup>	230,356	233,825	225,775	224,290	223,646	3%	230,356	223,646	3%

<sup>1</sup> Includes the US\$5.3 billion impact of the Group Pay-out Annuity transaction in Q4 2018, the US\$2.8 billion impact of the Individual Pay-out Annuity transaction in Q3 2018, and the US\$0.5 billion JHNY portion of both transactions in Q1 2019.

<sup>2</sup> 2018 AUM and earnings on assets backing capital allocated to each segment from the Corporate and Other segment have been restated to align with the methodology used in 2019.

**GLOBAL WEALTH AND ASSET MANAGEMENT**

(Canadian \$ in millions, unaudited)



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4 AER <sup>1</sup>	2019 Q4 vs. 2018 Q4 CER <sup>2</sup>	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018 AER <sup>1</sup>	YTD 2019 vs. YTD 2018 CER <sup>2</sup>
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**Shareholders' Income Statement<sup>3</sup>**

<b>Revenue</b>											
Fee income	1,437	1,400	1,390	1,335	1,371	5%		5,562	5,472	2%	
Investment income	(4)	9	5	23	-	-		33	(9)	-	
<b>Total revenue</b>	1,433	1,409	1,395	1,358	1,371	5%		5,595	5,463	2%	
<b>Expenses</b>											
General, administrative and investment expenses	840	797	818	802	839	0%		3,257	3,206	2%	
Commissions	299	305	301	289	285	5%		1,194	1,195	0%	
<b>Total expenses</b>	1,139	1,102	1,119	1,091	1,124	1%		4,451	4,401	1%	
<b>Income before income taxes</b>	294	307	276	267	247	19%		1,144	1,062	8%	
Income tax (expense) recovery	(29)	(26)	(33)	(34)	(29)	0%		(122)	(108)	-13%	
<b>Net income attributed to shareholders</b>	265	281	243	233	218	22%	22%	1,022	954	7%	5%
<b>Net income attributed to shareholders CER</b>	265	281	240	233	217		22%	1,019	967		5%

**Earnings (loss) Analysis**

<b>Core earnings</b>											
Asia	66	71	77	75	53	25%	23%	289	257	12%	10%
Canada	80	89	77	73	63	27%	27%	319	266	20%	20%
U.S.	119	121	88	85	115	3%	5%	413	462	-11%	-12%
<b>Core earnings</b>	265	281	242	233	231	15%	15%	1,021	985	4%	2%
<b>Core earnings CER</b>	265	281	239	233	231		15%	1,018	998		2%
<b>Items excluded from core earnings</b>											
Tax-related items and other	-	-	1	-	(13)	100%		1	(31)	-	
<b>Net income attributed to shareholders</b>	265	281	243	233	218	22%	22%	1,022	954	7%	5%

**Core EBITDA by Geographic Source<sup>3,4</sup>**

Asia	85	91	92	91	67	27%	25%	359	328	9%	7%
Canada	133	143	127	123	105	27%	27%	526	447	18%	18%
U.S. <sup>3</sup>	173	170	156	152	190	-9%	-8%	651	722	-10%	-12%
<b>Core EBITDA</b>	391	404	375	366	362	8%	8%	1,536	1,497	3%	1%
<b>Core EBITDA CER</b>	391	405	372	366	363		8%	1,534	1,518		1%
Amortization of deferred acquisition costs and other Depreciation	78	78	79	76	77	1%		311	301	3%	
Amortization of deferred sales commissions	19	19	20	23	22	-14%		81	98	-17%	
Total depreciation and amortization	97	97	99	99	99	-2%		392	399	-2%	
<b>Core earnings before income taxes</b>	294	307	276	267	263	12%		1,144	1,098	4%	
Core income tax (expense) recovery	(29)	(26)	(34)	(34)	(32)	9%		(123)	(113)	9%	
<b>Core Earnings</b>	265	281	242	233	231	15%	15%	1,021	985	4%	2%

**Core EBITDA Margin<sup>5</sup>**

2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	Change	2019 YTD	2018 YTD	Change
27.3%	28.7%	26.9%	27.0%	26.4%	90 bps	27.5%	27.4%	10 bps

**Deferred Acquisition Costs and Deferred Sales Commissions by Geographic Source**

Asia	450	440	422	417	415	8%		450	415	8%	
Canada	254	253	250	250	251	1%		254	251	1%	
U.S.	1,759	1,779	1,761	1,799	1,842	-5%		1,759	1,842	-5%	
<b>Total deferred acquisition costs and deferred sales commissions</b>	2,463	2,472	2,433	2,466	2,508	-2%		2,463	2,508	-2%	

<sup>1</sup> AER percentage changes are calculated using actual exchange rates.

<sup>2</sup> CER percentage changes are calculated on a constant exchange rate basis.

<sup>3</sup> 1Q19 amounts have been restated to conform to current year's presentation.

<sup>4</sup> 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).

<sup>5</sup> Core EBITDA margin is Core EBITDA divided by total revenue.



**GLOBAL WEALTH AND ASSET MANAGEMENT (CONT'D)**

(Canadian \$ in millions, unaudited)



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4 AER	2019 Q4 vs. 2018 Q4 CER	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018 AER	YTD 2019 vs. YTD 2018 CER
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**Assets Under Management and Administration by Geographic Source**

Asia	169,001	165,171	160,495	157,136	150,178	13%	18%	169,001	150,178	13%	18%
Canada	221,348	216,177	220,771	216,785	200,425	10%	10%	221,348	200,425	10%	10%
U.S.	488,823	472,503	463,057	463,237	439,750	11%	17%	488,823	439,750	11%	17%
<b>Total WAM-managed Assets under management and administration</b>	<b>879,172</b>	<b>853,851</b>	<b>844,323</b>	<b>837,158</b>	<b>790,353</b>	<b>11%</b>	<b>15%</b>	<b>879,172</b>	<b>790,353</b>	<b>11%</b>	<b>15%</b>
Less: Assets managed on behalf of other segments <sup>1</sup>	(197,806)	(194,623)	(191,196)	(189,015)	(181,594)	-9%		(197,806)	(181,594)	-9%	
<b>Assets under management and administration</b>	<b>681,366</b>	<b>659,228</b>	<b>653,127</b>	<b>648,143</b>	<b>608,759</b>	<b>12%</b>	<b>16%</b>	<b>681,366</b>	<b>608,759</b>	<b>12%</b>	<b>16%</b>
<b>Assets under management and administration CER</b>	<b>681,366</b>	<b>659,228</b>	<b>653,127</b>	<b>648,143</b>	<b>608,759</b>	<b>12%</b>	<b>16%</b>	<b>681,366</b>	<b>608,759</b>	<b>12%</b>	<b>16%</b>

Asia	88,190	85,461	83,169	81,880	77,877	13%	18%	88,190	77,877	13%	18%
Canada	177,313	173,490	178,274	174,964	160,613	10%	10%	177,313	160,613	10%	10%
U.S.	415,863	400,277	391,684	391,299	370,269	12%	18%	415,863	370,269	12%	18%
<b>Assets under management and administration</b>	<b>681,366</b>	<b>659,228</b>	<b>653,127</b>	<b>648,143</b>	<b>608,759</b>	<b>12%</b>	<b>16%</b>	<b>681,366</b>	<b>608,759</b>	<b>12%</b>	<b>16%</b>

Assets under administration <sup>2</sup>	145,397	140,425	136,136	134,201	124,449	17%	21%	145,397	124,449	17%	21%
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**Assets Under Management and Administration by Business Line**

Retirement	356,379	344,762	338,248	336,522	311,706	14%	19%	356,379	311,706	14%	19%
Retail	226,875	218,547	213,761	210,869	198,194	14%	18%	226,875	198,194	14%	18%
Institutional Asset Management <sup>3</sup>	98,112	95,919	101,118	100,752	98,859	-1%	2%	98,112	98,859	-1%	2%
<b>Assets under management and administration</b>	<b>681,366</b>	<b>659,228</b>	<b>653,127</b>	<b>648,143</b>	<b>608,759</b>	<b>12%</b>	<b>16%</b>	<b>681,366</b>	<b>608,759</b>	<b>12%</b>	<b>16%</b>

**Changes in Assets Under Management and Administration**

<b>Beginning balance</b>	659,228	653,127	648,143	608,759	643,956	2%		608,759	609,002	0%	
Assets acquired/disposed	(1,441)	-	-	-	-	-		(1,441)	1,306	-	
Gross flows	32,928	27,968	25,477	27,873	26,306	25%		114,246	119,002	-4%	
Manulife Securities non-proprietary product net flows	137	(114)	424	512	223	-39%		959	482	99%	
Exchange traded fund net flows <sup>4</sup>	245	132	182	268	209	17%		827	733	13%	
Redemptions	(28,422)	(32,396)	(26,117)	(29,976)	(35,692)	20%		(116,911)	(118,654)	1%	
Investment income (loss) and other	18,691	10,511	5,018	40,707	(26,243)	-		74,927	(3,112)	-	
<b>Ending balance</b>	<b>681,366</b>	<b>659,228</b>	<b>653,127</b>	<b>648,143</b>	<b>608,759</b>	<b>12%</b>	<b>16%</b>	<b>681,366</b>	<b>608,759</b>	<b>12%</b>	<b>16%</b>

<sup>1</sup> Reflects assets managed by WAM business units on behalf of other, non-WAM business lines.

<sup>2</sup> Reflects WAM-sourced assets under administration included in Assets under management and administration.

<sup>3</sup> Includes the third party institutional business of Manulife Investment Management ("MIM"); includes derivative notional associated with the Company's liability driven investment product ("LDI"); and excludes assets managed on behalf of the Insurance businesses and the General Fund.

<sup>4</sup> Excludes ETF assets that are managed on behalf of insurance businesses.

**GLOBAL WEALTH AND ASSET MANAGEMENT (CONT'D)**

(Canadian \$ in millions, unaudited)



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4 AER	2019 Q4 vs. 2018 Q4 CER	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018 AER	YTD 2019 vs. YTD 2018 CER
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**Net Flows by Geographic Source**

Asia	164	2,325	1,678	614	1,078	-85%	-85%	4,781	5,706	-16%	-19%
Canada	1,038	(6,854)	129	2,052	(666)	-	-	(3,635)	1,998	-	-
U.S. <sup>1</sup>	3,686	119	(1,841)	(3,989)	(9,366)	-	-	(2,025)	(6,141)	67%	-68%
<b>Total Net flows</b>	4,888	(4,410)	(34)	(1,323)	(8,954)	-	-	(879)	1,563	-	-
<b>Total Net flows CER</b>	4,888	(4,408)	(16)	(1,307)	(8,929)	-	-	(843)	1,904	-	-

**Net Flows by Business Line**

Retirement	3	1,648	(602)	1,837	(541)	-	-	2,886	(1,467)	-	-
Retail	2,184	1,341	747	(2,245)	(10,108)	-	-	2,027	(6,056)	-	-
Institutional Asset Management <sup>2</sup>	2,701	(7,399)	(179)	(915)	1,695	59%	61%	(5,792)	9,086	-	-
<b>Total Net flows</b>	4,888	(4,410)	(34)	(1,323)	(8,954)	-	-	(879)	1,563	-	-

**Gross Flows by Geographic Source**

Asia	5,927	5,740	4,761	4,611	5,255	13%	12%	21,039	23,653	-11%	-11%
Canada	6,512	5,994	5,292	6,349	4,918	32%	32%	24,147	23,126	4%	4%
U.S. <sup>1</sup>	20,489	16,234	15,424	16,913	16,133	27%	28%	69,060	72,223	-4%	-7%
<b>Total Gross flows</b>	32,928	27,968	25,477	27,873	26,306	25%	25%	114,246	119,002	-4%	-6%
<b>Total Gross flows CER</b>	32,928	27,950	25,176	27,649	26,289	-	25%	113,703	120,369	-	-6%

**Gross Flows by Business Line**

Retirement	13,007	11,878	11,288	12,874	10,970	19%	19%	49,047	45,220	8%	6%
Retail	12,945	12,185	11,582	13,001	10,378	25%	25%	49,713	53,477	-7%	-8%
Institutional Asset Management <sup>2</sup>	6,976	3,905	2,607	1,998	4,958	41%	42%	15,486	20,305	-24%	-25%
<b>Total Gross flows</b>	32,928	27,968	25,477	27,873	26,306	25%	25%	114,246	119,002	-4%	-6%

<sup>1</sup> U.S. business line includes Europe.

<sup>2</sup> Includes the third party institutional business of Manulife Investment Management ("MIM"); includes derivative notional associated with the Company's liability driven investment product ("LDI"); and excludes assets managed on behalf of the Insurance businesses and the General Fund.

**CORPORATE AND OTHER**

(Canadian \$ in millions, unaudited)



	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018
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**Statements of Income <sup>1</sup>**

	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018
<b>Revenue</b>									
Gross investment income before items below	297	337	351	355	268	11%	1,340	1,040	29%
Gains (losses) on AFS equities and seed capital	64	62	61	111	(74)	-	298	178	67%
Gains (losses) on AFS bonds and related derivative positions	106	345	40	57	(83)	-	548	(356)	-
Gains (losses) on macro hedges	(5)	(1)	(5)	(42)	27	-	(53)	22	-
Interest on surplus funds allocated to reporting segments	(265)	(264)	(267)	(265)	(267)	1%	(1,061)	(1,058)	0%
Other revenue	(21)	(67)	(16)	(16)	(102)	79%	(120)	(330)	64%
<b>Total revenue, net</b>	<b>176</b>	<b>412</b>	<b>164</b>	<b>200</b>	<b>(231)</b>	-	<b>952</b>	<b>(504)</b>	-
<b>Contract benefits and expenses</b>									
General expenses	175	176	158	133	268	-35%	642	903	-29%
Investment expenses, net	(65)	(54)	(30)	(33)	(52)	-25%	(182)	(181)	-1%
Changes in actuarial methods and assumptions	-	(5)	-	-	-	-	(5)	-	-
Other	125	123	99	120	135	-7%	467	521	-10%
<b>Total contract benefits and expenses</b>	<b>235</b>	<b>240</b>	<b>227</b>	<b>220</b>	<b>351</b>	-33%	<b>922</b>	<b>1,243</b>	-26%
<b>Income (loss) before income taxes</b>	<b>(59)</b>	<b>172</b>	<b>(63)</b>	<b>(20)</b>	<b>(582)</b>	90%	<b>30</b>	<b>(1,747)</b>	-
Income tax (expense) recovery	(15)	(76)	(26)	45	168	-	(72)	480	-
<b>Net income (loss)</b>	<b>(74)</b>	<b>96</b>	<b>(89)</b>	<b>25</b>	<b>(414)</b>	82%	<b>(42)</b>	<b>(1,267)</b>	97%
Less net income (loss) attributed to non-controlling interest	1	5	-	(1)	4	-75%	5	6	-17%
<b>Net income (loss) attributed to shareholders - Corporate and Investments</b>	<b>(75)</b>	<b>91</b>	<b>(89)</b>	<b>26</b>	<b>(418)</b>	82%	<b>(47)</b>	<b>(1,273)</b>	96%
Net income attributed to shareholders' for Reinsurance business	33	53	26	30	36	-8%	142	142	0%
<b>Net income (loss) attributed to shareholders</b>	<b>(42)</b>	<b>144</b>	<b>(63)</b>	<b>56</b>	<b>(382)</b>	89%	<b>95</b>	<b>(1,131)</b>	-

**Earnings Analysis <sup>1</sup>**

	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018
<b>Core earnings</b>									
Corporate and other excluding core investment gains	(159)	(163)	(114)	(63)	(216)	26%	(499)	(657)	24%
Core investment gains	100	100	100	100	100	0%	400	400	0%
<b>Total core earnings (loss)</b>	<b>(59)</b>	<b>(63)</b>	<b>(14)</b>	<b>37</b>	<b>(116)</b>	49%	<b>(99)</b>	<b>(257)</b>	61%
<b>Items excluded from core loss</b>									
Investment-related experience outside of core earnings	(110)	(95)	(69)	(99)	(101)	-9%	(373)	(341)	-9%
Direct impact of equity markets and interest rates	127	279	64	118	(102)	-	588	(411)	-
Change in actuarial methods and assumptions (excl. URR changes)	-	23	-	-	-	-	23	6	283%
Restructuring charge	-	-	-	-	(63)	100%	-	(263)	100%
Tax-related items and other	-	-	(44)	-	-	-	(44)	135	-
<b>Net income (loss) attributed to shareholders</b>	<b>(42)</b>	<b>144</b>	<b>(63)</b>	<b>56</b>	<b>(382)</b>	89%	<b>95</b>	<b>(1,131)</b>	-

**Premiums and Deposits**

	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018
Premiums - Reinsurance business	36	25	27	24	27	33%	112	98	14%
<b>Total premiums and deposits</b>	<b>36</b>	<b>25</b>	<b>27</b>	<b>24</b>	<b>27</b>	<b>33%</b>	<b>112</b>	<b>98</b>	<b>14%</b>

**Assets Under Management <sup>1, 2</sup>**

	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019 Q4 vs. 2018 Q4	YTD 2019	YTD 2018	YTD 2019 vs. YTD 2018
General fund - Corporate and Investments (before derivative reclassification)	12,829	14,599	13,860	11,458	6,044	112%	12,829	6,044	112%
Derivative reclassification <sup>2</sup>	(9,195)	(12,912)	(10,171)	(7,738)	(5,929)	-55%	(9,195)	(5,929)	-55%
General fund - Corporate and Investments (after derivative reclassification)	3,634	1,687	3,689	3,720	115	nm	3,634	115	nm
General fund - Reinsurance	916	936	898	895	1,098	-17%	916	1,098	-17%
Segregated funds - elimination of amounts held by the Company	(58)	(124)	(121)	(121)	(118)	51%	(58)	(118)	51%
<b>Total assets under management</b>	<b>4,492</b>	<b>2,499</b>	<b>4,466</b>	<b>4,494</b>	<b>1,095</b>	<b>310%</b>	<b>4,492</b>	<b>1,095</b>	<b>310%</b>

<sup>1</sup> 2018 earnings and AUM reflects a restatement of 2018 earnings on assets backing capital allocated to each segment from the Corporate and Other segment to align with the methodology used in 2019.

<sup>2</sup> Includes consolidation entries relating to net derivative assets reclassified from invested assets to other lines on the balance sheet.



**Manulife**

# **Asset Information**

**INVESTED ASSETS - PORTFOLIO COMPOSITION**

(Canadian \$ in millions, unaudited)



	As at Q4 2019	%		As at Q3 2019	%		As at Q2 2019	%		As at Q1 2019	%		As at Q4 2018	%	
<b>Carrying value</b>															
<b>Cash and short-term securities</b>	<b>20,300</b>	<b>5.4</b>	<b>%</b>	<b>18,018</b>	<b>4.7</b>	<b>%</b>	<b>16,770</b>	<b>4.6</b>	<b>%</b>	<b>16,097</b>	<b>4.5</b>	<b>%</b>	<b>16,215</b>	<b>4.6</b>	<b>%</b>
Debt securities															
Government															
Canadian government & agency	23,361	6.2	%	23,785	6.3	%	23,991	6.5	%	23,396	6.5	%	23,787	6.7	%
US government & agency	28,252	7.5	%	29,846	7.9	%	27,177	7.4	%	25,488	7.1	%	25,924	7.3	%
Foreign governments & agency	21,743	5.7	%	21,877	5.8	%	21,424	5.8	%	20,887	5.8	%	20,260	5.7	%
Corporate	121,329	32.1	%	123,359	32.4	%	118,092	32.2	%	115,491	32.1	%	112,670	31.9	%
Securitized															
CMBS	1,373	0.4	%	1,370	0.3	%	1,414	0.4	%	1,456	0.4	%	1,472	0.5	%
RMBS	14	0.0	%	14	0.0	%	14	0.0	%	14	0.0	%	15	0.0	%
ABS	2,050	0.5	%	2,154	0.5	%	2,216	0.6	%	1,754	0.5	%	1,466	0.4	%
<b>Total debt securities</b>	<b>198,122</b>	<b>52.4</b>	<b>%</b>	<b>202,405</b>	<b>53.2</b>	<b>%</b>	<b>194,328</b>	<b>52.9</b>	<b>%</b>	<b>188,486</b>	<b>52.4</b>	<b>%</b>	<b>185,594</b>	<b>52.5</b>	<b>%</b>
<b>Private placement debt</b>	<b>37,979</b>	<b>10.0</b>	<b>%</b>	<b>37,227</b>	<b>9.8</b>	<b>%</b>	<b>36,255</b>	<b>9.9</b>	<b>%</b>	<b>36,390</b>	<b>10.1</b>	<b>%</b>	<b>35,754</b>	<b>10.1</b>	<b>%</b>
Mortgages															
Commercial															
Office	8,840	2.3	%	8,888	2.3	%	8,727	2.4	%	8,635	2.4	%	8,377	2.4	%
Multi family residential	8,871	2.3	%	9,154	2.5	%	8,720	2.4	%	8,737	2.5	%	8,706	2.5	%
Industrial	5,371	1.4	%	5,457	1.5	%	5,160	1.4	%	5,210	1.5	%	5,323	1.5	%
Other commercial	2,469	0.7	%	2,711	0.7	%	2,552	0.7	%	2,674	0.7	%	2,814	0.8	%
Other mortgages	3,273	0.9	%	3,367	0.9	%	3,224	0.9	%	3,004	0.8	%	2,995	0.8	%
Other mortgages															
Manulife Bank single family residential	20,076	5.3	%	19,947	5.2	%	19,879	5.4	%	19,734	5.5	%	19,596	5.5	%
Agriculture	476	0.1	%	503	0.1	%	506	0.1	%	525	0.1	%	552	0.2	%
<b>Total mortgages<sup>1</sup></b>	<b>49,376</b>	<b>13.0</b>	<b>%</b>	<b>50,027</b>	<b>13.2</b>	<b>%</b>	<b>48,768</b>	<b>13.3</b>	<b>%</b>	<b>48,519</b>	<b>13.5</b>	<b>%</b>	<b>48,363</b>	<b>13.7</b>	<b>%</b>
<b>Policy loans</b>	<b>6,471</b>	<b>1.7</b>	<b>%</b>	<b>6,456</b>	<b>1.7</b>	<b>%</b>	<b>6,352</b>	<b>1.7</b>	<b>%</b>	<b>6,390</b>	<b>1.8</b>	<b>%</b>	<b>6,446</b>	<b>1.8</b>	<b>%</b>
<b>Loans to bank clients</b>	<b>1,740</b>	<b>0.5</b>	<b>%</b>	<b>1,737</b>	<b>0.5</b>	<b>%</b>	<b>1,773</b>	<b>0.4</b>	<b>%</b>	<b>1,793</b>	<b>0.5</b>	<b>%</b>	<b>1,793</b>	<b>0.5</b>	<b>%</b>
<b>Public equities</b>															
Par, equity-linked and pass-through	17,031	4.5	%	16,211	4.3	%	16,096	4.4	%	15,614	4.3	%	13,940	3.9	%
Nonpar and surplus	5,820	1.5	%	5,483	1.4	%	5,433	1.5	%	5,532	1.6	%	5,239	1.5	%
<b>Total public equities</b>	<b>22,851</b>	<b>6.0</b>	<b>%</b>	<b>21,694</b>	<b>5.7</b>	<b>%</b>	<b>21,529</b>	<b>5.9</b>	<b>%</b>	<b>21,146</b>	<b>5.9</b>	<b>%</b>	<b>19,179</b>	<b>5.4</b>	<b>%</b>
<b>Real estate &amp; other invested assets</b>															
Alternative long-duration assets															
Office	7,279	1.9	%	7,526	2.0	%	7,434	2.0	%	7,068	2.0	%	7,064	2.0	%
Industrial	983	0.3	%	878	0.2	%	799	0.2	%	785	0.2	%	775	0.2	%
Company use	1,926	0.5	%	1,958	0.5	%	1,938	0.6	%	2,002	0.5	%	2,016	0.6	%
Other	2,740	0.7	%	2,666	0.7	%	2,634	0.7	%	2,946	0.8	%	2,922	0.8	%
<b>Total real estate</b>	<b>12,928</b>	<b>3.4</b>	<b>%</b>	<b>13,028</b>	<b>3.4</b>	<b>%</b>	<b>12,805</b>	<b>3.5</b>	<b>%</b>	<b>12,801</b>	<b>3.5</b>	<b>%</b>	<b>12,777</b>	<b>3.6</b>	<b>%</b>
Infrastructure	8,854	2.3	%	8,716	2.3	%	8,275	2.3	%	8,138	2.3	%	7,970	2.3	%
Private equity	6,396	1.7	%	7,489	2.0	%	7,175	2.0	%	6,793	1.9	%	6,769	1.9	%
Timberland	3,256	0.9	%	3,288	0.9	%	3,339	0.9	%	3,332	0.9	%	3,378	1.0	%
Oil & gas	3,245	0.9	%	3,329	0.9	%	3,433	0.9	%	3,528	1.0	%	3,416	1.0	%
Farmland	1,413	0.4	%	1,300	0.3	%	1,280	0.3	%	1,212	0.3	%	1,115	0.3	%
Other	1,679	0.4	%	1,441	0.4	%	1,361	0.4	%	947	0.3	%	791	0.1	%
<b>Total alternative long-duration assets</b>	<b>37,771</b>	<b>10.0</b>	<b>%</b>	<b>38,591</b>	<b>10.2</b>	<b>%</b>	<b>37,668</b>	<b>10.3</b>	<b>%</b>	<b>36,751</b>	<b>10.2</b>	<b>%</b>	<b>36,216</b>	<b>10.2</b>	<b>%</b>
Leveraged leases	3,371	0.9	%	3,401	0.9	%	3,326	0.9	%	3,361	0.9	%	3,575	1.1	%
Other	546	0.1	%	559	0.1	%	516	0.1	%	525	0.2	%	529	0.1	%
<b>Total real estate &amp; other invested assets</b>	<b>41,688</b>	<b>11.0</b>	<b>%</b>	<b>42,551</b>	<b>11.2</b>	<b>%</b>	<b>41,510</b>	<b>11.3</b>	<b>%</b>	<b>40,637</b>	<b>11.3</b>	<b>%</b>	<b>40,320</b>	<b>11.4</b>	<b>%</b>
<b>Total invested assets</b>	<b>378,527</b>	<b>100.0</b>	<b>%</b>	<b>380,115</b>	<b>100.0</b>	<b>%</b>	<b>367,285</b>	<b>100.0</b>	<b>%</b>	<b>359,458</b>	<b>100.0</b>	<b>%</b>	<b>353,664</b>	<b>100.0</b>	<b>%</b>

<sup>1</sup> Includes government insured mortgages (\$6,961 or 14% as at December 31, 2019).

**Fair value<sup>2</sup>**

Real estate	14,277	14,346	14,087	14,045	13,940
Total alternative long-duration assets	39,900	40,608	39,582	38,658	38,151
Total real estate & other invested assets	43,817	44,568	43,424	42,544	42,255

<sup>2</sup> 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 <sup>1</sup>	NAIC designation	As at Q4 2019		As at Q3 2019		As at Q2 2019		As at Q1 2019		As at Q4 2018	
				%		%		%		%		%
Debt Securities	AAA	1	36,106	18%	37,982	19%	36,200	19%	34,419	18%	36,108	20%
	AA	1	34,271	17%	34,892	17%	33,700	17%	33,093	18%	32,147	17%
	A	1	84,215	43%	85,514	42%	82,499	43%	80,159	43%	78,016	42%
	BBB	2	40,618	21%	41,229	21%	39,197	20%	38,226	20%	36,945	20%
	BB	3	2,053	1%	1,899	1%	1,826	1%	1,647	1%	1,621	1%
	B & lower, and unrated	4 & below	859	0%	889	0%	906	0%	942	0%	757	0%
	<b>Total</b>		<b>198,122</b>	<b>100%</b>	<b>202,405</b>	<b>100%</b>	<b>194,328</b>	<b>100%</b>	<b>188,486</b>	<b>100%</b>	<b>185,594</b>	<b>100%</b>
Private Placements	AAA	1	1,098	3%	1,121	3%	1,122	3%	1,112	3%	1,143	3%
	AA	1	5,513	14%	5,023	14%	4,846	14%	4,901	13%	4,968	14%
	A	1	14,311	38%	14,261	38%	13,781	38%	13,643	38%	13,304	37%
	BBB	2	14,139	37%	13,951	37%	13,846	38%	14,206	39%	14,055	39%
	BB	3	823	2%	832	2%	835	2%	910	3%	733	2%
	B & lower, and unrated	4 & below	2,095	6%	2,039	6%	1,825	5%	1,618	4%	1,551	5%
	<b>Total</b>		<b>37,979</b>	<b>100%</b>	<b>37,227</b>	<b>100%</b>	<b>36,255</b>	<b>100%</b>	<b>36,390</b>	<b>100%</b>	<b>35,754</b>	<b>100%</b>
Total	AAA	1	37,204	16%	39,103	16%	37,322	16%	35,531	16%	37,251	17%
	AA	1	39,784	17%	39,915	17%	38,546	17%	37,994	17%	37,115	17%
	A	1	98,526	42%	99,775	42%	96,280	42%	93,802	42%	91,320	41%
	BBB	2	54,757	23%	55,180	23%	53,043	23%	52,432	23%	51,000	23%
	BB	3	2,876	1%	2,731	1%	2,661	1%	2,557	1%	2,354	1%
	B & lower, and unrated	4 & below	2,954	1%	2,928	1%	2,731	1%	2,560	1%	2,308	1%
	<b>Total</b>		<b>236,101</b>	<b>100%</b>	<b>239,632</b>	<b>100%</b>	<b>230,583</b>	<b>100%</b>	<b>224,876</b>	<b>100%</b>	<b>221,348</b>	<b>100%</b>

<sup>1</sup> 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 December 31, 2019, the Company had \$502 (September 30, 2019 : \$613) notional outstanding of CDS protection sold.

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

	Country	As at Q4 2019		As at Q3 2019		As at Q2 2019		As at Q1 2019		As at Q4 2018	
			%		%		%		%		%
Debt Securities	U.S.	89,387	45%	92,164	46%	86,070	44%	82,213	44%	81,282	44%
	Canada	48,291	25%	49,355	24%	49,433	26%	48,737	26%	47,820	26%
	Europe	6,467	3%	6,280	3%	5,855	3%	5,561	3%	5,401	3%
	Asia & Other	53,977	27%	54,606	27%	52,970	27%	51,975	27%	51,091	27%
	<b>Total</b>	<b>198,122</b>	<b>100%</b>	<b>202,405</b>	<b>100%</b>	<b>194,328</b>	<b>100%</b>	<b>188,486</b>	<b>100%</b>	<b>185,594</b>	<b>100%</b>
Private Placements	U.S.	21,672	57%	21,008	56%	20,450	56%	20,502	56%	20,837	58%
	Canada	11,221	29%	11,167	30%	10,882	30%	10,924	30%	10,612	30%
	Europe	2,166	6%	2,191	6%	2,168	6%	2,174	6%	1,995	6%
	Asia & Other	2,920	8%	2,861	8%	2,755	8%	2,790	8%	2,310	6%
	<b>Total</b>	<b>37,979</b>	<b>100%</b>	<b>37,227</b>	<b>100%</b>	<b>36,255</b>	<b>100%</b>	<b>36,390</b>	<b>100%</b>	<b>35,754</b>	<b>100%</b>
Total	U.S.	111,059	47%	113,172	47%	106,520	46%	102,715	46%	102,119	46%
	Canada	59,512	25%	60,522	25%	60,315	26%	59,661	27%	58,432	27%
	Europe	8,633	4%	8,471	4%	8,023	4%	7,735	3%	7,396	3%
	Asia & Other	56,897	24%	57,467	24%	55,725	24%	54,765	24%	53,401	24%
	<b>Total</b>	<b>236,101</b>	<b>100%</b>	<b>239,632</b>	<b>100%</b>	<b>230,583</b>	<b>100%</b>	<b>224,876</b>	<b>100%</b>	<b>221,348</b>	<b>100%</b>

**INVESTED ASSETS - FIXED INCOME SECURITIES BY SECTOR AND UNREALIZED LOSSES**

(Canadian \$ in millions, unaudited)


**Portfolio by Sector / Industry Holdings (at carrying value)**

	As at Q4 2019			As at Q3 2019			As at Q2 2019			As at Q1 2019			As at Q4 2018		
	Carrying value	Investment %	grade %	Carrying value	Investment %	grade %	Carrying value	Investment %	grade %	Carrying value	Investment %	grade %	Carrying value	Investment %	grade %
<b>Government &amp; agency</b>	77,883	33%	98%	80,047	34%	99%	77,076	33%	99%	73,863	33%	99%	73,858	33%	99%
<b>Utilities</b>	44,426	19%	99%	44,906	19%	99%	42,964	19%	98%	42,758	19%	98%	41,929	19%	99%
<b>Financial</b>	31,929	13%	97%	31,930	13%	97%	31,637	14%	97%	31,835	14%	97%	31,340	14%	97%
<b>Energy</b>	20,196	9%	97%	19,934	8%	97%	18,746	8%	97%	18,367	8%	97%	17,685	8%	97%
<b>Consumer (non-cyclical)</b>	18,133	8%	96%	18,676	8%	96%	17,499	8%	97%	17,095	8%	97%	16,483	7%	97%
<b>Industrial</b>	19,024	8%	98%	19,620	8%	98%	19,130	8%	98%	18,256	8%	98%	17,508	8%	98%
<b>Basic materials</b>	4,572	2%	92%	4,594	2%	92%	4,207	2%	92%	3,898	2%	92%	3,539	2%	92%
<b>Consumer (cyclical)</b>	7,798	3%	94%	7,724	3%	94%	7,297	3%	94%	7,344	3%	94%	7,707	3%	95%
<b>Securitized MBS/ABS</b>	3,888	2%	100%	4,001	2%	100%	4,091	2%	100%	3,562	2%	100%	3,300	2%	100%
<b>Telecommunications</b>	4,170	2%	99%	4,148	2%	99%	4,019	2%	99%	3,871	2%	99%	3,716	2%	99%
<b>Technology</b>	2,473	1%	98%	2,448	1%	98%	2,332	1%	98%	2,292	1%	98%	2,352	1%	96%
<b>Media &amp; internet</b>	1,043	0%	93%	1,022	0%	93%	1,002	0%	95%	1,049	0%	95%	1,112	1%	92%
<b>Diversified &amp; miscellaneous</b>	566	0%	83%	582	0%	84%	583	0%	84%	686	0%	85%	819	0%	97%
<b>Total</b>	<b>236,101</b>	<b>100%</b>	<b>98%</b>	<b>239,632</b>	<b>100%</b>	<b>98%</b>	<b>230,583</b>	<b>100%</b>	<b>98%</b>	<b>224,876</b>	<b>100%</b>	<b>98%</b>	<b>221,348</b>	<b>100%</b>	<b>98%</b>

**Unrealized (losses)**

	As at Q4 2019				As at Q3 2019				As at Q2 2019				As at Q1 2019				As at Q4 2018			
	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
<b>Debt securities</b>																				
<i>Government</i>	67,568	(295)	0%	-	67,724	(145)	0%	-	66,527	(305)	0%	-	65,793	(627)	1%	-	68,534	(1,449)	2%	(248)
<i>Corporate</i>																				
Financials	28,102	(44)	0%	(9)	28,310	(30)	0%	(10)	28,425	(36)	0%	(9)	29,223	(104)	0%	(9)	29,433	(398)	1%	(9)
Non-financials	83,934	(175)	0%	(29)	84,511	(163)	0%	(27)	81,486	(190)	0%	(17)	81,372	(496)	1%	(18)	82,168	(1,803)	2%	(21)
<i>Securitized</i>																				
CMBS	1,357	(1)	0%	-	1,347	(1)	0%	-	1,395	(1)	0%	-	1,458	(11)	1%	-	1,491	(22)	1%	-
RMBS	13	-	0%	-	13	-	0%	-	13	-	0%	-	13	-	0%	-	14	-	0%	-
ABS	1,970	(1)	0%	-	2,047	(1)	0%	-	2,144	(6)	0%	-	1,733	(9)	1%	-	1,475	(25)	2%	-
<b>Private placement debt</b>	37,979	(81)	0%	(33)	37,227	(66)	0%	(26)	36,255	(73)	0%	(25)	36,390	(245)	1%	(26)	35,754	(838)	2%	-
<b>Fixed income securities<sup>1</sup></b>	<b>220,923</b>	<b>(597)</b>	<b>0%</b>	<b>(71)</b>	<b>221,179</b>	<b>(406)</b>	<b>0%</b>	<b>(63)</b>	<b>216,245</b>	<b>(611)</b>	<b>0%</b>	<b>(51)</b>	<b>215,982</b>	<b>(1,492)</b>	<b>1%</b>	<b>(53)</b>	<b>218,869</b>	<b>(4,535)</b>	<b>2%</b>	<b>(278)</b>

<sup>1</sup> 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.

# **Actuarial Liabilities Information**



**VARIABLE ANNUITY AND SEGREGATED FUND GUARANTEES**

(Canadian \$millions, unaudited)



	Guarantee Value			Net Amount at Risk <sup>2</sup>			Policy Liabilities Held <sup>3,5</sup>	SFG Capital <sup>6</sup>	Policy Liabilities Held plus Capital
	Gross Amount <sup>4</sup>	Amount Reinsured	Net of Reinsurance <sup>1</sup>	Gross Amount <sup>4</sup>	Amount Reinsured	Net of Reinsurance <sup>1</sup>			
<b>Q4 2019</b>	85,533	4,695	80,838	7,840	1,150	6,690	5,327	5,246	10,573
<b>Q3 2019</b>	87,620	4,853	82,767	9,018	1,318	7,700	7,254	5,213	12,467
<b>Q2 2019</b>	89,070	6,302	82,768	9,272	1,299	7,973	6,082	5,151	11,233
<b>Q1 2019</b>	92,004	6,592	85,412	10,414	1,405	9,009	5,461	5,062	10,523
<b>Q4 2018</b>	95,032	6,868	88,164	14,689	1,836	12,853	6,020	4,936	10,956

As at Q4 2019	Net of Reinsurance <sup>1</sup>		
	Total Guarantee Value <sup>4</sup>	Total Fund Value <sup>4</sup>	Net Amount at Risk <sup>2,4</sup>
<b>U.S.</b>			
Withdrawal Benefits	37,213	33,120	4,744
Income Benefits	464	393	81
Death Benefits	5,412	6,594	364
	<u>43,089</u>	<u>40,107</u>	<u>5,189</u>
<b>Canada</b>			
Withdrawal Benefits	12,391	11,242	1,149
Maturity Benefits	15,656	15,648	8
Death Benefits	1,904	8,444	21
	<u>29,951</u>	<u>35,334</u>	<u>1,178</u>
<b>Japan</b>			
Withdrawal Benefits	3,395	3,324	115
Maturity Benefits	575	687	2
Death Benefits	833	842	18
	<u>4,803</u>	<u>4,853</u>	<u>135</u>
<b>Reinsurance &amp; Other</b>	2,995	3,282	188

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> Starting Q1 2018, the Segregated Fund Guaranteed (SFG) Capital is approximated by 100% of the LICAT capital requirement multiplied by a scalar of 1.05 and grossed up based on a 120% capital ratio

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)

**The Manufacturers Life Insurance Company's LICAT****2019  
Q4****2019  
Q3****2019  
Q2****2019  
Q1****2018  
Q4****Available Capital Components:**

	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4
<b>Tier 1 capital</b>					
Common shares	34,447	34,447	34,447	34,447	34,447
Retained earnings	11,010	12,812	12,129	10,628	8,402
Other Tier 1 capital	12,446	14,470	13,471	13,415	13,279
<b>Gross Tier 1 capital</b>	<b>57,903</b>	<b>61,729</b>	<b>60,047</b>	<b>58,490</b>	<b>56,128</b>
<b>Deductions:</b>					
Goodwill and Intangibles	(9,045)	(9,133)	(9,038)	(9,117)	(9,190)
Other	(12,045)	(13,397)	(12,028)	(11,204)	(10,655)
<b>Tier 1 capital (A)</b>	<b>36,813</b>	<b>39,199</b>	<b>38,981</b>	<b>38,169</b>	<b>36,283</b>
<b>Tier 2 Capital</b>					
Gross Tier 2 capital	11,041	11,446	11,222	11,069	11,608
Deductions	-	-	-	-	-
<b>Tier 2 capital (B)</b>	<b>11,041</b>	<b>11,446</b>	<b>11,222</b>	<b>11,069</b>	<b>11,608</b>
<b>Total Available Capital (C) = (A+B)</b>	<b>47,854</b>	<b>50,645</b>	<b>50,203</b>	<b>49,238</b>	<b>47,891</b>
<b>Surplus Allowance and Eligible Deposits (D)</b>	<b>30,955</b>	<b>30,828</b>	<b>30,049</b>	<b>29,908</b>	<b>29,846</b>

**Base Solvency Buffer Components**

<b>Non-Participating Business</b>					
Credit risk	9,827	9,903	9,655	9,602	9,501
Market risk	18,273	17,529	17,939	17,562	16,923
Insurance risk	25,462	25,570	26,874	27,184	27,518
Less: Credits for Adjustable Products	(6,164)	(6,161)	(7,299)	(7,226)	(7,000)
<b>Participating Business</b>					
Capital Requirements for Credit, Market and Insurance Risks for Participating Products, net of Par Credits	5,975	5,804	5,699	5,306	4,967
Less: Diversification and Other Credits	(8,629)	(8,549)	(8,704)	(8,700)	(8,666)
<b>Capital Requirements for Non-Participating and Participating Business, net of Credits</b>	<b>44,744</b>	<b>44,096</b>	<b>44,164</b>	<b>43,728</b>	<b>43,243</b>
Segregated fund risk	4,164	4,137	4,088	4,017	3,918
Operational and other risks	4,849	4,780	4,774	4,741	4,641
<b>Subtotal of Base Solvency Buffer Components (E)</b>	<b>53,757</b>	<b>53,013</b>	<b>53,026</b>	<b>52,487</b>	<b>51,802</b>
<b>Base Solvency Buffer (F) = E x 105%</b>	<b>56,445</b>	<b>55,664</b>	<b>55,677</b>	<b>55,112</b>	<b>54,389</b>
<b>Total LICAT Ratio = (C+D)/F</b>	<b>140%</b>	<b>146%</b>	<b>144%</b>	<b>144%</b>	<b>143%</b>
<b>Excess Total Capital over Supervisory Target Ratio of 100% = (C+D) - 100% x F</b>	<b>22,364</b>	<b>25,809</b>	<b>24,575</b>	<b>24,034</b>	<b>23,348</b>

## REGULATORY CAPITAL (CONT'D)

(Canadian \$ in millions, unaudited)



LICAT Ratios – MLI				
(\$million, except percentage)				
Companies are required, at a minimum, to maintain a Core Ratio of 55% and a Total Ratio of 90%. OSFI has established supervisory target levels of 70% for Core and 100% for Total capital for operating companies such as MLI.				
(as at December 31)		2019	2018	Change
<b>Available Capital (AC1 + AC2)</b>	<b>(AC)</b>	<b>47,854</b>	<b>47,891</b>	<b>(37)</b>
<i>Tier 1 Capital</i>	(AC1)	<i>36,813</i>	<i>36,283</i>	<i>530</i>
<i>Tier 2 Capital</i>	(AC2)	<i>11,041</i>	<i>11,608</i>	<i>(567)</i>
<b>Surplus Allowance and Eligible Deposits</b>	<b>(SA + ED)</b>	<b>30,955</b>	<b>29,846</b>	<b>1,109</b>
<b>Base Solvency Buffer</b>	<b>(BSB)</b>	<b>56,445</b>	<b>54,389</b>	<b>2,056</b>
<b>Total Ratio ([AC + SA + ED] / BSB)</b>		<b>140%</b>	<b>143%</b>	<b>(3%)</b>
<b>Core Ratio ([AC1 + 70%SA + 70%ED] / BSB)</b>		<b>104%</b>	<b>105%</b>	<b>(1%)</b>

### Qualitative Analysis of Solvency Ratio (Period over Period) - MLI

The decrease in the MLI ratios was primarily driven by the narrowing of corporate spreads, and capital redemptions, partially offset by the decrease in risk-free rates and actions to release capital in our North American legacy businesses. However, the change in the Core ratio was slightly better than the Total ratio as Core capital was not affected by the redemption of Tier 2 subordinated debt.

LICAT Ratios – MFC				
(\$million, except percentage)				
Holding companies are required, at a minimum, to maintain a Core Ratio of 50% and a Total Ratio of 90%. Industry-wide supervisory targets are not applicable to regulated insurance holding companies such as MFC.				
(as at December 31)		2019	2018	Change
<b>Available Capital (AC1 + AC2)</b>	<b>(AC)</b>	<b>42,415</b>	<b>42,234</b>	<b>181</b>
<i>Tier 1 Capital</i>	(AC1)	<i>28,097</i>	<i>27,268</i>	<i>829</i>
<i>Tier 2 Capital</i>	(AC2)	<i>14,318</i>	<i>14,966</i>	<i>(648)</i>
<b>Surplus Allowance and Eligible Deposits</b>	<b>(SA + ED)</b>	<b>30,940</b>	<b>29,810</b>	<b>1,130</b>
<b>Base Solvency Buffer</b>	<b>(BSB)</b>	<b>56,666</b>	<b>54,759</b>	<b>1,907</b>
<b>Total Ratio ([AC + SA + ED] / BSB)</b>		<b>129%</b>	<b>132%</b>	<b>(3%)</b>
<b>Core Ratio ([AC1 + 70%SA + 70%ED] / BSB)</b>		<b>88%</b>	<b>88%</b>	<b>0%</b>

### Qualitative Analysis of Solvency Ratio (Period over Period) - MFC

The primary drivers of the change in the MFC ratios are consistent with MLI.

The difference between the MFC and MLI ratios is largely due to MFC senior debt that does not qualify as available capital at the MFC level but based on the form it was down-streamed to MLI, it qualifies as regulatory capital at the MLI level.

**GLOSSARY OF TERMS AND DEFINITIONS**

**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):** A measure of the size of the Company. It is comprised of the non-GAAP measures assets under management ("AUM"), which includes both assets of general account and external client assets for which we provide investment management services, and assets under administration ("AUA"), which 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.

**Life Insurance Capital Adequacy Test (LICAT):** The new LICAT regulatory capital regime established by the Office of the Superintendent of Financial Institutions (OSFI) came into effect in Canada on January 1, 2018, replacing the Minimum Continuing Capital and Surplus framework. The LICAT ratio compares the qualifying regulatory capital resources of a life insurance company to its required capital, each as specified under OSFI's LICAT guideline.

**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. Also includes premiums in the Canada Group Benefits reinsurance ceded agreement.

• **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 primarily a measure of the business volume calculated as expected claims plus administrative fees charged.

**Global Wealth and Asset Management:** Global 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.

**Consolidated 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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**TRANSFER AGENT**

Canada  
 CIBC Mellon Trust Company  
 1-800-783-9495  
[www.cibcmellon.com/investor](http://www.cibcmellon.com/investor)

United States  
 Mellon Investor Services  
 1-800-249-7702  
[www.melloninvestor.com](http://www.melloninvestor.com)

**COMMON STOCK**

Common Stock of Manulife Financial is traded on:

<u>Stock Exchange</u>	<u>Symbol</u>
Toronto	MFC
New York	MFC
Hong Kong	945
Philippines	MFC

**INVESTOR INFORMATION**

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**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.

<b>The Manufacturers Life Insurance Company</b>		(as at February 12, 2019)
<u>Purpose</u>	<u>Rating agency</u>	<u>Rating</u>
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)

<b>John Hancock Life Insurance Company (U.S.A)</b>		(as at February 12, 2019)
<u>Purpose</u>	<u>Rating agency</u>	<u>Rating</u>
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)