



Now Your Company

MANULIFE FINANCIAL CORPORATION

1

FIRST QUARTER REPORT
TO SHAREHOLDERS

Financial Highlights

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

For the three months ended March 31	2000	1999	% change
Premiums and deposits:			
Life and health insurance premiums	\$ 1,571	\$ 1,192	32
Annuity and pension premiums	708	499	42
Segregated fund deposits	3,896	2,553	53
Mutual fund deposits	207	151	37
ASO premium equivalents	143	131	9
Total premiums and deposits	\$ 6,525	\$ 4,526	44
As at March 31			
Funds under management:			
General fund	\$ 57,296	\$ 53,616	7
Segregated funds	53,870	39,586	36
Mutual and other managed funds	7,715	5,285	46
Total funds under management	\$ 118,881	\$ 98,487	21
For the three months ended March 31			
Net income:			
Net loss attributed to:			
Participating policyholders (after demutualization)	\$ (2)	\$ –	n/a
Net income attributed to:			
Shareholders (after demutualization)	\$ 227	\$ –	n/a
Mutual operations (prior to demutualization)	–	195	n/a
Adjusted shareholders' net income	\$ 227	\$ 195	16
Net income	\$ 225	\$ 195	15
As at March 31			
Capitalization:			
Subordinated debt	\$ 583	\$ 607	(4)
Trust preferred securities issued by subsidiaries	726	750	(3)
Equity			
Participating policyholders' equity	59	–	n/a
Shareholders' equity			
Common shares	612	–	n/a
Shareholders' retained earnings	5,774	–	n/a
Surplus	–	6,172	n/a
Total capital	\$ 7,754	\$ 7,529	3
Selected key performance measures:			
Adjusted basic earnings per share*	\$ 0.47	\$ 0.39	
Return on shareholders' equity (annualized)	14.2%	12.8%	
Return on assets (annualized)	1.6%	1.5%	
Adjusted book value per share**	\$ 13.24	\$ 12.32	
Shares outstanding (in thousands)			
End of period	482,153	501,051	
Weighted average	485,862	501,051	

* In these financial highlights, adjusted basic earnings per share has been calculated using total income attributed to shareholders and/or mutual operations for the period and the weighted average number of shares outstanding during the period. All common shares issued at demutualization and for the initial public offering are assumed to have been outstanding as at January 1, 1999.

** In these financial highlights, adjusted book value per share has been calculated using shareholders' equity (common shares and shareholders' retained earnings) or surplus and shares outstanding as at the end of the period.

Message to Shareholders

Since Manulife Financial's conversion to a shareholder owned company last fall, we have continued to perform well.

Our first quarter shareholders' earnings of \$227 million, or \$0.47 per share, represent an increase of 16 per cent from the first quarter of 1999. Return on shareholders' equity for the first quarter 2000 rose to 14.2 per cent from 12.8 per cent in the prior year's period. Strong sales growth, in both our wealth management and insurance businesses, together with the contribution of our new Japanese operation, drove premiums and deposits to \$6.5 billion for the quarter compared to \$4.5 billion in the first quarter 1999, an increase of 44 per cent. As at March 31, 2000, funds under management were \$118.9 billion, an increase of 21 per cent from March 31, 1999.

The United States continued its record sales growth in all three businesses. An on-going emphasis on product innovation – including the launch in early April of a personal brokerage account option for our 401(k) pension customers and new variable life insurance products – strengthens our relationships with both customers and distributors. A strong and expanding wholesaler distribution focus has resulted in an increased penetration of the broker/dealer channel and contributed to strong sales. Providing top quartile service is also a focus – Manulife Financial received an award from DALBAR for service to annuity investors for the second year in a row and we announced a new strategic alliance with mPower, the United States' leading online retirement investment advisor, to help 401(k) pension clients educate and motivate their employees to take important steps for a secure retirement.

In Canada, Manulife Financial is enjoying strong sales growth. We have significantly expanded our sales and marketing capacity through new distribution agreements with a number of new sales organizations and agencies while also growing our penetration of the stockbroker distribution channel. Sales through the stockbroker channel increased 31 per cent in the first quarter 2000 over the same period last year. Our reputation for innovative products and superior customer service were factors in winning several major contracts – the group benefits service contract for 37,000 employees and retirees of the City of Toronto, the key benefits partner for the Canadian Dental Association and the strategic life insurance provider for the Canadian Automobile Association.

Asia continues to be an exciting growth area for Manulife Financial. In all territories, marketing initiatives and improving economic conditions have delivered strong sales growth. During this quarter, Hong Kong commenced marketing activities for the new Mandatory Provident Fund and sales to date have exceeded expectations. We are proud that the Canadian Chamber of Commerce in Hong Kong has selected Manulife Financial as its recommended Mandatory Provident Fund provider for its members. In April, we celebrated our first year in Japan. In just a short time, we have launched two new products and made significant improvements to the distribution structure. Our new operation in Vietnam, opened just over six months ago, is already producing very strong sales and in January we opened a second office in Hanoi. We have received approval for the sale of the first participating life insurance policies in the People's Republic of China and are optimistic about the continuing prospects for growth in this franchise.

In April, Manulife Financial was added to all the key indices of the Toronto Stock Exchange, reflecting our leading position among the public companies of Canada. On April 7, MFC was the most actively traded stock on the TSE, with over 32 million shares traded, representing more than one-third of the TSE 300's volume.

Manulife Financial is extremely well positioned to take advantage of the globalization and consolidation currently taking place in the financial services sector. As a company, we have set ambitious goals – target ROE and average EPS growth of 15 per cent. We firmly believe we have the strategy, operations and people to deliver these results to our shareholders.

Dominic D'Alessandro

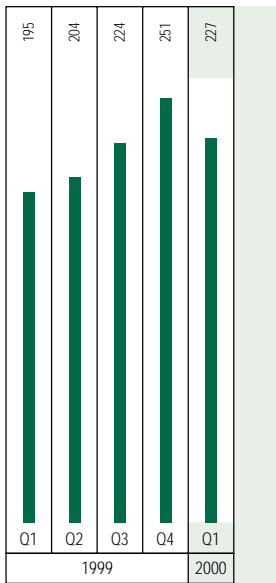
President and Chief Executive Officer

Key Performance Measures

As at and for the three months ended March 31, 2000

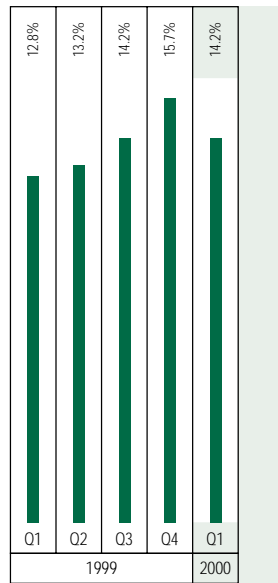
Adjusted Shareholders' Net Income

(Canadian \$ in millions, unaudited)



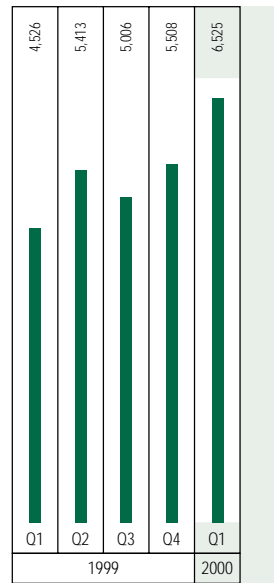
Return on Shareholders' Equity

(Canadian GAAP annualized %, unaudited)



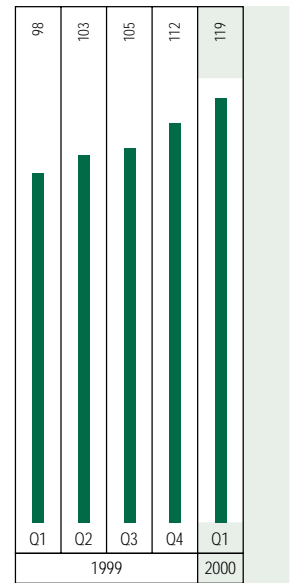
Premiums and Deposits

(Canadian \$ in millions, unaudited)



Funds Under Management

(Canadian \$ in billions, unaudited)



Management's Analysis of Operations

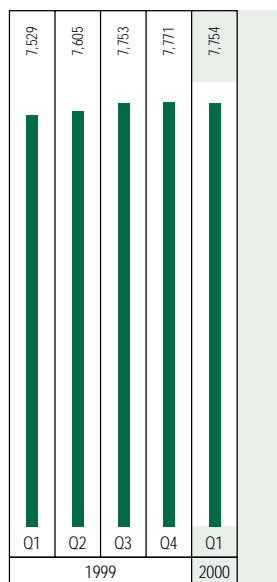
Overview

Manulife Financial reported a 16% increase in shareholders' net income for the first quarter ended March 31, 2000, increasing to \$227 million from \$195 million in 1999. This increase was primarily due to strong business growth in core insurance and wealth management operations, improved unit expenses and better investment results from strong equity markets, offset by less favourable claims experience.

The first quarter return on shareholders' equity (previously reported as surplus) was 14.2% compared to 12.8% for the same period in 1999. For the three months ended March 31, 2000, earnings per share were \$0.47 compared to adjusted basic earnings per share of \$0.39 in 1999.

Capital

(Canadian \$ in millions, unaudited)



Premiums and Deposits

Total premiums and deposits increased by 44% to \$6.5 billion in the first quarter of 2000 from \$4.5 billion in 1999. Premiums increased by 35% to \$2.3 billion driven by an increase in annuity sales together with insurance sales in Japan. First quarter sales of 401(k) pension products and variable annuities were also strong, driving a 53% increase in segregated fund deposits.

Funds Under Management

Funds under management increased by 21% to \$118.9 billion as at March 31, 2000 from \$98.5 billion as at March 31, 1999. This increase was predominantly driven by higher segregated fund assets, primarily due to strong sales of variable annuities and 401(k) pension products and market appreciation. General fund assets also increased, driven by growth in insurance and annuity businesses, higher investment earnings and assets associated with a Canadian assumption reinsurance arrangement in the second quarter of 1999.

Capital

Total capital increased to \$7.8 billion as at March 31, 2000 from \$7.5 billion as at March 31, 1999. The increase was primarily a result of net income, partially offset by a reduction in the foreign currency translation account arising from a strengthening of the Canadian dollar relative to other currencies at the end of the first quarter, shareholder dividends and capital transactions relating to the demutualization and the public offering in the third quarter of 1999 and the normal course issuer bid which commenced on October 12, 1999.

Results of Operations by Division

U.S. Division

U.S. Division net income increased by 8% to \$101 million in the first quarter of 2000 from \$94 million last year. This increase was primarily due to growth in the insurance operation, increased fees from the management of segregated fund variable annuity and 401(k) pension product assets, improved investment credit experience and improved unit expenses, offset by less favourable life insurance claims experience. First quarter premiums and deposits increased by 53% to \$4.1 billion, driven primarily by increased sales of 401(k) pension products and variable annuities resulting from increased penetration of the broker dealer market. Funds under management increased by 22% from \$55.1 billion as at March 31, 1999 to \$67.1 billion as at March 31, 2000, largely due to growth in segregated fund assets from new deposits and strong U.S. equity markets.

Canadian Division

Canadian Division net income increased by 11% to \$59 million, compared to \$54 million in the first quarter of 1999. The increased earnings were largely driven by expense management initiatives that reduced unit expenses, partially offset by less favourable long-term disability claims experience. Premiums and deposits increased by

Management's Analysis of Operations (cont'd)

9% to \$1.5 billion, with increases experienced in both the wealth management and insurance businesses. Funds under management rose by 9% from \$28.7 billion as at March 31, 1999 to \$31.3 billion as at March 31, 2000. This increase was largely due to segregated fund asset growth as a result of asset appreciation and net new deposits, and an increase in general fund assets associated with the Confederation Life assumption reinsurance arrangement in the second quarter of 1999.

Asian Division

Asian Division continued to benefit from the improved economic environment as net income increased by 34% to \$38 million, compared to the first quarter of 1999, primarily due to core business growth in Hong Kong, favourable persistency in Indonesia and the addition of the Japanese operation. Premiums and deposits increased by \$439 million to \$762 million primarily due to sales of single premium endowment products in Japan. Funds under management increased by 40% from \$6.0 billion as at March 31, 1999 to \$8.4 billion as at March 31, 2000. This increase was largely attributable to an increase in institutional funds managed by Manulife Funds Direct, segregated fund growth as a result of asset appreciation and net new variable pension deposits in Hong Kong.

Reinsurance Division

Reinsurance Division net income was \$29 million for the quarter, level with the first quarter of 1999, maintaining the performance improvement. All business lines made a positive contribution to this result. Less favourable claims experience was offset by lower taxes, as more income was earned in lower tax jurisdictions. Premiums increased by 6% to \$180 million in the first quarter of 2000, primarily due to strong growth in Property and Casualty reinsurance and Life and Financial reinsurance businesses. Accident and Health reinsurance premiums continued to decline as a result of the Company's exit from the U.S. medical reinsurance market and reduced participation in personal accident pools that have contributed to adverse claims experience in recent years. General fund assets increased by 4% from \$2.7 billion as at March 31, 1999 to \$2.8 billion as at March 31, 2000, reflecting business growth.

Normal Course Issuer Bid

On October 7, 1999, the Company announced the establishment of a normal course issuer bid program on The Toronto Stock Exchange (the "Exchange") authorizing the Company to purchase up to 25,045,161 common shares, representing approximately 5% of common shares issued and outstanding. The normal course issuer bid, accepted by the Exchange, commenced on October 12, 1999 and will expire on October 11, 2000 unless the maximum number of shares is purchased before then or the Company provides notice of early termination. Transactions will be executed on the Exchange at the prevailing market price in amounts and at times determined by the Company. Any shares purchased as part of the bid will be cancelled. As at March 31, 2000, the Company had purchased and cancelled 19 million of its common shares at a total cost of \$334 million. A copy of the Notice of Intention may be obtained without charge from the Investor Relations Department, 200 Bloor Street East, Toronto, Ontario, M4W 1E5.

Quarterly Dividend

On February 17, 2000, The Board of Directors announced approval of the Company's first post demutualization shareholders' dividend, a quarterly payout of \$0.10 per share on common shares of the Company, which was paid on April 28, 2000 to shareholders of record at the close of business on March 20, 2000.

Consolidated Statements of Operations

(Canadian \$ in millions, unaudited)

For the three months ended March 31

	2000	1999
Revenue		
Premium income	\$ 2,279	\$ 1,691
Investment income	1,085	1,024
Other revenue	291	225
Total revenue	\$ 3,655	\$ 2,940
Policy benefits and expenses		
To policyholders and beneficiaries		
Death and disability benefits	\$ 591	\$ 506
Maturity and surrender benefits	739	435
Annuity payments	302	324
Policyholder dividends and experience rating refunds	183	147
Net transfers to segregated funds	482	286
Increase in actuarial liabilities	218	351
General expenses	490	365
Commissions	256	196
Interest expense	40	41
Premium taxes	23	21
Non-controlling interest in subsidiaries	15	1
Trust preferred securities issued by subsidiaries	16	15
Total policy benefits and expenses	\$ 3,355	\$ 2,688
Income before income taxes	\$ 300	\$ 252
Income taxes	(75)	(57)
Net income	\$ 225	\$ 195
Net loss attributed to:		
Participating policyholders (after demutualization)	\$ (2)	\$ -
Net income attributed to:		
Shareholders (after demutualization)	\$ 227	\$ -
Mutual operations (prior to demutualization)	-	195
Adjusted shareholders' net income	\$ 227	\$ 195
Net income	\$ 225	\$ 195

Earnings per share (note 2)

Consolidated Balance Sheets

(Canadian \$ in millions, unaudited)	As at March 31	2000	1999
ASSETS			
	Invested assets		
	Bonds	\$ 30,867	\$ 30,519
	Mortgages	6,737	7,521
	Stocks	5,181	4,060
	Real estate	3,209	3,029
	Policy loans	3,341	3,189
	Cash and short-term investments	3,728	1,273
	Other investments	882	624
	Total invested assets	\$ 53,945	\$ 50,215
	Other assets		
	Accrued investment income	\$ 727	\$ 724
	Outstanding premiums	330	337
	Future income taxes	476	728
	Miscellaneous	1,818	1,612
	Total other assets	\$ 3,351	\$ 3,401
	Total assets	\$ 57,296	\$ 53,616
	Segregated fund net assets	\$ 53,870	\$ 39,586
LIABILITIES AND EQUITY			
	Actuarial liabilities	\$ 40,138	\$ 38,585
	Benefits payable and provision for unreported claims	1,528	1,359
	Policyholder amounts on deposit	1,217	1,047
	Deferred realized net gains	2,674	2,635
	Banking deposits	422	298
	Other liabilities	2,857	1,374
		\$ 48,836	\$ 45,298
	Subordinated debt	583	607
	Non-controlling interest in subsidiaries	706	789
	Trust preferred securities issued by subsidiaries	726	750
	Equity		
	Participating policyholders' equity	59	-
	Shareholders' equity (note 1)		
	Common shares	612	-
	Shareholders' retained earnings	5,774	-
	Surplus	-	6,172
	Total equity	\$ 6,445	\$ 6,172
	Total liabilities and equity	\$ 57,296	\$ 53,616
	Segregated fund net liabilities	\$ 53,870	\$ 39,586

Note:

These summary financial statements have been prepared in accordance with Canadian generally accepted accounting principles including the accounting requirements of the Superintendent of Financial Institutions (Canada) ("OSFI"). None of the accounting requirements of OSFI is an exception to accounting principles generally accepted in Canada.

Consolidated Statements of Equity

(Canadian \$ in millions, unaudited)	For the three months ended March 31	Participating Policyholders	Shareholders	2000	1999
Operating retained earnings					
Balance, January 1		\$ 61	\$ 5,722	\$ 5,783	\$ 5,762
Net income (loss) as a stock company		(2)	227	225	-
Net income as a mutual operation		-	-	-	195
Shareholder dividends		-	(49)	(49)	-
Purchase and cancellation of common shares		-	(190)	(190)	-
Balance, March 31		\$ 59	\$ 5,710	\$ 5,769	\$ 5,957
Currency translation account					
Balance, January 1		\$ -	\$ 43	\$ 43	\$ 243
Change during the period as a stock company		-	21	21	-
Change during the period as a mutual company		-	-	-	(28)
Balance, March 31		\$ -	\$ 64	\$ 64	\$ 215
Retained earnings		\$ 59	\$ 5,774	\$ 5,833	\$ 6,172
Common shares					
Balance, January 1		\$ -	\$ 628	\$ 628	\$ -
Purchase and cancellation of common shares		-	(16)	(16)	-
Balance, March 31		\$ -	\$ 612	\$ 612	\$ -
Total equity		\$ 59	\$ 6,386	\$ 6,445	\$ 6,172

Consolidated Statements of Cash Flows

(Canadian \$ in millions, unaudited)

For the three months ended March 31

	2000	1999
Operating activities		
Operating cash inflows		
Premiums and annuity considerations	\$ 2,306	\$ 1,667
Investment income received	927	858
Other revenue	291	225
Total operating cash inflows	\$ 3,524	\$ 2,750
Operating cash outflows		
Benefit payments	\$ 1,626	\$ 1,348
Insurance expenses and taxes	833	637
Dividends paid to policyholders	183	148
Net transfers to segregated funds	482	286
Change in other assets and liabilities	(84)	(11)
Total operating cash outflows	\$ 3,040	\$ 2,408
Cash provided by operating activities	\$ 484	\$ 342
Investing activities		
Purchases and mortgage advances	\$ (8,642)	\$ (8,702)
Disposals and repayments	8,866	8,251
Cash provided by (used in) investing activities	\$ 224	\$ (451)
Financing activities		
Increase in repurchase agreements and securities sold but not yet purchased	\$ 158	\$ -
Purchase and cancellation of common shares	(206)	-
Cash used in financing activities	\$ (48)	\$ -
Cash and short-term investments		
Increase (decrease) during the period	\$ 660	\$ (109)
Balance, January 1	2,810	1,140
Balance, March 31	\$ 3,470	\$ 1,031
Composition of cash and short-term investments		
Beginning of period		
Gross cash and short-term investments	\$ 3,047	\$ 1,329
Net payments in transit, included in other liabilities	(237)	(189)
Net cash and short-term investments, January 1	\$ 2,810	\$ 1,140
End of period		
Gross cash and short-term investments	\$ 3,728	\$ 1,273
Net payments in transit, included in other liabilities	(258)	(242)
Net cash and short-term investments, March 31	\$ 3,470	\$ 1,031

Segregated Funds

Consolidated Statements of Net Assets

(Canadian \$ in millions, unaudited)	As at March 31	2000	1999
Investments, at market values			
Bonds		\$ 3,304	\$ 3,870
Mortgages		–	6
Stocks		48,241	33,182
Real estate		7	11
Cash and short-term investments		2,323	2,489
Accrued investment income		20	27
Other assets (liabilities), net		(25)	1
Total segregated fund net assets, March 31		\$ 53,870	\$ 39,586
Composition of segregated fund net assets:			
Held by Policyholders		\$ 53,807	\$ 39,533
Held by the Company		63	53
Total segregated fund net assets, March 31		\$ 53,870	\$ 39,586

Segregated Funds

Consolidated Statements of Changes in Net Assets

(Canadian \$ in millions, unaudited)	For the three months ended March 31	2000	1999
Additions			
Deposits from policyholders		\$ 3,896	\$ 2,553
Realized and unrealized investment gains		2,273	395
Interest and dividends		294	339
Net transfers from general fund		482	286
Currency revaluation		343	(758)
Total additions		\$ 7,288	\$ 2,815
Deductions			
Payments to policyholders		\$ 2,295	\$ 1,285
Management and administrative fees		178	144
Total deductions		\$ 2,473	\$ 1,429
Net addition to segregated funds for the period		\$ 4,815	\$ 1,386
Segregated fund net assets, January 1		49,055	38,200
Segregated fund net assets, March 31		\$ 53,870	\$ 39,586

Notes to the Summary Consolidated Financial Statements

(Canadian \$ in millions unless otherwise stated, unaudited)

• NOTE 1 | Significant Accounting Policies

These summary financial statements have been prepared in accordance with Canadian generally accepted accounting principles including the accounting requirements of the Superintendent of Financial Institutions (Canada) ("OSFI"). None of the accounting requirements of OSFI is an exception to accounting principles generally accepted in Canada.

Manulife Financial Corporation ("Manulife Financial," the "Company") is a publicly traded stock life insurance company and the insurance holding company of The Manufacturers Life Insurance

Company ("Manufacturers Life") which was organized as a mutual life insurance company until September 23, 1999, on which date it demutualized. The assets, liabilities, equity and results of operations of Manufacturers Life have been presented in the consolidated financial statements of Manulife Financial Corporation on a continuity of interest basis. Accordingly, the comparative figures presented for the period ended March 31, 1999 are the result of the mutual operations of Manufacturers Life.

• NOTE 2 | Earnings Per Share

Basic earnings per share for the three-month period from January 1, 2000 to March 31, 2000 were \$0.47, calculated using net income attributable to

shareholders of \$227 and the weighted average of the number of shares outstanding for that period of 486 million.

• NOTE 3 | Normal Course Issuer Bid

On October 7, 1999, the Company announced the establishment of a normal course issuer bid program as discussed in Management's Analysis of

Operations. As at March 31, 2000, the Company had 482 million shares issued and outstanding (December 31, 1999 – 494 million).

• NOTE 4 | Segmented Information

The Company provides a wide range of financial products and services, including individual life insurance, group life and health insurance, pension products, annuities and mutual funds to individual and group customers in Canada, the United States and Asia. The Company also offers reinsurance services, primarily life and accident and health reinsurance, and provides investment management services with respect to the Company's general fund assets, segregated fund assets and mutual funds and, in Canada and Asia, to institutional customers.

The Company's business segments include the Canadian, U.S., Asian and Reinsurance divisions. Each division has profit and loss responsibility and develops products, services and distribution strategies based on the profile of its business and the needs of its market.

The results of the Company's business segments differ from geographic segmentation primarily as a consequence of segmenting the results of the Company's Reinsurance Division into the different geographic segments to which its business pertains.

By segment	Canadian Division	U.S. Division	Asian Division	Reinsurance Division	Other	Total
For the three months ended March 31, 2000						
Revenue						
Premium income						
Life and health insurance	\$ 442	\$ 426	\$ 523	\$ –	\$ –	\$ 1,391
Reinsurance	–	–	–	180	–	180
Annuities and pensions	195	408	105	–	–	708
Total premium income	\$ 637	\$ 834	\$ 628	\$ 180	\$ –	\$ 2,279
Investment income	428	477	83	47	50	1,085
Other revenue	58	200	20	3	10	291
Total revenue	\$ 1,123	\$ 1,511	\$ 731	\$ 230	\$ 60	\$ 3,655
Interest expense	\$ 10	\$ 8	\$ 9	\$ 1	\$ 12	\$ 40
Net income (loss) before tax	\$ 74	\$ 154	\$ 41	\$ 34	\$ (3)	\$ 300
Income taxes	(15)	(53)	(3)	(5)	1	(75)
Net income (loss)	\$ 59	\$ 101	\$ 38	\$ 29	\$ (2)	\$ 225
Amortization of realized and unrealized gains	\$ 39	\$ 80	\$ 14	\$ 2	\$ 35	\$ 170
Segregated fund deposits	\$ 505	\$ 3,284	\$ 107	\$ –	\$ –	\$ 3,896
As at March 31, 2000						
Actuarial liabilities	\$ 16,255	\$ 19,443	\$ 3,495	\$ 797	\$ 148	\$ 40,138
Funds under management						
General fund	\$ 20,763	\$ 23,673	\$ 5,890	\$ 2,774	\$ 4,196	\$ 57,296
Segregated funds	8,964	43,385	1,521	–	–	53,870
Mutual funds	1,539	–	184	–	–	1,723
Other managed funds	–	–	846	–	5,146	5,992

By geographic location	Canada	United States	Asia	Other	Total
For the three months ended March 31, 2000					
Revenue					
Premium income					
Life and health insurance	\$ 456	\$ 502	\$ 525	\$ 88	\$ 1,571
Annuities and pensions	195	408	105	–	708
Total premium income	\$ 651	\$ 910	\$ 630	\$ 88	\$ 2,279
Investment income	515	473	83	14	1,085
Other revenue	68	202	20	1	291
Total revenue	\$ 1,234	\$ 1,585	\$ 733	\$ 103	\$ 3,655

By segment	Canadian	U.S.	Asian	Reinsurance	Other	Total
For the three months ended March 31, 1999	Division	Division	Division	Division		
Revenue						
Premium income						
Life and health insurance	\$ 389	\$ 434	\$ 198	\$ –	\$ 1	\$ 1,022
Reinsurance	–	–	–	170	–	170
Annuities and pensions	222	249	28	–	–	499
Total premium income	\$ 611	\$ 683	\$ 226	\$ 170	\$ 1	\$ 1,691
Investment income	406	444	65	44	65	1,024
Other revenue	49	154	11	2	9	225
Total revenue	\$ 1,066	\$ 1,281	\$ 302	\$ 216	\$ 75	\$ 2,940
Interest expense	\$ 8	\$ 10	\$ 9	\$ –	\$ 14	\$ 41
Net income before tax	\$ 64	\$ 143	\$ 30	\$ 38	\$ (23)	\$ 252
Income taxes	(10)	(49)	(1)	(9)	12	(57)
Net income	\$ 54	\$ 94	\$ 29	\$ 29	\$ (11)	\$ 195
Amortization of realized and unrealized gains	\$ 44	\$ 63	\$ 7	\$ 2	\$ 34	\$ 150
Segregated fund deposits	\$ 462	\$ 2,000	\$ 91	\$ –	\$ –	\$ 2,553
As at March 31, 1999						
Actuarial liabilities	\$ 15,801	\$ 19,509	\$ 2,435	\$ 712	\$ 128	\$ 38,585
Funds under management						
General fund	\$ 19,988	\$ 23,774	\$ 4,839	\$ 2,662	\$ 2,353	\$ 53,616
Segregated funds	7,241	31,294	1,051	–	–	39,586
Mutual funds	1,483	–	119	–	–	1,602
Other managed funds	–	–	–	–	3,683	3,683

By geographic location	Canada	United States	Asia	Other	Total
For the three months ended March 31, 1999					
Revenue					
Premium income					
Life and health insurance	\$ 401	\$ 532	\$ 200	\$ 59	\$ 1,192
Annuities and pensions	222	249	28	–	499
Total premium income	\$ 623	\$ 781	\$ 228	\$ 59	\$ 1,691
Investment income	478	466	66	14	1,024
Other revenue	57	157	11	–	225
Total revenue	\$ 1,158	\$ 1,404	\$ 305	\$ 73	\$ 2,940

• NOTE 5 | Comparatives

Certain comparative amounts have been reclassified to conform with the current period's presentation.

Statistical Summary

	2000	1999			
	Q1	Q4	Q3	Q2	Q1
<small>(Canadian \$ in millions unless otherwise stated and per share information, unaudited)</small>					
Premiums and deposits:					
Life and health insurance premiums	1,571	1,527	1,506	2,143	1,192
Annuity and pension premiums	708	688	604	513	499
Segregated fund deposits	3,896	3,028	2,653	2,475	2,553
Mutual fund deposits	207	117	108	146	151
ASO premium equivalents	143	148	135	136	131
Total premiums and deposits	6,525	5,508	5,006	5,413	4,526
Funds under management:					
General fund	57,296	56,708	56,809	55,167	53,616
Segregated funds	53,870	49,055	42,408	42,502	39,586
Mutual and other managed funds	7,715	6,373	5,906	5,824	5,285
Total funds under management	118,881	112,136	105,123	103,493	98,487
Net income:					
Net loss attributed to:					
Participating policyholders (after demutualization)	(2)	(8)	–	–	–
Net income attributed to:					
Shareholders (after demutualization)	227	251	16	–	–
Mutual operations (prior to demutualization)	–	–	208	204	195
Adjusted shareholders' net income	227	251	224	204	195
Net income	225	243	224	204	195
Capitalization:					
Subordinated debt	583	582	597	588	607
Trust preferred securities issued by subsidiaries	726	735	733	750	750
Equity					
Participating policyholders' equity	59	61	69	–	–
Shareholders' equity					
Common shares	612	628	636	–	–
Shareholders' retained earnings	5,774	5,765	5,718	–	–
Surplus	–	–	–	6,267	6,172
Total capital	7,754	7,771	7,753	7,605	7,529
Selected key performance measures:					
Adjusted basic earnings per share*	\$ 0.47	\$ 0.50	\$ 0.45	\$ 0.41	\$ 0.39
Return on shareholders' equity (annualized)	14.2 %	15.7 %	14.2 %	13.2 %	12.8 %
Return on assets (annualized)	1.6 %	1.7 %	1.6 %	1.5 %	1.5 %
Adjusted book value per share**	\$ 13.24	\$ 12.94	\$ 12.68	\$ 12.51	\$ 12.32
Market value to adjusted book value ratio	1.61	1.43	1.38	–	–
Market capitalization (\$ billions)	10.3	9.1	8.7	–	–
Shares outstanding (weighted average in thousands)	485,862	499,187	501,051	501,051	501,051

* In this statistical summary, adjusted basic earnings per share has been calculated using total income attributed to shareholders and/or mutual operations for the period and the weighted average number of shares outstanding during the period. All common shares issued at demutualization and for the initial public offering are assumed to have been outstanding as at January 1, 1999.

** In this statistical summary, adjusted book value per share has been calculated using shareholders' equity (common shares and shareholders' retained earnings) or surplus and shares outstanding as at the end of the period.

Stock Trading Data

The following are the high, low and close prices for Manulife Financial Corporation's stock on the TSE, NYSE, SEHK and PSE for the first quarter (January 1 – March 31, 2000) plus the average daily trading volume on each exchange. (Stock symbol is **MFC** on all exchanges except SEHK where it is 0945.) As at May 12, 2000, there were 482,158 (in thousands) shares outstanding.

	Toronto	New York	Hong Kong	Philippines
High	\$ 21.45	\$ 14.75	\$ 109.50	P 585
Low	\$ 15.25	\$ 10.25	\$ 79.00	P 425
Close	\$ 21.30	\$ 14.69	\$ 108.00	P 575
Average Daily Volume (000)	1,269	254	162	25
	Canadian \$	United States \$	Hong Kong \$	Philippine Pesos

Shareholder Information

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Transfer Agent and Registrar

Information regarding your shareholdings, including changes of address, changes in registration, lost certificates or to eliminate duplicate mailings of shareholder material, may be obtained by contacting our Transfer Agent.

Transfer Agent and Registrar

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151 Front Street West, 8th Floor
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Ratings

Financial strength is a key factor in generating new business, maintaining and expanding distribution relationships and providing a base for expansion, acquisitions and growth. As at March 31, 2000, Manulife Financial had capital of Cdn \$7.8 billion, including Cdn \$6.4 billion of shareholders' equity. The Company's financial strength and claims paying ratings are among the strongest in the life insurance industry.

A.M. Best	A++	(1st of 16 categories)
Dominion Bond Rating Service	IC-1	(1st of 5 categories)
Duff & Phelps	AAA	(1st of 19 categories)
Moody's Investor Services	Aa2	(3rd of 21 categories)
Standard & Poor's	AA+	(2nd of 21 categories)