



Manulife Financial Corporation

March 31, 2001

Statistical Information Package

(Unaudited)



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FINANCIAL HIGHLIGHTS



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

| | For the three months ended | | | For the twelve months ended |
|---|----------------------------|----------------|--------------|-----------------------------|
| | Mar 31 2001 | Mar 31 2000 | % Change | Dec 31 2000 |
| Premiums and deposits: | | | | |
| Life and health insurance premiums | 1,512 | 1,571 | (4) % | 6,052 |
| Annuity and pension premiums | 604 | 708 | (15) % | 2,463 |
| Segregated fund deposits | 3,892 | 3,896 | (0) % | 14,777 |
| Mutual fund deposits | 153 | 207 | (26) % | 630 |
| ASO premium equivalents | 195 | 143 | 36 % | 643 |
| Total premiums and deposits | 6,356 | 6,525 | (3) % | 24,565 |
| | | | | |
| | As at | | | As at |
| | Mar 31 2001 | Mar 31 2000 | % Change | Dec 31 2000 |
| Funds under management: | | | | |
| General fund | 62,909 | 57,296 | 10 % | 60,067 |
| Segregated funds | 52,712 | 53,870 | (2) % | 54,908 |
| Mutual and other managed funds | 8,578 | 7,715 | 11 % | 8,545 |
| Total funds under management | 124,199 | 118,881 | 4 % | 123,520 |
| | | | | |
| Total capital ⁽¹⁾ | 9,735 | 7,754 | 26 % | 8,555 |
| | | | | |
| | For the three months ended | | | For the twelve months ended |
| | Mar 31 2001 | Mar 31 2000 | % Change | Dec 31 2000 |
| Net income / (loss) attributed to participating policyholders | 4 | (2) | N/A | (7) |
| Net income attributed to shareholders | 270 | 227 | 19 % | 1,075 (*) |
| Net income | 274 | 225 | 22 % | 1,068 |
| | | | | |
| Selected key performance measures | | | | |
| Basic and diluted earnings per share | \$ 0.56 | \$ 0.47 | 19% | \$ 2.22 |
| Return on shareholders' equity (annualized) | 15.0% | 14.3% | 74 bp | 16.1% (*) |
| Return on assets (annualized) | 1.8% | 1.6% | 18 bp | 1.8% |
| Book value per share | \$ 15.54 | \$ 13.24 | 17% | \$ 14.84 |
| Shares outstanding (millions) | | | | |
| - end of period | 482 | 482 | | 482 |
| - weighted average | 482 | 486 | | 483 |

(1) Total capital includes total equity, subordinated debt and trust preferred securities issued by subsidiaries.

(*) Shareholders' net income was \$1,033 and the return on shareholders' equity was 15.5% for the year ended December 31, 2000, after excluding a one-time reduction in tax expense of \$42 recorded by the U.S. Division in the third quarter of 2000.

CONSOLIDATED STATEMENTS OF OPERATIONS


(Canadian \$ in millions, unaudited)

| | For the three months ended | | | | | For the twelve months ended |
|---|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Revenue | | | | | | |
| Premium income | 2,116 | 2,114 | 1,981 | 2,141 | 2,279 | 8,515 |
| Investment income | 1,001 | 1,056 | 1,120 | 1,098 | 1,076 | 4,350 |
| Other revenue | 346 | 338 | 337 | 321 | 291 | 1,287 |
| Total revenue | 3,463 | 3,508 | 3,438 | 3,560 | 3,646 | 14,152 |
| Policy benefits and expenses | | | | | | |
| To policyholders and beneficiaries | | | | | | |
| Death and disability benefits | 643 | 700 | 598 | 591 | 591 | 2,480 |
| Maturity and surrender benefits | 707 | 603 | 595 | 563 | 739 | 2,500 |
| Annuity payments | 307 | 324 | 311 | 298 | 302 | 1,235 |
| Policyholder dividends and experience rating refunds | 193 | 254 | 200 | 222 | 183 | 859 |
| Net transfers to segregated funds | 271 | 107 | 427 | 423 | 482 | 1,439 |
| Increase in actuarial liabilities | 61 | 177 | 134 | 293 | 218 | 822 |
| General expenses | 584 | 656 | 510 | 544 | 481 | 2,191 |
| Commissions | 271 | 279 | 283 | 268 | 256 | 1,086 |
| Interest expense | 66 | 55 | 48 | 48 | 40 | 191 |
| Premium taxes | 24 | 25 | 24 | 24 | 23 | 96 |
| Non-controlling interest in subsidiaries | (5) | (70) | (42) | (54) | 15 | (151) |
| Trust preferred securities issued by subsidiaries | 16 | 16 | 16 | 15 | 16 | 63 |
| Total policy benefits and expenses | 3,138 | 3,126 | 3,104 | 3,235 | 3,346 | 12,811 |
| Income before income taxes | 325 | 382 | 334 | 325 | 300 | 1,341 |
| Income taxes | (51) | (96) | (19) | (83) | (75) | (273) |
| Net income | 274 | 286 | 315 | 242 | 225 | 1,068 |
| | | | | | | |
| Net income / (loss) attributed to participating policyholders | 4 | - | - | (5) | (2) | (7) |
| Net income attributed to shareholders | 270 | 286 | 315 | 247 | 227 | 1,075 |
| Net income | 274 | 286 | 315 | 242 | 225 | 1,068 |

CONSOLIDATED BALANCE SHEETS



(Canadian \$ in millions, unaudited)

| | As at | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 |
| Assets | | | | | |
| Invested assets | | | | | |
| Bonds | 34,450 | 33,270 | 33,241 | 32,896 | 30,867 |
| Mortgages | 7,361 | 7,174 | 6,971 | 6,812 | 6,737 |
| Stocks | 4,893 | 4,621 | 5,325 | 5,171 | 5,181 |
| Real estate | 3,384 | 3,262 | 3,305 | 3,267 | 3,209 |
| Policy loans | 3,934 | 3,616 | 3,545 | 3,434 | 3,341 |
| Cash and short-term investments | 4,586 | 3,783 | 2,928 | 3,355 | 3,728 |
| Other investments | 878 | 884 | 847 | 956 | 882 |
| Total invested assets | 59,486 | 56,610 | 56,162 | 55,891 | 53,945 |
| Other assets | | | | | |
| Accrued investment income | 807 | 834 | 821 | 761 | 727 |
| Outstanding premiums | 378 | 487 | 309 | 331 | 330 |
| Future income taxes | 542 | 515 | 559 | 536 | 476 |
| Miscellaneous | 1,696 | 1,621 | 1,635 | 1,626 | 1,818 |
| Total other assets | 3,423 | 3,457 | 3,324 | 3,254 | 3,351 |
| Total assets | 62,909 | 60,067 | 59,486 | 59,145 | 57,296 |
| Segregated fund net assets | 52,712 | 54,908 | 58,365 | 55,138 | 53,870 |
| Liabilities and equity | | | | | |
| Actuarial liabilities | 42,816 | 41,384 | 41,337 | 40,779 | 40,138 |
| Benefits payable and provision for unreported claims | 1,825 | 1,800 | 1,664 | 1,619 | 1,528 |
| Policyholder amounts on deposit | 1,535 | 1,371 | 1,291 | 1,251 | 1,217 |
| Deferred realized net gains | 3,527 | 3,434 | 3,316 | 3,377 | 2,674 |
| Banking deposits | 643 | 592 | 539 | 473 | 422 |
| Other liabilities | 2,768 | 2,632 | 2,612 | 3,207 | 2,857 |
| | 53,114 | 51,213 | 50,759 | 50,706 | 48,836 |
| Subordinated debt | 1,407 | 588 | 588 | 582 | 583 |
| Non-controlling interest in subsidiaries | 60 | 299 | 389 | 429 | 706 |
| Trust preferred securities issued by subsidiaries | 779 | 756 | 753 | 754 | 726 |
| Equity | | | | | |
| Participating policyholders' equity | 58 | 54 | 54 | 54 | 59 |
| Shareholders' equity | | | | | |
| Common shares | 612 | 612 | 612 | 612 | 612 |
| Shareholders' retained earnings | 6,879 | 6,545 | 6,331 | 6,008 | 5,774 |
| Total equity | 7,549 | 7,211 | 6,997 | 6,674 | 6,445 |
| Total liabilities and equity | 62,909 | 60,067 | 59,486 | 59,145 | 57,296 |
| Segregated fund net liabilities | 52,712 | 54,908 | 58,365 | 55,138 | 53,870 |

CONSOLIDATED STATEMENTS OF EQUITY


(Canadian \$ in millions, unaudited)

| | For the three months ended | | | | | | For the twelve months ended | |
|--|-----------------------------|--------------|--------------|--------------|--------------|--------------|-----------------------------|--------------|
| | Participating Policyholders | Shareholders | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Operating retained earnings | | | | | | | | |
| Balance, beginning of period | 54 | 6,414 | 6,468 | 6,230 | 5,964 | 5,769 | 5,783 | 5,783 |
| Net income | 4 | 270 | 274 | 286 | 315 | 242 | 225 | 1,068 |
| Shareholder dividends | - | (57) | (57) | (48) | (49) | (47) | (49) | (193) |
| Purchase and cancellation of common shares | - | - | - | - | - | - | (190) | (190) |
| Balance, end of period | 58 | 6,627 | 6,685 | 6,468 | 6,230 | 5,964 | 5,769 | 6,468 |
| Currency translation account | | | | | | | | |
| Balance, beginning of period | - | 131 | 131 | 155 | 98 | 64 | 43 | 43 |
| Change during the period | - | 121 | 121 | (24) | 57 | 34 | 21 | 88 |
| Balance, end of period | - | 252 | 252 | 131 | 155 | 98 | 64 | 131 |
| Retained earnings | 58 | 6,879 | 6,937 | 6,599 | 6,385 | 6,062 | 5,833 | 6,599 |
| Common shares | | | | | | | | |
| Balance, beginning of period | - | 612 | 612 | 612 | 612 | 612 | 628 | 628 |
| Purchase and cancellation of common shares | - | - | - | - | - | - | (16) | (16) |
| Balance, end of period | - | 612 | 612 | 612 | 612 | 612 | 612 | 612 |
| Total equity | 58 | 7,491 | 7,549 | 7,211 | 6,997 | 6,674 | 6,445 | 7,211 |

CONSOLIDATED STATEMENTS OF CASH FLOWS



(Canadian \$ in millions, unaudited)

| | For the three months ended | | | | | For the twelve months ended |
|--|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Operating activities | | | | | | |
| Operating cash inflows | | | | | | |
| Premiums and annuity considerations | 2,225 | 1,936 | 2,003 | 2,140 | 2,306 | 8,385 |
| Investment income received | 954 | 950 | 902 | 900 | 918 | 3,670 |
| Other revenue | 346 | 338 | 337 | 321 | 291 | 1,287 |
| Total operating cash inflows | 3,525 | 3,224 | 3,242 | 3,361 | 3,515 | 13,342 |
| Operating cash outflows | | | | | | |
| Benefit payments | 1,642 | 1,532 | 1,451 | 1,360 | 1,626 | 5,969 |
| Insurance expenses and taxes | 1,005 | 986 | 854 | 960 | 824 | 3,624 |
| Dividends paid to policyholders | 193 | 254 | 200 | 222 | 183 | 859 |
| Net transfers to segregated funds | 271 | 107 | 427 | 423 | 482 | 1,439 |
| Change in other assets and liabilities | 391 | 120 | (104) | (392) | (84) | (460) |
| Total operating cash outflows | 3,502 | 2,999 | 2,828 | 2,573 | 3,031 | 11,431 |
| Cash provided by operating activities | 23 | 225 | 414 | 788 | 484 | 1,911 |
| Investing activities | | | | | | |
| Purchases and mortgage advances | (9,245) | (7,421) | (7,596) | (10,223) | (8,642) | (33,882) |
| Disposals and repayments | 8,921 | 7,919 | 7,546 | 9,269 | 8,866 | 33,600 |
| Cash provided by (used in) investing activities | (324) | 498 | (50) | (954) | 224 | (282) |
| Financing activities | | | | | | |
| Increase (decrease) in repurchase agreements and securities sold but not yet purchased | 310 | 116 | (732) | (101) | 158 | (559) |
| Shareholder dividends | (57) | (48) | (97) | (48) | - | (193) |
| Borrowed (repaid) funds, net | 34 | - | (1) | - | - | (1) |
| Issue of subordinated debt, net | 796 | - | - | - | - | - |
| Purchase and cancellation of common shares | - | - | - | - | (206) | (206) |
| Cash provided by (used in) financing activities | 1,083 | 68 | (830) | (149) | (48) | (959) |
| Cash and short term investments | | | | | | |
| Increase (decrease) during the period | 782 | 791 | (466) | (315) | 660 | 670 |
| Balance, beginning of period | 3,480 | 2,689 | 3,155 | 3,470 | 2,810 | 2,810 |
| Balance, end of period | 4,262 | 3,480 | 2,689 | 3,155 | 3,470 | 3,480 |
| Composition of cash and short-term investments | | | | | | |
| Beginning of period | | | | | | |
| Gross cash and short-term investments | 3,783 | 2,928 | 3,355 | 3,728 | 3,047 | 3,047 |
| Net payments in transit, included in other liabilities | (303) | (239) | (200) | (258) | (237) | (237) |
| Net cash and short-term investments, beginning of period | 3,480 | 2,689 | 3,155 | 3,470 | 2,810 | 2,810 |
| End of period | | | | | | |
| Gross cash and short-term investments | 4,586 | 3,783 | 2,928 | 3,355 | 3,728 | 3,783 |
| Net payments in transit, included in other liabilities | (324) | (303) | (239) | (200) | (258) | (303) |
| Net cash and short-term investments, end of period | 4,262 | 3,480 | 2,689 | 3,155 | 3,470 | 3,480 |

CONSOLIDATED STATEMENTS OF SEGREGATED FUNDS


(Canadian \$ in millions, unaudited)

Consolidated statements of segregated fund net assets

| | As at | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 |
| Investments, at market values | | | | | |
| Bonds | 3,151 | 2,567 | 2,677 | 2,755 | 3,304 |
| Stocks | 46,945 | 49,880 | 53,197 | 49,986 | 48,241 |
| Real estate | 2 | 2 | 4 | 4 | 7 |
| Cash and short-term investments | 2,667 | 2,428 | 2,468 | 2,399 | 2,323 |
| Accrued investment income | 18 | 16 | 23 | 18 | 20 |
| Other liabilities, net | (71) | 15 | (4) | (24) | (25) |
| Total segregated fund net assets, end of quarter | 52,712 | 54,908 | 58,365 | 55,138 | 53,870 |
| Composition of segregated fund net assets: | | | | | |
| Held by Policyholders | 52,542 | 54,705 | 58,107 | 54,808 | 53,807 |
| Held by the Company | 170 | 203 | 257 | 330 | 63 |
| Total segregated fund net assets, end of quarter | 52,712 | 54,908 | 58,365 | 55,138 | 53,870 |

Consolidated statements of changes in segregated fund net assets

| | For the three months ended | | | | | For the twelve months ended |
|--|----------------------------|----------------|----------------|----------------|----------------|--------------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Additions | | | | | | |
| Deposits from policyholders | 3,892 | 3,660 | 3,665 | 3,556 | 3,896 | 14,777 |
| Realized and unrealized investment gains (losses) | (6,861) | (6,438) | 53 | (1,865) | 2,273 | (5,977) |
| Interest and dividends | 332 | 1,541 | 285 | 493 | 294 | 2,613 |
| Net transfers from general fund | 271 | 107 | 427 | 423 | 482 | 1,439 |
| Currency revaluation | 2,225 | (176) | 923 | 703 | 343 | 1,793 |
| Total additions (reductions) | (141) | (1,306) | 5,353 | 3,310 | 7,288 | 14,645 |
| Deductions | | | | | | |
| Payments to policyholders | 1,851 | 1,938 | 1,919 | 1,838 | 2,295 | 7,990 |
| Management and administrative fees | 204 | 213 | 207 | 204 | 178 | 802 |
| Total deductions | 2,055 | 2,151 | 2,126 | 2,042 | 2,473 | 8,792 |
| Net increase (decrease) to segregated funds for the period | (2,196) | (3,457) | 3,227 | 1,268 | 4,815 | 5,853 |
| Segregated fund net assets, beginning of period | 54,908 | 58,365 | 55,138 | 53,870 | 49,055 | 49,055 |
| Segregated fund net assets, end of period | 52,712 | 54,908 | 58,365 | 55,138 | 53,870 | 54,908 |

ASSET COMPOSITION AND QUALITY



(Canadian \$ in millions, unaudited)

| Invested assets | Carrying | | Fair | | Unrealized | | Unrealized | | Deferred | | Total realized | |
|---------------------------------|---------------|--------------|---------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | value | % | value | % | gains | % | losses | % | realized net | % | gains | % |
| As at March 31, 2001 | | | | | | | | | | | | |
| Bonds (fixed maturity) | | | | | | | | | | | | |
| Canadian government | 7,454 | 13 % | 8,271 | 13 % | 839 | 26 % | (22) | 2 % | 197 | 6 % | 1,014 | 17 % |
| Foreign governments | 6,079 | 10 % | 6,369 | 10 % | 298 | 9 % | (8) | 1 % | 158 | 5 % | 448 | 8 % |
| Corporate | 19,163 | 32 % | 19,703 | 32 % | 852 | 26 % | (312) | 34 % | 499 | 14 % | 1,039 | 17 % |
| Mortgage-backed securities | 1,754 | 3 % | 1,809 | 3 % | 61 | 2 % | (6) | 1 % | 46 | 1 % | 101 | 2 % |
| Mortgages | 7,361 | 12 % | 7,732 | 13 % | 390 | 12 % | (19) | 2 % | 39 | 1 % | 410 | 7 % |
| Stocks | 4,893 | 8 % | 4,733 | 8 % | 349 | 11 % | (509) | 56 % | 2,541 | 72 % | 2,381 | 40 % |
| Real estate | 3,384 | 6 % | 3,735 | 6 % | 368 | 11 % | (17) | 2 % | 43 | 1 % | 394 | 7 % |
| Policy loans | 3,934 | 7 % | 3,934 | 6 % | - | N/A | - | N/A | - | N/A | - | N/A |
| Cash and short-term investments | 4,586 | 8 % | 4,586 | 7 % | - | N/A | - | N/A | - | N/A | - | N/A |
| Other investments | 878 | 1 % | 976 | 2 % | 112 | 3 % | (14) | 2 % | 4 | 0 % | 102 | 2 % |
| Total invested assets | 59,486 | 100 % | 61,848 | 100 % | 3,269 | 100 % | (907) | 100 % | 3,527 | 100 % | 5,889 | 100 % |
| As at December 31, 2000 | | | | | | | | | | | | |
| Bonds (fixed maturity) | | | | | | | | | | | | |
| Canadian government | 7,494 | 13 % | 8,321 | 14 % | 845 | 26 % | (18) | 2 % | 181 | 5 % | 1,008 | 17 % |
| Foreign governments | 5,381 | 9 % | 5,689 | 10 % | 315 | 10 % | (7) | 1 % | 129 | 4 % | 437 | 8 % |
| Corporate | 18,662 | 33 % | 18,789 | 32 % | 589 | 19 % | (462) | 55 % | 450 | 13 % | 577 | 10 % |
| Mortgage-backed securities | 1,733 | 3 % | 1,762 | 3 % | 39 | 1 % | (10) | 1 % | 41 | 1 % | 70 | 1 % |
| Mortgages | 7,174 | 13 % | 7,437 | 13 % | 291 | 9 % | (28) | 3 % | 42 | 1 % | 305 | 5 % |
| Stocks | 4,621 | 8 % | 4,997 | 8 % | 659 | 20 % | (283) | 33 % | 2,544 | 74 % | 2,920 | 50 % |
| Real estate | 3,262 | 6 % | 3,617 | 6 % | 377 | 12 % | (22) | 3 % | 50 | 2 % | 405 | 7 % |
| Policy loans | 3,616 | 6 % | 3,616 | 6 % | - | N/A | - | N/A | - | N/A | - | N/A |
| Cash and short-term investments | 3,783 | 7 % | 3,783 | 6 % | - | N/A | - | N/A | - | N/A | - | N/A |
| Other investments | 884 | 2 % | 980 | 2 % | 111 | 3 % | (15) | 2 % | (3) | 0 % | 93 | 2 % |
| Total invested assets | 56,610 | 100 % | 58,991 | 100 % | 3,226 | 100 % | (845) | 100 % | 3,434 | 100 % | 5,815 | 100 % |
| As at March 31, 2000 | | | | | | | | | | | | |
| Bonds (fixed maturity) | | | | | | | | | | | | |
| Canadian government | 7,339 | 14 % | 7,865 | 14 % | 603 | 17 % | (77) | 7 % | 220 | 8 % | 746 | 15 % |
| Foreign governments | 4,719 | 9 % | 4,756 | 8 % | 111 | 3 % | (74) | 7 % | 141 | 5 % | 178 | 4 % |
| Corporate | 17,170 | 32 % | 17,082 | 30 % | 471 | 13 % | (559) | 50 % | 514 | 19 % | 426 | 8 % |
| Mortgage-backed securities | 1,639 | 3 % | 1,608 | 3 % | 9 | 0 % | (40) | 4 % | 49 | 2 % | 18 | 0 % |
| Mortgages | 6,737 | 12 % | 6,857 | 12 % | 214 | 6 % | (94) | 8 % | 42 | 2 % | 162 | 3 % |
| Stocks | 5,181 | 10 % | 6,797 | 12 % | 1,832 | 50 % | (216) | 19 % | 1,666 | 62 % | 3,282 | 63 % |
| Real estate | 3,209 | 6 % | 3,491 | 6 % | 325 | 9 % | (43) | 4 % | 53 | 2 % | 335 | 6 % |
| Policy loans | 3,341 | 6 % | 3,341 | 6 % | - | N/A | - | N/A | - | N/A | - | N/A |
| Cash and short-term investments | 3,728 | 7 % | 3,727 | 7 % | - | N/A | (1) | 0 % | - | N/A | (1) | 0 % |
| Other investments | 882 | 1 % | 926 | 2 % | 59 | 2 % | (15) | 1 % | (11) | 0 % | 33 | 1 % |
| Total invested assets | 53,945 | 100 % | 56,450 | 100 % | 3,624 | 100 % | (1,119) | 100 % | 2,674 | 100 % | 5,179 | 100 % |

ASSET COMPOSITION AND QUALITY (CONT'D)



(Canadian \$ in millions, unaudited)

| Bond portfolio credit quality | NAIC designation | As at | | | | | | | | | |
|-------------------------------|------------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | | Mar 31 2001 | | Dec 31 2000 | | Sep 30 2000 | | Jun 30 2000 | | Mar 31 2000 | |
| AAA | 1 | 10,289 | 30% | 9,641 | 29% | 9,488 | 29% | 10,262 | 31% | 9,323 | 30% |
| AA | 1 | 6,369 | 18% | 6,211 | 18% | 6,231 | 19% | 5,723 | 17% | 4,894 | 16% |
| A | 1 | 12,424 | 36% | 12,571 | 38% | 12,592 | 38% | 12,042 | 37% | 11,150 | 36% |
| BBB | 2 | 3,814 | 11% | 3,577 | 11% | 3,439 | 10% | 3,073 | 9% | 2,989 | 10% |
| BB & lower, and unrated | 3 & below | 1,554 | 5% | 1,270 | 4% | 1,491 | 4% | 1,796 | 6% | 2,511 | 8% |
| Total | | 34,450 | 100% | 33,270 | 100% | 33,241 | 100% | 32,896 | 100% | 30,867 | 100% |

Mortgage portfolio composition

| | | | | | | | | | | | |
|----------------------------|--|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|
| Commercial | | | | | | | | | | | |
| Residential ⁽¹⁾ | | 1,231 | 17% | 1,186 | 16% | 1,163 | 17% | 1,175 | 17% | 1,198 | 18% |
| Retail | | 1,987 | 27% | 1,958 | 27% | 1,927 | 28% | 1,967 | 29% | 1,980 | 29% |
| Office | | 1,778 | 24% | 1,708 | 24% | 1,675 | 24% | 1,587 | 23% | 1,537 | 23% |
| Industrial | | 1,739 | 24% | 1,713 | 24% | 1,691 | 24% | 1,632 | 24% | 1,594 | 23% |
| Other commercial | | 277 | 4% | 259 | 4% | 224 | 3% | 224 | 3% | 251 | 4% |
| Other mortgages | | 349 | 5% | 350 | 5% | 291 | 4% | 227 | 4% | 177 | 3% |
| Total | | 7,361 | 100% | 7,174 | 100% | 6,971 | 100% | 6,812 | 100% | 6,737 | 100% |

(1) Includes multi-unit residential properties, such as condominiums.

Net impaired assets

| | As at March 31, 2001 | | | As at December 31, 2000 | | | As at March 31, 2000 | | |
|-----------------------|----------------------|------------|----------------|-------------------------|------------|----------------|----------------------|------------|----------------|
| | Gross amount | Allowance | Carrying value | Gross amount | Allowance | Carrying value | Gross amount | Allowance | Carrying value |
| Mortgages | 86 | 31 | 55 | 90 | 33 | 57 | 121 | 47 | 74 |
| Other impaired assets | 407 | 197 | 210 | 294 | 129 | 165 | 256 | 105 | 151 |
| Total | 493 | 228 | 265 | 384 | 162 | 222 | 377 | 152 | 225 |

Net impaired assets as a percentage of total invested assets as at March 31, 2001, December 31, 2000 and March 31, 2000 were 0.45%, 0.39% and 0.42% respectively.

Changes in provisions for impaired assets

| | For the three months ended | | | | | For the twelve months ended |
|----------------------------------|----------------------------|-------------|-------------|-------------|-------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Balance, beginning of the period | 162 | 115 | 126 | 152 | 132 | 132 |
| Provisions during the period | 67 | 66 | - | 19 | 15 | 100 |
| Write-offs, net of recoveries | (1) | (19) | (11) | (45) | 5 | (70) |
| Balance, end of period | 228 | 162 | 115 | 126 | 152 | 162 |

INVESTMENT INCOME



(Canadian \$ in millions, unaudited)

| | Gross investment income | Provision for impairment, net | Amortization of realized and unrealized gains (losses) | Total |
|---|-------------------------|-------------------------------|--|--------------|
| For the three months ended March 31, 2001 | | | | |
| Bonds | 582 | (68) | 30 | 544 |
| Mortgages | 146 | 1 | 4 | 151 |
| Stocks | (6) | - | 94 | 88 |
| Real estate | 67 | - | 10 | 77 |
| Policy loans | 83 | - | - | 83 |
| Cash and short-term investments | 50 | - | - | 50 |
| Other investments | 14 | - | (10) | 4 |
| Currency | - | - | 4 | 4 |
| Total | 936 | (67) | 132 | 1,001 |

| | Gross investment income | Provision for impairment, net | Amortization of realized and unrealized gains (losses) | Total |
|--|-------------------------|-------------------------------|--|--------------|
| For the three months ended December 31, 2000 | | | | |
| Bonds | 587 | (68) | 28 | 547 |
| Mortgages | 145 | 2 | 4 | 151 |
| Stocks | 15 | - | 123 | 138 |
| Real estate | 79 | 29 | 11 | 119 |
| Policy loans | 75 | - | - | 75 |
| Cash and short-term investments | 42 | - | - | 42 |
| Other investments | 25 | (29) | (16) | (20) |
| Currency | - | - | 4 | 4 |
| Total | 968 | (66) | 154 | 1,056 |

| | Gross investment income | Provision for impairment, net | Amortization of realized and unrealized gains (losses) | Total |
|---|-------------------------|-------------------------------|--|--------------|
| For the three months ended September 30, 2000 | | | | |
| Bonds | 578 | (7) | 30 | 601 |
| Mortgages | 139 | 7 | 4 | 150 |
| Stocks | 8 | - | 131 | 139 |
| Real estate | 48 | - | 14 | 62 |
| Policy loans | 78 | - | - | 78 |
| Cash and short-term investments | 29 | - | - | 29 |
| Other investments | 89 | - | (32) | 57 |
| Currency | - | - | 4 | 4 |
| Total | 969 | - | 151 | 1,120 |

| | Gross investment income | Provision for impairment, net | Amortization of realized and unrealized gains (losses) | Total |
|--|-------------------------|-------------------------------|--|--------------|
| For the three months ended June 30, 2000 | | | | |
| Bonds | 588 | (21) | 19 | 586 |
| Mortgages | 136 | 4 | 4 | 144 |
| Stocks | 19 | - | 129 | 148 |
| Real estate | 75 | (1) | 11 | 85 |
| Policy loans | 82 | - | - | 82 |
| Cash and short-term investments | 37 | - | - | 37 |
| Other investments | 12 | (1) | 1 | 12 |
| Currency | - | - | 4 | 4 |
| Total | 949 | (19) | 168 | 1,098 |

| | Gross investment income | Provision for impairment, net | Amortization of realized and unrealized gains (losses) | Total |
|---|-------------------------|-------------------------------|--|--------------|
| For the three months ended March 31, 2000 | | | | |
| Bonds | 552 | (25) | 33 | 560 |
| Mortgages | 138 | 4 | 3 | 145 |
| Stocks | 20 | - | 127 | 147 |
| Real estate | 58 | 6 | 8 | 72 |
| Policy loans | 73 | - | - | 73 |
| Cash and short-term investments | 20 | - | - | 20 |
| Other investments | 60 | - | (5) | 55 |
| Currency | - | - | 4 | 4 |
| Total | 921 | (15) | 170 | 1,076 |

| | Gross investment income | Provision for impairment, net | Amortization of realized and unrealized gains (losses) | Total | Yield % |
|---|-------------------------|-------------------------------|--|--------------|--------------|
| For the three months ended March 31, 2001 | | | | | |
| Bonds | 582 | (68) | 30 | 544 | 6.77% |
| Mortgages | 146 | 1 | 4 | 151 | 8.71% |
| Stocks | (6) | - | 94 | 88 | 18.12% |
| Real estate | 67 | - | 10 | 77 | 10.20% |
| Policy loans | 83 | - | - | 83 | 8.94% |
| Cash and short-term investments | 50 | - | - | 50 | 4.91% |
| Other investments | 14 | - | (10) | 4 | N/A |
| Currency | - | - | 4 | 4 | N/A |
| Total | 936 | (67) | 132 | 1,001 | 7.57% |

| | Gross investment income | Provision for impairment, net | Amortization of realized and unrealized gains (losses) | Total | Yield % |
|--------------------------------------|-------------------------|-------------------------------|--|--------------|--------------|
| For the year ended December 31, 2000 | | | | | |
| Bonds | 2,305 | (121) | 110 | 2,294 | 7.46% |
| Mortgages | 558 | 17 | 15 | 590 | 8.97% |
| Stocks | 62 | - | 510 | 572 | 22.41% |
| Real estate | 260 | 34 | 44 | 338 | 11.34% |
| Policy loans | 308 | - | - | 308 | 8.99% |
| Cash and short-term investments | 128 | - | - | 128 | 3.63% |
| Other investments | 186 | (30) | (52) | 104 | N/A |
| Currency | - | - | 16 | 16 | N/A |
| Total | 3,807 | (100) | 643 | 4,350 | 8.58% |

| | Gross investment income | Provision for impairment, net | Amortization of realized and unrealized gains (losses) | Total | Yield % |
|---|-------------------------|-------------------------------|--|--------------|--------------|
| For the three months ended March 31, 2000 | | | | | |
| Bonds | 552 | (25) | 33 | 560 | 7.65% |
| Mortgages | 138 | 4 | 3 | 145 | 8.92% |
| Stocks | 20 | - | 127 | 147 | 17.02% |
| Real estate | 58 | 6 | 8 | 72 | 9.57% |
| Policy loans | 73 | - | - | 73 | 8.98% |
| Cash and short-term investments | 20 | - | - | 20 | 2.30% |
| Other investments | 60 | - | (5) | 55 | N/A |
| Currency | - | - | 4 | 4 | N/A |
| Total | 921 | (15) | 170 | 1,076 | 8.31% |

ACTUARIAL LIABILITIES

(Canadian \$ in millions, unaudited)

Assets backing liabilities and equity

| As at March 31, 2001 | Individual life insurance | | Annuities and pensions | Other | Capital | Total |
|----------------------|---------------------------|-------------------|------------------------|---------------|--------------|---------------|
| | Participating | Non-participating | | | | |
| Assets | | | | | | |
| Bonds | 8,218 | 3,156 | 11,779 | 8,394 | 2,903 | 34,450 |
| Mortgages | 1,226 | 695 | 3,524 | 1,690 | 226 | 7,361 |
| Stocks | 1,244 | 242 | 181 | 598 | 2,628 | 4,893 |
| Real estate | 1,395 | 356 | 67 | 686 | 880 | 3,384 |
| Other | 4,651 | 1,255 | 1,985 | 1,832 | 3,098 | 12,821 |
| Total | 16,734 | 5,704 | 17,536 | 13,200 | 9,735 | 62,909 |

As at December 31, 2000

| | | | | | | |
|---------------|---------------|--------------|---------------|---------------|--------------|---------------|
| Assets | | | | | | |
| Bonds | 8,108 | 2,938 | 11,815 | 7,919 | 2,490 | 33,270 |
| Mortgages | 1,094 | 629 | 3,668 | 1,564 | 219 | 7,174 |
| Stocks | 1,206 | 236 | 61 | 737 | 2,381 | 4,621 |
| Real estate | 1,291 | 241 | 44 | 486 | 1,200 | 3,262 |
| Other | 4,107 | 1,312 | 1,896 | 2,160 | 2,265 | 11,740 |
| Total | 15,806 | 5,356 | 17,484 | 12,866 | 8,555 | 60,067 |

As at March 31, 2000

| | | | | | | |
|---------------|---------------|--------------|---------------|---------------|--------------|---------------|
| Assets | | | | | | |
| Bonds | 6,474 | 2,778 | 12,375 | 6,848 | 2,392 | 30,867 |
| Mortgages | 989 | 498 | 3,825 | 1,245 | 180 | 6,737 |
| Stocks | 1,927 | 235 | 133 | 619 | 2,267 | 5,181 |
| Real estate | 1,164 | - | 44 | 341 | 1,660 | 3,209 |
| Other | 3,949 | 1,628 | 1,526 | 2,944 | 1,255 | 11,302 |
| Total | 14,503 | 5,139 | 17,903 | 11,997 | 7,754 | 57,296 |

The net deferred realized gains taken into account in the computation of actuarial liabilities as at March 31, 2001, December 31, 2000 and March 31, 2000 were \$1,989, \$2,082 and \$1,921 respectively.

ACTUARIAL LIABILITIES (CONT'D)



(Canadian \$ in millions, unaudited)

Actuarial liabilities by geographical location

| As at March 31, 2001 | Individual life insurance | | Annuities and pensions | Other | Total |
|----------------------|---------------------------|-------------------|------------------------|--------------|---------------|
| | Participating | Non-participating | | | |
| Canada | 2,515 | 1,614 | 10,471 | 1,664 | 16,264 |
| United States | 11,573 | 2,952 | 6,210 | 1,151 | 21,886 |
| International | 2,646 | 1,138 | 855 | 27 | 4,666 |
| Total | 16,734 | 5,704 | 17,536 | 2,842 | 42,816 |

As at December 31, 2000

| | | | | | |
|---------------|---------------|--------------|---------------|--------------|---------------|
| Canada | 2,476 | 1,615 | 10,554 | 1,642 | 16,287 |
| United States | 10,896 | 2,753 | 5,996 | 1,056 | 20,701 |
| International | 2,434 | 988 | 934 | 40 | 4,396 |
| Total | 15,806 | 5,356 | 17,484 | 2,738 | 41,384 |

As at March 31, 2000

| | | | | | |
|---------------|---------------|--------------|---------------|--------------|---------------|
| Canada | 2,357 | 1,507 | 10,940 | 1,601 | 16,405 |
| United States | 10,043 | 2,750 | 6,161 | 976 | 19,930 |
| International | 2,103 | 882 | 802 | 16 | 3,803 |
| Total | 14,503 | 5,139 | 17,903 | 2,593 | 40,138 |

Changes in actuarial liabilities

| | For the three months ended | | | | | For the twelve months ended |
|---|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Balance, beginning of period | 41,384 | 41,337 | 40,779 | 40,138 | 39,748 | 39,748 |
| Normal change to new and Inforce policies | 2 | 199 | 99 | 228 | 203 | 729 |
| Changes in methods and assumptions | 252 | (22) | 35 | 65 | 15 | 93 |
| Currency impact | 1,178 | (130) | 424 | 348 | 172 | 814 |
| Balance, end of period | 42,816 | 41,384 | 41,337 | 40,779 | 40,138 | 41,384 |

U.S. DIVISION STATEMENTS OF OPERATIONS


(Canadian \$ in millions, unaudited)

| | For the three months ended | | | | | For the twelve months ended |
|-------------------------------------|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Revenue | | | | | | |
| Premiums | | | | | | |
| Life and health insurance | 431 | 429 | 392 | 415 | 426 | 1,662 |
| Annuities and pensions | 402 | 399 | 450 | 429 | 408 | 1,686 |
| Total premium income | 833 | 828 | 842 | 844 | 834 | 3,348 |
| Investment income | 436 | 466 | 512 | 470 | 477 | 1,925 |
| Other revenue | 229 | 231 | 236 | 218 | 200 | 885 |
| Total revenue | 1,498 | 1,525 | 1,590 | 1,532 | 1,511 | 6,158 |
| Policy benefits and expenses | | | | | | |
| Policyholder benefits | 1,015 | 986 | 1,058 | 1,005 | 1,006 | 4,055 |
| General expenses | 213 | 198 | 181 | 192 | 188 | 759 |
| Commissions | 137 | 145 | 163 | 147 | 145 | 600 |
| Other | 28 | 29 | 27 | 25 | 18 | 99 |
| Total policy benefits and expenses | 1,393 | 1,358 | 1,429 | 1,369 | 1,357 | 5,513 |
| Income before income taxes | 105 | 167 | 161 | 163 | 154 | 645 |
| Income taxes | (30) | (54) | (4) | (57) | (53) | (168) |
| Net income | 75 | 113 | 157 (*) | 106 | 101 | 477 (*) |

Selected financial ratios
Expense Ratios

| | | | | | | |
|---|------|------|------|------|------|------|
| General expenses to premiums and deposits | 5.2% | 5.0% | 4.5% | 4.9% | 4.6% | 4.7% |
| General expenses to funds under management (annualized) | 1.2% | 1.1% | 1.0% | 1.1% | 1.1% | 1.1% |

Commission Ratios

| | | | | | | |
|--|------|------|------|------|------|------|
| Commissions to premiums and deposits | 3.4% | 3.7% | 4.0% | 3.8% | 3.5% | 3.8% |
| Commissions to funds under management (annualized) | 0.8% | 0.8% | 0.9% | 0.8% | 0.9% | 0.9% |

Combined Ratios

| | | | | | | |
|---|------|------|------|------|------|------|
| General expenses and commissions to premiums and deposits | 8.6% | 8.7% | 8.5% | 8.7% | 8.1% | 8.5% |
| General expenses and commissions to funds under management (annualized) | 2.0% | 2.0% | 1.9% | 2.0% | 2.0% | 2.0% |

(*) Net income includes a one-time reduction in tax expense of \$42.

U.S. DIVISION DATA BY BUSINESS UNIT


(Canadian \$ in millions, unaudited)

| | For the three months ended | | | | | For the twelve months ended |
|---|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Revenue (premiums, investment income and other revenue): | | | | | | |
| Individual Insurance | 764 | 792 | 762 | 756 | 763 | 3,073 |
| Pensions | 177 | 172 | 184 | 168 | 169 | 693 |
| Annuities | 557 | 561 | 644 | 608 | 579 | 2,392 |
| Total revenue | 1,498 | 1,525 | 1,590 | 1,532 | 1,511 | 6,158 |
| Payments to policyholders: | | | | | | |
| Individual Insurance | 386 | 344 | 396 | 409 | 410 | 1,559 |
| Pensions | 90 | 96 | 83 | 95 | 84 | 358 |
| Annuities | 137 | 118 | 121 | 118 | 120 | 477 |
| Total payments to policyholders | 613 | 558 | 600 | 622 | 614 | 2,394 |
| Commissions: | | | | | | |
| Individual Insurance | 31 | 26 | 34 | 30 | 25 | 115 |
| Pensions | 27 | 25 | 25 | 22 | 23 | 95 |
| Annuities | 79 | 94 | 104 | 95 | 97 | 390 |
| Total commissions | 137 | 145 | 163 | 147 | 145 | 600 |

U.S. DIVISION DATA BY BUSINESS UNIT (CONT'D)


(Canadian \$ in millions, unaudited)

| Premiums and deposits: | For the three months ended | | | | | For the twelve months ended |
|--|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| <i>Individual Insurance</i> | | | | | | |
| Premiums | 431 | 429 | 392 | 415 | 426 | 1,662 |
| Segregated fund deposits | 142 | 165 | 155 | 134 | 105 | 559 |
| Total Individual Insurance | 573 | 594 | 547 | 549 | 531 | 2,221 |
| <i>Pensions</i> | | | | | | |
| Premiums | 54 | 50 | 53 | 47 | 54 | 204 |
| Segregated fund deposits | 2,134 | 1,715 | 1,748 | 1,655 | 1,859 | 6,977 |
| Total Pensions | 2,188 | 1,765 | 1,801 | 1,702 | 1,913 | 7,181 |
| <i>Annuities</i> | | | | | | |
| Premiums | 348 | 349 | 397 | 382 | 354 | 1,482 |
| Segregated fund deposits | 958 | 1,223 | 1,316 | 1,255 | 1,320 | 5,114 |
| Total Annuities | 1,306 | 1,572 | 1,713 | 1,637 | 1,674 | 6,596 |
| Total premiums and deposits | 4,067 | 3,931 | 4,061 | 3,888 | 4,118 | 15,998 |
| Total premiums and deposits: | | | | | | |
| Premiums | 833 | 828 | 842 | 844 | 834 | 3,348 |
| Segregated fund deposits | 3,234 | 3,103 | 3,219 | 3,044 | 3,284 | 12,650 |
| Total premiums and deposits | 4,067 | 3,931 | 4,061 | 3,888 | 4,118 | 15,998 |
| New annualized premium sales ⁽¹⁾ | | | | | | |
| Individual Insurance | 90 | 105 | 71 | 85 | 79 | 340 |
| Single premium sales | | | | | | |
| Individual Insurance | 7 | 22 | 11 | 4 | 1 | 38 |

(1) New business sales for Pensions and Annuities is measured by Premiums and Segregated fund deposits.

U.S. DIVISION DATA BY BUSINESS UNIT (CONT'D)


(Canadian \$ in millions, unaudited)

| Funds under management: | As at | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 |
| <i>Individual Insurance</i> | | | | | |
| General fund | 17,764 | 17,165 | 16,875 | 16,639 | 15,621 |
| Segregated funds | 1,867 | 1,965 | 2,089 | 1,925 | 1,854 |
| Total Individual Insurance | 19,631 | 19,130 | 18,964 | 18,564 | 17,475 |
| <i>Pensions</i> | | | | | |
| General fund | 3,482 | 2,951 | 2,898 | 3,191 | 3,034 |
| Segregated funds | 16,953 | 17,027 | 17,977 | 16,600 | 16,012 |
| Total Pensions | 20,435 | 19,978 | 20,875 | 19,791 | 19,046 |
| <i>Annuities</i> | | | | | |
| General fund | 5,014 | 4,989 | 5,154 | 5,050 | 5,018 |
| Segregated funds | 23,769 | 25,378 | 27,239 | 25,865 | 25,519 |
| Total Annuities | 28,783 | 30,367 | 32,393 | 30,915 | 30,537 |
| Total funds under management | 68,849 | 69,475 | 72,232 | 69,270 | 67,058 |
| | | | | | |
| Funds under management: | | | | | |
| General fund | 26,260 | 25,105 | 24,927 | 24,880 | 23,673 |
| Segregated funds | 42,589 | 44,370 | 47,305 | 44,390 | 43,385 |
| Total funds under management | 68,849 | 69,475 | 72,232 | 69,270 | 67,058 |

U.S. DIVISION - STATEMENT OF CHANGES IN VARIABLE ANNUITY FUNDS UNDER MANAGEMENT ⁽¹⁾


(Canadian \$ in millions, unaudited)

| | For the three months ended | | | | | For the twelve months ended |
|---|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Beginning Balance | 25,865 | 27,706 | 26,297 | 25,899 | 23,796 | 23,796 |
| Gross Sales | 1,307 | 1,573 | 1,715 | 1,643 | 1,679 | 6,610 |
| Withdrawals | (758) | (848) | (773) | (766) | (807) | (3,194) |
| Net Sales | 549 | 725 | 942 | 877 | 872 | 3,416 |
| Net Investment Income ⁽²⁾ and Other ⁽³⁾ | (2,063) | (2,566) | 467 | (479) | 1,231 | (1,347) |
| Ending Balance | 24,351 | 25,865 | 27,706 | 26,297 | 25,899 | 25,865 |

Notes:

(1) In this presentation, Variable Annuity funds under management include Annuities Segregated Funds under management and also General Funds under management that are related to the Variable Annuity business.

(2) Net investment income includes interest, dividends, realized investment gains and losses and changes in unrealized investment gains and losses.

(3) Other includes net transfers from the general fund, currency revaluation as well as management and administrative fees.

CANADIAN DIVISION STATEMENTS OF OPERATIONS


(Canadian \$ in millions, unaudited)

| | For the three months ended | | | | | For the twelve months ended |
|-------------------------------------|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Revenue | | | | | | |
| Premiums | | | | | | |
| Life and health insurance | 493 | 505 | 461 | 474 | 442 | 1,882 |
| Annuities and pensions | 161 | 150 | 99 | 162 | 195 | 606 |
| Total premium income | 654 | 655 | 560 | 636 | 637 | 2,488 |
| Investment income | 341 | 352 | 397 | 410 | 428 | 1,587 |
| Other revenue | 74 | 65 | 65 | 61 | 58 | 249 |
| Total revenue | 1,069 | 1,072 | 1,022 | 1,107 | 1,123 | 4,324 |
| Policy benefits and expenses | | | | | | |
| Policyholder benefits | 737 | 743 | 701 | 789 | 818 | 3,051 |
| General expenses | 157 | 156 | 147 | 145 | 147 | 595 |
| Commissions | 58 | 58 | 57 | 58 | 65 | 238 |
| Other | 24 | 27 | 22 | 22 | 19 | 90 |
| Total policy benefits and expenses | 976 | 984 | 927 | 1,014 | 1,049 | 3,974 |
| Income before income taxes | 93 | 88 | 95 | 93 | 74 | 350 |
| Income taxes | (20) | (17) | (19) | (24) | (15) | (75) |
| Net income | 73 | 71 | 76 | 69 | 59 | 275 |

Selected financial ratios
Expense Ratios

| | | | | | | |
|---|-------|-------|-------|-------|-------|-------|
| General expenses to premiums and deposits | 11.5% | 11.4% | 12.4% | 11.0% | 10.0% | 11.1% |
| General expenses to funds under management (annualized) | 2.0% | 2.0% | 1.8% | 1.8% | 1.9% | 1.9% |

Commission Ratios

| | | | | | | |
|--|------|------|------|------|------|------|
| Commissions to premiums and deposits | 4.2% | 4.2% | 4.8% | 4.4% | 4.4% | 4.5% |
| Commissions to funds under management (annualized) | 0.7% | 0.7% | 0.7% | 0.7% | 0.8% | 0.7% |

Combined Ratios

| | | | | | | |
|---|-------|-------|-------|-------|-------|-------|
| General expenses and commissions to premiums and deposits | 15.7% | 15.7% | 17.2% | 15.4% | 14.5% | 15.6% |
| General expenses and commissions to funds under management (annualized) | 2.8% | 2.7% | 2.5% | 2.6% | 2.7% | 2.6% |

CANADIAN DIVISION DATA BY BUSINESS UNIT


(Canadian \$ in millions, unaudited)

| | For the three months ended | | | | | For the twelve months ended |
|---|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Revenue (premiums, investment income and other revenue): | | | | | | |
| Individual Insurance | 260 | 294 | 310 | 347 | 329 | 1,280 |
| Individual Wealth Management | 361 | 335 | 310 | 338 | 400 | 1,383 |
| Group Pensions | 115 | 131 | 110 | 139 | 116 | 496 |
| Group Benefits | 333 | 312 | 292 | 283 | 278 | 1,165 |
| Total revenue | 1,069 | 1,072 | 1,022 | 1,107 | 1,123 | 4,324 |
| Payments to policyholders: | | | | | | |
| Individual Insurance | 116 | 119 | 103 | 94 | 107 | 423 |
| Individual Wealth Management | 246 | 274 | 233 | 293 | 432 | 1,232 |
| Group Pensions | 145 | 168 | 150 | 117 | 169 | 604 |
| Group Benefits | 236 | 268 | 206 | 211 | 211 | 896 |
| Total payments to policyholders | 743 | 829 | 692 | 715 | 919 | 3,155 |
| Commissions: | | | | | | |
| Individual Insurance | 20 | 22 | 23 | 20 | 20 | 85 |
| Individual Wealth Management | 26 | 25 | 24 | 28 | 34 | 111 |
| Group Pensions | 2 | 2 | 1 | 2 | 2 | 7 |
| Group Benefits | 10 | 9 | 9 | 8 | 9 | 35 |
| Total commissions | 58 | 58 | 57 | 58 | 65 | 238 |

CANADIAN DIVISION DATA BY BUSINESS UNIT (CONT'D)


(Canadian \$ in millions, unaudited)

| Premiums and deposits: | For the three months ended | | | | | For the twelve months ended |
|--|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| <i>Individual Insurance</i> | | | | | | |
| Premiums | 212 | 237 | 211 | 233 | 206 | 887 |
| Segregated fund deposits | 3 | 3 | 3 | 3 | 4 | 13 |
| Total Individual Insurance | 215 | 240 | 214 | 236 | 210 | 900 |
| <i>Individual Wealth Management</i> | | | | | | |
| Premiums | 119 | 97 | 67 | 102 | 161 | 427 |
| Segregated fund deposits | 263 | 282 | 268 | 275 | 401 | 1,226 |
| Mutual fund deposits | 131 | 121 | 117 | 111 | 180 | 529 |
| Total Individual Wealth Management | 513 | 500 | 452 | 488 | 742 | 2,182 |
| <i>Group Pensions</i> | | | | | | |
| Premiums | 42 | 53 | 32 | 60 | 34 | 179 |
| Segregated fund deposits | 125 | 123 | 75 | 144 | 100 | 442 |
| Total Group Pensions | 167 | 176 | 107 | 204 | 134 | 621 |
| <i>Group Benefits</i> | | | | | | |
| Premiums | 281 | 268 | 250 | 241 | 236 | 995 |
| ASO premium equivalents | 195 | 183 | 166 | 151 | 143 | 643 |
| Total Group Benefits | 476 | 451 | 416 | 392 | 379 | 1,638 |
| Total premiums and deposits | 1,371 | 1,367 | 1,189 | 1,320 | 1,465 | 5,341 |
| Total premiums and deposits: | | | | | | |
| Premiums | 654 | 655 | 560 | 636 | 637 | 2,488 |
| Segregated fund deposits | 391 | 408 | 346 | 422 | 505 | 1,681 |
| Mutual fund deposits | 131 | 121 | 117 | 111 | 180 | 529 |
| ASO premium equivalents | 195 | 183 | 166 | 151 | 143 | 643 |
| Total premiums and deposits | 1,371 | 1,367 | 1,189 | 1,320 | 1,465 | 5,341 |
| New annualized premium sales ⁽¹⁾ | | | | | | |
| Individual Insurance | 26 | 29 | 28 | 29 | 65 | 151 |
| Group Benefits (includes ASO premium equivalents) | 83 | 70 | 107 | 59 | 52 | 288 |
| Total new annualized premium sales | 109 | 99 | 135 | 88 | 117 | 439 |
| Single premium sales | | | | | | |
| Individual Insurance | 9 | 16 | 17 | 10 | 11 | 54 |

(1) New business sales for Individual Wealth Management and Group Pensions are measured by Premiums, Segregated fund deposits and Mutual fund deposits.

CANADIAN DIVISION DATA BY BUSINESS UNIT (CONT'D)


(Canadian \$ in millions, unaudited)

| Funds under management: | As at | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 |
| <i>Individual Insurance</i> | | | | | |
| General fund | 5,805 | 6,013 | 5,873 | 5,762 | 5,674 |
| Segregated funds | 218 | 247 | 263 | 268 | 276 |
| Total Individual Insurance | 6,023 | 6,260 | 6,136 | 6,030 | 5,950 |
| <i>Individual Wealth Management</i> | | | | | |
| General fund | 9,157 | 9,096 | 9,049 | 9,009 | 9,016 |
| Segregated funds | 6,522 | 6,926 | 7,165 | 6,932 | 6,719 |
| Mutual funds | 1,250 | 1,359 | 1,450 | 1,556 | 1,539 |
| Total Individual Wealth Management | 16,929 | 17,381 | 17,664 | 17,497 | 17,274 |
| <i>Group Pensions</i> | | | | | |
| General fund | 3,597 | 3,700 | 3,768 | 3,842 | 3,855 |
| Segregated funds | 2,172 | 2,221 | 2,192 | 2,132 | 1,969 |
| Total Group Pensions | 5,769 | 5,921 | 5,960 | 5,974 | 5,824 |
| <i>Group Benefits</i> | | | | | |
| General fund | 2,312 | 2,288 | 2,241 | 2,206 | 2,218 |
| Total funds under management | 31,033 | 31,850 | 32,001 | 31,707 | 31,266 |
| | | | | | |
| Funds under management: | | | | | |
| General fund | 20,871 | 21,097 | 20,931 | 20,819 | 20,763 |
| Segregated funds | 8,912 | 9,394 | 9,620 | 9,332 | 8,964 |
| Mutual funds | 1,250 | 1,359 | 1,450 | 1,556 | 1,539 |
| Total funds under management | 31,033 | 31,850 | 32,001 | 31,707 | 31,266 |

ASIAN DIVISION STATEMENTS OF OPERATIONS


(Canadian \$ in millions, unaudited)

| | For the three months ended | | | | | For the twelve months ended |
|-------------------------------------|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Revenue | | | | | | |
| Premiums | | | | | | |
| Life and health insurance | 388 | 391 | 379 | 447 | 523 | 1,740 |
| Annuities and pensions | 41 | 20 | 22 | 24 | 105 | 171 |
| Total premium income | 429 | 411 | 401 | 471 | 628 | 1,911 |
| Investment income | 89 | 95 | 91 | 84 | 83 | 353 |
| Other revenue | 23 | 23 | 21 | 16 | 20 | 80 |
| Total revenue | 541 | 529 | 513 | 571 | 731 | 2,344 |
| Policy benefits and expenses | | | | | | |
| Policyholder benefits | 235 | 204 | 292 | 363 | 520 | 1,379 |
| General expenses | 177 | 258 | 144 | 154 | 111 | 667 |
| Commissions | 62 | 63 | 53 | 51 | 34 | 201 |
| Other | 8 | (58) | (32) | (44) | 25 | (109) |
| Total policy benefits and expenses | 482 | 467 | 457 | 524 | 690 | 2,138 |
| Income before income taxes | 59 | 62 | 56 | 47 | 41 | 206 |
| Income taxes | - | (3) | (2) | (5) | (3) | (13) |
| Net income | 59 | 59 | 54 | 42 | 38 | 193 |

Selected financial ratios
Expense Ratios

| | | | | | | |
|---|-------|-------|-------|-------|-------|-------|
| General expenses to premiums and deposits | 24.7% | 45.0% | 27.2% | 25.9% | 14.6% | 27.1% |
| General expenses to funds under management (annualized) | 7.7% | 11.1% | 6.4% | 7.0% | 5.3% | 7.2% |

Commission Ratios

| | | | | | | |
|--|------|-------|-------|------|------|------|
| Commissions to premiums and deposits | 8.6% | 11.0% | 10.0% | 8.6% | 4.5% | 8.2% |
| Commissions to funds under management (annualized) | 2.7% | 2.7% | 2.3% | 2.3% | 1.6% | 2.2% |

Combined Ratios

| | | | | | | |
|---|-------|-------|-------|-------|-------|-------|
| General expenses and commissions to premiums and deposits | 33.3% | 56.0% | 37.2% | 34.5% | 19.0% | 35.3% |
| General expenses and commissions to funds under management (annualized) | 10.4% | 13.8% | 8.7% | 9.3% | 6.9% | 9.3% |

ASIAN DIVISION DATA BY BUSINESS UNIT


(Canadian \$ in millions, unaudited)

| | For the three months ended | | | | | For the twelve months ended |
|---|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Revenue (premiums, investment income and other revenue): | | | | | | |
| Hong Kong | 317 | 305 | 298 | 280 | 270 | 1,153 |
| Japan | 140 | 137 | 138 | 221 | 397 | 893 |
| Other | 84 | 87 | 77 | 70 | 64 | 298 |
| Total revenue | 541 | 529 | 513 | 571 | 731 | 2,344 |
| Payments to policyholders: | | | | | | |
| Hong Kong | 289 | 175 | 102 | 101 | 85 | 463 |
| Japan | 38 | 41 | 125 | 49 | 31 | 246 |
| Other | 18 | 15 | 15 | 13 | 12 | 55 |
| Total payments to policyholders | 345 | 231 | 242 | 163 | 128 | 764 |
| Commissions: | | | | | | |
| Hong Kong | 29 | 30 | 26 | 24 | 25 | 105 |
| Japan | 24 | 23 | 19 | 19 | 3 | 64 |
| Other | 9 | 10 | 8 | 8 | 6 | 32 |
| Total commissions | 62 | 63 | 53 | 51 | 34 | 201 |

ASIAN DIVISION DATA BY BUSINESS UNIT (CONT'D)


(Canadian \$ in millions, unaudited)

| Premiums and deposits: | For the three months ended | | | | | For the twelve months ended |
|---|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| <i>Hong Kong</i> | | | | | | |
| Premiums | 235 | 218 | 213 | 202 | 191 | 824 |
| Segregated fund deposits | 233 | 133 | 88 | 78 | 98 | 397 |
| Mutual fund deposits | 18 | 10 | 24 | 26 | 27 | 87 |
| Total Hong Kong | 486 | 361 | 325 | 306 | 316 | 1,308 |
| <i>Japan</i> | | | | | | |
| Premiums | 126 | 123 | 126 | 210 | 387 | 846 |
| Total Japan | 126 | 123 | 126 | 210 | 387 | 846 |
| <i>Other</i> | | | | | | |
| Premiums | 68 | 70 | 62 | 59 | 50 | 241 |
| Segregated fund deposits | 34 | 16 | 12 | 12 | 9 | 49 |
| Mutual fund deposits | 4 | 3 | 4 | 7 | - | 14 |
| Total other | 106 | 89 | 78 | 78 | 59 | 304 |
| Total premiums and deposits | 718 | 573 | 529 | 594 | 762 | 2,458 |
| Total premiums and deposits: | | | | | | |
| Premiums | 429 | 411 | 401 | 471 | 628 | 1,911 |
| Segregated fund deposits | 267 | 149 | 100 | 90 | 107 | 446 |
| Mutual fund deposits | 22 | 13 | 28 | 33 | 27 | 101 |
| Total premiums and deposits | 718 | 573 | 529 | 594 | 762 | 2,458 |
| New annualized premium sales | | | | | | |
| Hong Kong Individual Insurance | 30 | 41 | 39 | 32 | 26 | 138 |
| Japan Individual Insurance | 34 | 63 | 62 | 44 | 34 | 203 |
| Total new annualized premium sales | 64 | 104 | 101 | 76 | 60 | 341 |

ASIAN DIVISION DATA BY BUSINESS UNIT (CONT'D)


(Canadian \$ in millions, unaudited)

| Funds under management: | As at | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 |
| <i>Hong Kong</i> | | | | | |
| General fund | 4,521 | 4,324 | 3,909 | 3,713 | 3,513 |
| Segregated funds | 1,110 | 1,074 | 1,376 | 1,356 | 1,465 |
| Mutual funds | 195 | 191 | 210 | 195 | 184 |
| Other managed funds | 691 | 748 | 803 | 806 | 846 |
| Total Hong Kong | 6,517 | 6,337 | 6,298 | 6,070 | 6,008 |
| <i>Japan</i> | | | | | |
| General fund | 2,110 | 2,447 | 2,211 | 2,264 | 2,018 |
| Total Japan | 2,110 | 2,447 | 2,211 | 2,264 | 2,018 |
| <i>Other</i> | | | | | |
| General fund | 486 | 452 | 462 | 401 | 359 |
| Segregated funds | 101 | 70 | 64 | 60 | 56 |
| Mutual funds | 14 | 13 | 17 | 17 | - |
| Total other | 601 | 535 | 543 | 478 | 415 |
| Total funds under management | 9,228 | 9,319 | 9,052 | 8,812 | 8,441 |
| | | | | | |
| Funds under management: | | | | | |
| General fund | 7,117 | 7,223 | 6,582 | 6,378 | 5,890 |
| Segregated funds | 1,211 | 1,144 | 1,440 | 1,416 | 1,521 |
| Mutual funds | 209 | 204 | 227 | 212 | 184 |
| Other managed funds | 691 | 748 | 803 | 806 | 846 |
| Total funds under management | 9,228 | 9,319 | 9,052 | 8,812 | 8,441 |

REINSURANCE DIVISION


(Canadian \$ in millions, unaudited)

| Statements of Operations | For the three months ended | | | | | For the twelve months ended |
|---|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Revenue | | | | | | |
| Premium income | 200 | 220 | 178 | 190 | 180 | 768 |
| Investment income | 56 | 49 | 49 | 49 | 47 | 194 |
| Other revenue | 11 | 7 | 4 | 8 | 3 | 22 |
| Total revenue | 267 | 276 | 231 | 247 | 230 | 984 |
| Policy benefits and expenses | | | | | | |
| Policyholder benefits | 194 | 218 | 182 | 189 | 173 | 762 |
| General expenses | 10 | 9 | 8 | 9 | 9 | 35 |
| Commissions | 14 | 13 | 11 | 11 | 12 | 47 |
| Other | 3 | 2 | 2 | 2 | 2 | 8 |
| Total policy benefits and expenses | 221 | 242 | 203 | 211 | 196 | 852 |
| Income before income taxes | 46 | 34 | 28 | 36 | 34 | 132 |
| Income taxes | (6) | (6) | (1) | (12) | (5) | (24) |
| Net income for the period | 40 | 28 | 27 | 24 | 29 | 108 |

Selected financial ratios

| | | | | | | |
|---|-------|-------|-------|-------|-------|-------|
| General expenses to premiums | 5.0% | 4.1% | 4.5% | 4.7% | 5.0% | 4.6% |
| Commissions to Accident and Health and Property and Casualty reinsurance premiums | 15.8% | 12.0% | 12.2% | 12.8% | 13.8% | 12.7% |

| | For the three months ended | | | | | For the twelve months ended |
|-----------------------------------|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Premiums | | | | | | |
| Life and Financial reinsurance | 112 | 109 | 93 | 95 | 97 | 394 |
| Accident and Health reinsurance | 23 | 27 | 29 | 32 | 30 | 118 |
| Property and Casualty reinsurance | 65 | 84 | 56 | 63 | 53 | 256 |
| Total premiums | 200 | 220 | 178 | 190 | 180 | 768 |

| Funds under management | As at | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 |
| General fund | 3,508 | 3,259 | 3,052 | 2,895 | 2,774 |
| Total funds under management | 3,508 | 3,259 | 3,052 | 2,895 | 2,774 |

CORPORATE AND OTHER


(Canadian \$ in millions, unaudited)

| Statements of Operations | For the three months ended | | | | | For the twelve months ended |
|---|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Revenue | | | | | | |
| Investment income | 79 | 94 | 71 | 85 | 41 | 291 |
| Other revenue | 9 | 12 | 11 | 18 | 10 | 51 |
| Total revenue | 88 | 106 | 82 | 103 | 51 | 342 |
| Policy benefits and expenses | | | | | | |
| Policyholder benefits | 1 | 14 | 32 | 44 | (2) | 88 |
| General expenses | 27 | 35 | 30 | 44 | 26 | 135 |
| Commissions | - | - | (1) | 1 | - | - |
| Other | 38 | 26 | 27 | 28 | 30 | 111 |
| Total policy benefits and expenses | 66 | 75 | 88 | 117 | 54 | 334 |
| Income (loss) before income taxes | 22 | 31 | (6) | (14) | (3) | 8 |
| Income taxes | 5 | (16) | 7 | 15 | 1 | 7 |
| Net income (loss) | 27 | 15 | 1 | 1 | (2) | 15 |

| Funds under management | As at | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 |
| General fund | 5,153 | 3,383 | 3,994 | 4,173 | 4,196 |
| Other managed funds | 6,428 | 6,234 | 5,866 | 5,547 | 5,146 |
| Total funds under management | 11,581 | 9,617 | 9,860 | 9,720 | 9,342 |

SELECTED SUPPLEMENTAL FINANCIAL INFORMATION FOR INSURANCE OPERATIONS


(Canadian \$ in millions, unaudited)

| Summary statements of operations : | For the three months ended | | | | | For the twelve months ended |
|---|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Revenue | | | | | | |
| Premium income | 1,512 | 1,545 | 1,410 | 1,526 | 1,571 | 6,052 |
| Investment income | 523 | 558 | 601 | 587 | 591 | 2,337 |
| Other revenue | 76 | 63 | 57 | 52 | 47 | 219 |
| Total revenue | 2,111 | 2,166 | 2,068 | 2,165 | 2,209 | 8,608 |
| Policy benefits and expenses | | | | | | |
| Policyholder benefits | 1,343 | 1,425 | 1,398 | 1,497 | 1,568 | 5,888 |
| General expenses | 355 | 394 | 311 | 328 | 290 | 1,323 |
| Commissions | 133 | 131 | 130 | 121 | 97 | 479 |
| Other | 40 | (22) | (2) | (13) | 49 | 12 |
| Policy benefits and expenses | 1,871 | 1,928 | 1,837 | 1,933 | 2,004 | 7,702 |
| Income before income taxes | 240 | 238 | 231 | 232 | 205 | 906 |
| Income taxes | (43) | (49) | (43) | (62) | (46) | (200) |
| Net income | 197 | 189 | 188 | 170 | 159 | 706 |
| Revenue by division : | | | | | | |
| (Premiums, investment income and other revenue) | | | | | | |
| U.S. | 764 | 792 | 762 | 756 | 763 | 3,073 |
| Canadian | 593 | 606 | 602 | 630 | 607 | 2,445 |
| Asian | 487 | 492 | 473 | 532 | 609 | 2,106 |
| Reinsurance | 267 | 276 | 231 | 247 | 230 | 984 |
| Total | 2,111 | 2,166 | 2,068 | 2,165 | 2,209 | 8,608 |
| Policyholder benefits by division : | | | | | | |
| (Policyholder benefits and dividends, changes in actuarial liabilities and transfers to segregated funds) | | | | | | |
| U.S. | 549 | 573 | 550 | 534 | 558 | 2,215 |
| Canadian | 395 | 393 | 402 | 438 | 428 | 1,661 |
| Asian | 205 | 241 | 264 | 336 | 409 | 1,250 |
| Reinsurance | 194 | 218 | 182 | 189 | 173 | 762 |
| Total | 1,343 | 1,425 | 1,398 | 1,497 | 1,568 | 5,888 |
| Selected financial ratios | | | | | | |
| Expense Ratios | | | | | | |
| General expenses to premiums and deposits | 18.6% | 20.4% | 17.6% | 17.8% | 15.7% | 17.9% |
| General expenses to funds under management (annualized) | 3.7% | 4.2% | 3.4% | 3.7% | 3.4% | 3.5% |
| Commission Ratios | | | | | | |
| Commissions to premiums and deposits | 7.0% | 6.8% | 7.4% | 6.6% | 5.3% | 6.5% |
| Commissions to funds under management (annualized) | 1.4% | 1.4% | 1.4% | 1.4% | 1.1% | 1.3% |
| Combined Ratios | | | | | | |
| General expenses and commissions to premiums and deposits | 25.6% | 27.2% | 25.0% | 24.4% | 21.0% | 24.4% |
| General expenses and commissions to funds under management (annualized) | 5.1% | 5.6% | 4.8% | 5.0% | 4.6% | 4.8% |

SELECTED SUPPLEMENTAL FINANCIAL INFORMATION FOR INSURANCE OPERATIONS (CONT'D)


(Canadian \$ in millions, unaudited)

| Segmented by division : | For the three months ended | | | | | For the twelve months ended |
|------------------------------------|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Premiums and deposits : | | | | | | |
| U.S. | 573 | 594 | 547 | 549 | 531 | 2,221 |
| Canadian | 691 | 691 | 630 | 628 | 589 | 2,538 |
| Asian | 441 | 428 | 410 | 474 | 547 | 1,859 |
| Reinsurance | 200 | 220 | 178 | 190 | 180 | 768 |
| Total premiums and deposits | 1,905 | 1,933 | 1,765 | 1,841 | 1,847 | 7,386 |

| Funds under management : | As at | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 |
| U.S. | 19,631 | 19,130 | 18,964 | 18,564 | 17,475 |
| Canadian | 8,335 | 8,548 | 8,377 | 8,236 | 8,168 |
| Asian | 6,546 | 6,634 | 6,267 | 6,083 | 5,593 |
| Reinsurance | 3,508 | 3,259 | 3,052 | 2,895 | 2,774 |
| Total funds under management | 38,020 | 37,571 | 36,660 | 35,778 | 34,010 |

| Segmented by fund : | For the three months ended | | | | | For the twelve months ended |
|------------------------------------|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Premiums and deposits : | | | | | | |
| General fund premiums | 1,512 | 1,545 | 1,410 | 1,526 | 1,571 | 6,052 |
| Segregated fund deposits | 198 | 205 | 189 | 164 | 133 | 691 |
| ASO premium equivalents | 195 | 183 | 166 | 151 | 143 | 643 |
| Total premiums and deposits | 1,905 | 1,933 | 1,765 | 1,841 | 1,847 | 7,386 |

| Funds under management : | As at | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 |
| General fund | 35,608 | 35,044 | 33,990 | 33,278 | 31,562 |
| Segregated funds | 2,412 | 2,527 | 2,670 | 2,500 | 2,448 |
| Total funds under management | 38,020 | 37,571 | 36,660 | 35,778 | 34,010 |

SELECTED SUPPLEMENTAL FINANCIAL INFORMATION FOR WEALTH MANAGEMENT OPERATIONS


(Canadian \$ in millions, unaudited)

| Summary statements of operations: | For the three months ended | | | | | For the twelve months ended |
|---|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Revenue | | | | | | |
| Premium income | 604 | 569 | 571 | 615 | 708 | 2,463 |
| Investment income | 399 | 404 | 448 | 426 | 444 | 1,722 |
| Other revenue | 261 | 263 | 269 | 251 | 234 | 1,017 |
| Total revenue | 1,264 | 1,236 | 1,288 | 1,292 | 1,386 | 5,202 |
| Policy benefits and expenses | | | | | | |
| Policyholder benefits | 838 | 726 | 835 | 849 | 949 | 3,359 |
| General expenses | 202 | 227 | 169 | 172 | 165 | 733 |
| Commissions | 138 | 148 | 154 | 146 | 159 | 607 |
| Other | 23 | 22 | 21 | 18 | 15 | 76 |
| Policy benefits and expenses | 1,201 | 1,123 | 1,179 | 1,185 | 1,288 | 4,775 |
| Income before income taxes | 63 | 113 | 109 | 107 | 98 | 427 |
| Income taxes | (13) | (31) | 17 | (36) | (30) | (80) |
| Net income | 50 | 82 | 126 | 71 | 68 | 347 |
| Revenue by division: | | | | | | |
| (Premiums, investment income and other revenue) | | | | | | |
| U.S. | 734 | 733 | 828 | 776 | 748 | 3,085 |
| Canadian | 476 | 466 | 420 | 477 | 516 | 1,879 |
| Asian | 54 | 37 | 40 | 39 | 122 | 238 |
| Total | 1,264 | 1,236 | 1,288 | 1,292 | 1,386 | 5,202 |
| Policyholder benefits by division: | | | | | | |
| (Policyholder benefits and dividends, changes in actuarial liabilities and transfers to segregated funds) | | | | | | |
| U.S. | 466 | 413 | 508 | 471 | 448 | 1,840 |
| Canadian | 342 | 350 | 299 | 351 | 390 | 1,390 |
| Asian | 30 | (37) | 28 | 27 | 111 | 129 |
| Total | 838 | 726 | 835 | 849 | 949 | 3,359 |
| Selected financial ratios | | | | | | |
| <u>Expense Ratios</u> | | | | | | |
| General expenses to premiums and deposits | 4.5% | 5.5% | 4.0% | 4.1% | 3.5% | 4.3% |
| General expenses to funds under management (annualized) | 1.1% | 1.2% | 0.8% | 0.9% | 0.9% | 1.0% |
| <u>Commission Ratios</u> | | | | | | |
| Commissions to premiums and deposits | 3.1% | 3.6% | 3.7% | 3.5% | 3.4% | 3.5% |
| Commissions to funds under management (annualized) | 0.7% | 0.8% | 0.8% | 0.8% | 0.8% | 0.8% |
| <u>Combined Ratios</u> | | | | | | |
| General expenses and commissions to premiums and deposits | 7.6% | 9.0% | 7.7% | 7.7% | 6.9% | 7.8% |
| General expenses and commissions to funds under management (annualized) | 1.8% | 2.0% | 1.6% | 1.7% | 1.7% | 1.8% |

SELECTED SUPPLEMENTAL FINANCIAL INFORMATION FOR WEALTH MANAGEMENT OPERATIONS (CONT'D)


(Canadian \$ in millions, unaudited)

| Segmented by division : | For the three months ended | | | | | For the twelve months ended |
|------------------------------------|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Premiums and deposits : | | | | | | |
| U.S. | 3,494 | 3,337 | 3,514 | 3,339 | 3,587 | 13,777 |
| Canadian | 680 | 676 | 559 | 692 | 876 | 2,803 |
| Asian | 277 | 145 | 119 | 120 | 215 | 599 |
| Total premiums and deposits | 4,451 | 4,158 | 4,192 | 4,151 | 4,678 | 17,179 |

| Funds under management : | As at | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 |
| U.S. | 49,218 | 50,345 | 53,268 | 50,706 | 49,583 |
| Canadian | 22,698 | 23,302 | 23,624 | 23,471 | 23,098 |
| Asian | 2,682 | 2,685 | 2,785 | 2,729 | 2,848 |
| Total funds under management | 74,598 | 76,332 | 79,677 | 76,906 | 75,529 |

| Segmented by fund : | For the three months ended | | | | | For the twelve months ended |
|------------------------------------|----------------------------|----------------|----------------|----------------|----------------|-----------------------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 | Dec 31 2000 |
| Premiums and deposits : | | | | | | |
| General fund premiums | 604 | 569 | 571 | 615 | 708 | 2,463 |
| Segregated fund deposits | 3,694 | 3,455 | 3,476 | 3,392 | 3,763 | 14,086 |
| Mutual fund deposits | 153 | 134 | 145 | 144 | 207 | 630 |
| Total premiums and deposits | 4,451 | 4,158 | 4,192 | 4,151 | 4,678 | 17,179 |

| Funds under management : | As at | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | Mar 31 2001 | Dec 31 2000 | Sep 30 2000 | Jun 30 2000 | Mar 31 2000 |
| General fund | 22,148 | 21,640 | 21,502 | 21,694 | 21,538 |
| Segregated funds | 50,300 | 52,381 | 55,695 | 52,638 | 51,422 |
| Mutual funds | 1,459 | 1,563 | 1,677 | 1,768 | 1,723 |
| Other managed funds | 691 | 748 | 803 | 806 | 846 |
| Total funds under management | 74,598 | 76,332 | 79,677 | 76,906 | 75,529 |

HISTORICAL FINANCIAL HIGHLIGHTS



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

| Key performance measures | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |
|--|-------|-------|-------|-------|-------|-------|
| Net income | 1,068 | 866 | 710 | 743 | 503 | 481 |
| Net operating income | 1,068 | 866 | 710 | 624 | 503 | 372 |
| Adjusted shareholders' net income | 1,075 | 874 | 710 | 743 | 503 | 481 |
| Capital ⁽¹⁾ | 8,555 | 7,771 | 7,415 | 6,377 | 4,859 | 3,826 |
| Operating return on shareholders' equity (%) ⁽²⁾ | 16.1% | 14.0% | 12.9% | 13.6% | 12.4% | 11.4% |
| Operating return on assets (%) | 1.8% | 1.6% | 1.4% | 1.3% | 1.1% | 0.9% |
| Capital as a percent of liabilities | 16.7% | 16.1% | 16.2% | 14.4% | 11.5% | 10.6% |

(1) Capital includes: total equity (formerly surplus), subordinated debt and trust preferred securities issued by subsidiaries.

(2) Previously reported as operating return on surplus.

Summary consolidated statements of operations

For the years ended December 31

| | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |
|--|---------------|---------------|---------------|---------------|--------------|--------------|
| Revenue | | | | | | |
| Premium income | 8,515 | 8,672 | 5,696 | 5,622 | 5,694 | 5,193 |
| Investment income | 4,350 | 4,369 | 4,123 | 4,010 | 3,734 | 3,231 |
| Other revenue | 1,287 | 1,015 | 792 | 574 | 447 | 212 |
| Total revenue | 14,152 | 14,056 | 10,611 | 10,206 | 9,875 | 8,636 |
| Policy benefits and expenses | | | | | | |
| Policyholders and beneficiaries | 7,654 | 6,608 | 6,385 | 6,508 | 5,883 | 5,132 |
| Policyholder dividends and experience rating refunds | 859 | 738 | 604 | 508 | 471 | 356 |
| Increase in actuarial liabilities | 822 | 2,628 | 252 | 169 | 873 | 1,089 |
| General expenses & commissions | 3,277 | 2,703 | 2,118 | 1,868 | 1,693 | 1,220 |
| Interest expense | 191 | 179 | 158 | 156 | 161 | 203 |
| Premium taxes | 96 | 84 | 74 | 83 | 72 | 64 |
| Non-controlling interest in subsidiaries | (151) | (114) | 7 | 11 | 6 | 2 |
| Trust preferred securities issued by subsidiaries | 63 | 62 | 62 | 54 | - | - |
| Total policy benefits and expenses | 12,811 | 12,888 | 9,660 | 9,357 | 9,159 | 8,066 |
| Income before income taxes | 1,341 | 1,168 | 951 | 849 | 716 | 570 |
| Unusual items | - | - | - | 176 | - | 126 |
| Income taxes | (273) | (302) | (241) | (282) | (213) | (215) |
| Net income | 1,068 | 866 | 710 | 743 | 503 | 481 |

Net loss attributed to:

| | | | | | | |
|---|-----|-----|---|---|---|---|
| Participating policyholders (after demutualization) | (7) | (8) | - | - | - | - |
|---|-----|-----|---|---|---|---|

Net income attributed to:

| | | | | | | |
|--|--------------|------------|------------|------------|------------|------------|
| Shareholders (after demutualization) | 1,075 | 267 | - | - | - | - |
| Mutual operations (prior to demutualization) | - | 607 | 710 | 743 | 503 | 481 |
| Adjusted shareholders' net income | 1,075 | 874 | 710 | 743 | 503 | 481 |

| | | | | | | |
|-------------------|--------------|------------|------------|------------|------------|------------|
| Net income | 1,068 | 866 | 710 | 743 | 503 | 481 |
|-------------------|--------------|------------|------------|------------|------------|------------|

HISTORICAL FINANCIAL HIGHLIGHTS (CONT'D)



(Canadian \$ in millions, unaudited)

Summary consolidated balance sheets

| As at December 31 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |
|---|--------|--------|--------|--------|--------|--------|
| Assets | | | | | | |
| Bonds | 33,270 | 30,853 | 30,691 | 28,662 | 25,627 | 21,259 |
| Mortgages | 7,174 | 6,867 | 7,702 | 7,809 | 8,106 | 6,917 |
| Stocks | 4,621 | 4,832 | 4,042 | 3,529 | 2,796 | 2,592 |
| Real estate | 3,262 | 3,179 | 2,992 | 2,806 | 3,044 | 2,888 |
| Policy loans | 3,616 | 3,207 | 3,137 | 2,663 | 2,354 | 1,973 |
| Cash and short term investments | 3,783 | 3,047 | 1,329 | 1,842 | 2,600 | 1,792 |
| Other investments | 884 | 1,180 | 499 | 479 | 292 | 173 |
| Invested assets | 56,610 | 53,165 | 50,392 | 47,790 | 44,819 | 37,594 |
| Other assets | 3,457 | 3,543 | 2,710 | 2,733 | 2,424 | 2,268 |
| Total assets | 60,067 | 56,708 | 53,102 | 50,523 | 47,243 | 39,862 |
| Liabilities and equity | | | | | | |
| Actuarial liabilities | 41,384 | 39,748 | 38,738 | 37,227 | 36,248 | 31,257 |
| Other liabilities | 9,829 | 8,439 | 6,873 | 6,865 | 6,088 | 4,759 |
| Subordinated debt | 588 | 582 | 627 | 581 | 566 | 341 |
| Non-controlling interest in subsidiaries | 299 | 750 | 76 | 54 | 48 | 20 |
| Trust preferred securities issued by subsidiaries | 756 | 735 | 783 | 728 | - | - |
| Total equity ⁽¹⁾ | 7,211 | 6,454 | 6,005 | 5,068 | 4,293 | 3,485 |
| Total liabilities and equity | 60,067 | 56,708 | 53,102 | 50,523 | 47,243 | 39,862 |

(1) Previously reported as surplus

Funds under management

| As at December 31 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |
|---------------------|---------|---------|--------|--------|--------|--------|
| General fund | 60,067 | 56,708 | 53,102 | 50,523 | 47,243 | 39,862 |
| Segregated funds | 54,908 | 49,055 | 38,200 | 27,018 | 18,553 | 5,532 |
| Mutual funds | 1,563 | 1,641 | 1,708 | 2,125 | 2,782 | 934 |
| Other managed funds | 6,982 | 4,732 | 3,680 | 2,652 | 2,944 | 330 |
| Total | 123,520 | 112,136 | 96,690 | 82,318 | 71,522 | 46,658 |

Premiums and deposits

| For the years ended December 31 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |
|---------------------------------|--------|--------|--------|--------|--------|-------|
| General fund | 8,515 | 8,672 | 5,696 | 5,622 | 5,694 | 5,193 |
| Segregated funds | 14,777 | 10,709 | 8,846 | 7,026 | 4,291 | 1,404 |
| Mutual funds | 630 | 522 | 601 | 1,348 | 1,678 | 18 |
| ASO premium equivalents | 643 | 550 | 524 | 470 | 475 | 439 |
| Total | 24,565 | 20,453 | 15,667 | 14,466 | 12,138 | 7,054 |

Selected ratios:

5-yr compound growth rates

| | | | | | | |
|------------------------|-----|-----|-----|-----|-----|-----|
| Operating income | 23% | 25% | 31% | 49% | 20% | 15% |
| Funds under management | 21% | 17% | 15% | 15% | 15% | 11% |

CORPORATE OFFICE
Manulife Financial

200 Bloor Street East
Toronto, Ontario
Canada M4W 1E5

Transfer Agent

Montreal Trust
1-800-783-9495

Common Stock

Common Stock of Manulife Financial is traded on:

| Stock Exchange | Symbol |
|----------------|--------|
| Toronto | MFC |
| New York | MFC |
| Philippines | MFC |
| Hong Kong | 0945 |

INVESTOR INFORMATION

Edwina Stoate
Vice-President, Investor Relations
416-926-3490

Web Site: www.manulife.com

INDUSTRY RATING INFORMATION

The following rating agencies each assign The Manufacturers Life Insurance Company ratings within their highest range of categories, thereby recognizing the company as among the strongest in the life insurance industry.

| Purpose | Rating agency | Rating |
|--------------------------------------|------------------------------|-----------|
| Claims paying/ Financial strength | A.M. Best | A++ |
| | Dominion Bond Rating Service | IC-1 |
| | Fitch | AAA |
| | Moody's | Aa2 |
| Commercial paper | Standard & Poor's | AA+ |
| | Dominion Bond Rating Service | R-1 (mid) |
| | Moody's | Prime-1 |
| U.S.\$ Subordinated debt | Standard & Poor's | A-1+ |
| | Fitch | AA |
| | Moody's | A1 |
| CDN\$ Subordinated debt | Standard & Poor's | AA- |
| | Dominion Bond Rating Service | AA (low) |
| | Standard & Poor's | AA- |

MARKET INFORMATION

The following information shows trading activity for the Company for the periods indicated.

| | Q1 01 | Q4 00 | Q3 00 | Q2 00 | Q1 00 |
|---|----------|----------|----------|----------|----------|
| Basic and diluted earnings per share | \$ 0.56 | \$ 0.59 | \$ 0.65 | \$ 0.51 | \$ 0.47 |
| Return on shareholders' equity (annualized) | 15.0% | 16.1% | 18.5% | 15.3% | 14.3% |
| Return on assets (annualized) | 1.8% | 1.9% | 2.1% | 1.7% | 1.6% |
| Book value per share | \$ 15.54 | \$ 14.84 | \$ 14.40 | \$ 13.73 | \$ 13.24 |
| Market value to adjusted book value ratio | 2.67 | 3.16 | 2.19 | 1.90 | 1.61 |
| Market capitalization (\$ billions) | 20.0 | 22.6 | 15.2 | 12.6 | 10.3 |
| Shares outstanding (millions) | | | | | |
| - end of period | 482 | 482 | 482 | 482 | 482 |
| - weighted average | 482 | 482 | 482 | 482 | 486 |

CURRENT QUARTER SHARE PRICE INFORMATION

| | Toronto | New York | Hong Kong | Philippines |
|--|----------|-----------|-----------|-------------|
| Share Price | (1) | (2) | (3) | (4) |
| High | \$ 47.25 | \$ 31.375 | \$ 237.0 | P 1,565 |
| Low | \$ 36.50 | \$ 24.250 | \$ 180.5 | P 1,100 |
| Close | \$ 41.55 | \$ 26.400 | \$ 193.0 | P 1,210 |
| Average daily trading volume number of shares (thousands) | | | | |
| (1) Canadian \$ (2) United States \$ (3) Hong Kong \$ (4) Philippine Pesos | 1,119 | 242 | 43 | 6 |

| | Q1 01 | Q4 00 | Q3 00 | Q2 00 | Q1 00 |
|--|-------|-------|-------|-------|-------|
| MINIMUM CONTINUING CAPITAL AND SURPLUS REQUIREMENTS | | | | | |
| The Manufacturers Life Insurance Company's MCCR | 249% | 238% | 251% | 244% | 240% |
| Available Capital (\$ billions) | 8.74 | 8.02 | 8.46 | 8.25 | 8.12 |
| Required Capital (\$ billions) | 3.50 | 3.37 | 3.37 | 3.38 | 3.38 |

FOREIGN EXCHANGE INFORMATION (*)

| | | | | | | |
|----------------------------|------------------|----------|----------|----------|----------|----------|
| - Balance Sheets | (CDN to \$ 1 US) | 1.577 | 1.500 | 1.507 | 1.479 | 1.454 |
| - Statements of Operations | (CDN to \$ 1 US) | 1.528 | 1.526 | 1.482 | 1.481 | 1.454 |
| | (CDN to 1 YEN) | 0.012932 | 0.013897 | 0.013762 | 0.013879 | 0.013583 |

(*) Unless otherwise indicated, information contained in this supplement are in Canadian dollars. These are exchange rates used for currency conversion from U.S. dollars and Japanese Yen to Canadian dollars for financial statement purposes.