

For the Quarter ended March 31, 2001

Manulife Financial Corporation

a global vision

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First Quarter Report
to Shareholders

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 **Manulife Financial**

Financial Highlights

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

As at and for the three months ended March 31	2001	2000	% change
Premiums and deposits:			
Life and health insurance premiums	\$ 1,512	\$ 1,571	(4)
Annuity and pension premiums	604	708	(15)
Segregated fund deposits	3,892	3,896	-
Mutual fund deposits	153	207	(26)
ASO premium equivalents	195	143	36
Total premiums and deposits	\$ 6,356	\$ 6,525	(3)
Funds under management:			
General fund	\$ 62,909	\$ 57,296	10
Segregated funds	52,712	53,870	(2)
Mutual and other managed funds	8,578	7,715	11
Total funds under management	\$ 124,199	\$ 118,881	4
Net income (loss) attributed to participating policyholders	\$ 4	\$ (2)	n/a
Net income attributed to shareholders	\$ 270	\$ 227	19
Net income	\$ 274	\$ 225	22
Capitalization:			
Subordinated debt	\$ 1,407	\$ 583	141
Trust preferred securities issued by subsidiaries	779	726	7
Equity			
Participating policyholders' equity	58	59	(2)
Shareholders' equity			
Common shares	612	612	-
Shareholders' retained earnings	6,879	5,774	19
Total capital	\$ 9,735	\$ 7,754	26
Selected key performance measures:			
Basic and diluted earnings per share	\$ 0.56	\$ 0.47	
Return on shareholders' equity (annualized)	15.0%	14.3%	
Return on assets (annualized)	1.8%	1.6%	
Book value per share	\$ 15.54	\$ 13.24	
Shares outstanding (in millions)			
End of period	482	482	
Weighted average – basic	482	486	
Weighted average – diluted	486	486	

Message to Shareholders

Net Income Rises 19 Per Cent

This quarter has been a period of turbulence for North American financial markets which considerably dampened consumer demand for equity linked products. In spite of this difficult environment, Manulife Financial recorded strong earnings in the first quarter of 2001. Our geographic and product diversification is an important strength that contributes to overall earnings stability. We reported shareholders' net income of \$270 million, an increase of 19 per cent over a year ago. Earnings per share were \$0.56, an increase of \$0.09 from the first quarter of 2000. The increase in net income was primarily due to strong operating results across most business units except the U.S. variable annuity line where declining equity markets adversely impacted the quarterly results.

Our return on shareholders' equity was 15.0 per cent for the quarter. Premiums and deposits were \$6.4 billion for the quarter, marginally lower than a year ago but up four per cent over the fourth quarter 2000, reflecting the impact of the very soft equity markets on sales in our North American wealth management businesses and a company-initiated reduction in single premium sales in Japan. Funds under management were \$124.2 billion as at March 31, 2001, an increase of four per cent from the previous year. In our Canadian and U.S. insurance markets, across Asia and in our global reinsurance business, sales were strong. We continue to monitor the possible impact of an economic slowdown and of further deterioration in equity markets. We have added to our provisions for potential credit losses and are managing expenses even more tightly than usual.

In February, Manulife Financial completed its first Canadian subordinated debt offering, adding \$800 million to our capital base. This transaction was extremely well received by investors, allowing us to substantially increase the size of our issue from an originally stated \$500 million, while reducing the offered yield.

Global Leadership

This quarter, the United States contributed earnings of \$75 million. We are well positioned in some of America's most attractive businesses which enjoy favourable demographic and economic characteristics. Each of our operations – variable annuities, small case 401(k) pension products and high net worth individual insurance – is a leading participant in its sector. This quarter, we added new funds and managers to our common investment platform providing even broader choice to our variable product customers. In addition, we expanded our variable annuity contracts to offer a new guaranteed retirement income program and a guaranteed earnings multiplier rider that offsets beneficiary tax obligations upon the owner's death.

In Asia, we completed, just subsequent to quarter end, the acquisition of the inforce policies of Daihyaku Mutual, adding almost 1.4 million policies and \$15.9 billion of assets to our operations in Japan. We are keen to leverage our product and distribution expertise gained in other markets by bringing innovative new products and services to Japanese consumers. We are very pleased that Standard & Poor's has recognized the value of this franchise by awarding our local subsidiary, Manulife Century, an AA+ credit rating. Japanese consumers are increasingly conscious of the financial strength of their insurance provider and we expect that Manulife Century will benefit from the preference for highly rated institutions. In China, we recently applied for an extension of our license to the city of Guangzhou. We are already a significant player in the Shanghai market where we have operated for five years. Two years ago, we became the first foreign insurer to be licensed in Vietnam where we have enjoyed spectacular growth, building our sales force to over 2,000 strong and capturing a market share of about eight per cent.

Our Canadian operations also recently completed two acquisitions. We purchased Commercial Union's Canadian insurance operations, positioning Manulife Financial as the top player in the Canadian critical illness market. The acquisition of Zurich Canada's group life and health business has increased our ranking to second from fifth in the small case group market. Further industry restructuring opportunities are expected to emerge later this year following enactment of the much anticipated Canadian financial services reform legislation.

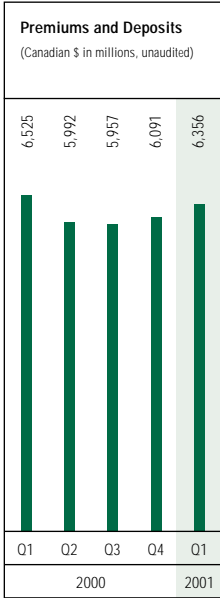
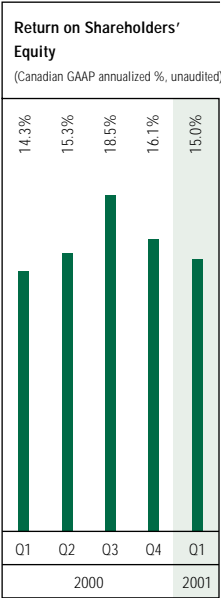
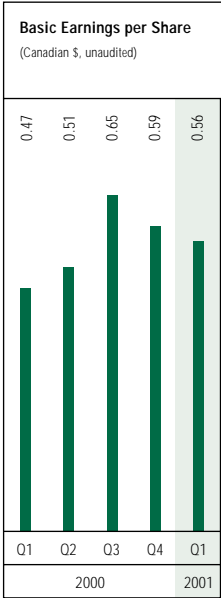
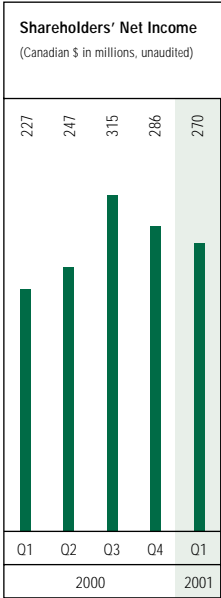
Looking Forward

Manulife Financial has prepared itself well to prosper in the periods ahead. We are well diversified by product offering and by geography. We have established important operations in some of the most attractive markets in the world and we expect that the advantages of our diversified earnings base will become particularly apparent this year. We remain committed to meeting the 15 per cent target for growth in earnings per share.

Dominic D'Alessandro

President and Chief Executive Officer

Key Performance Measures



Management's Analysis of Operations

Net Income

Manulife Financial reported a 19 per cent increase in shareholders' net income for the first quarter ended March 31, 2001, increasing to \$270 million from \$227 million in 2000. This increase was primarily due to growth in insurance earnings and favourable claims experience.

Return on Equity and Earnings per Share

The first quarter return on shareholders' equity was 15.0 per cent compared to 14.3 per cent for the same period in 2000. For the three months ended March 31, 2001, earnings per share were \$0.56 compared to \$0.47 in 2000.

Premiums and Deposits

Total premiums and deposits decreased slightly to \$6.4 billion in the first quarter of 2001 from \$6.5 billion in 2000. This was due to a decrease in U.S. variable annuity deposits and in Individual Wealth Management premiums and deposits in Canada, as a result of declining equity markets, and a company-initiated reduction in sales of single premium products in Japan. These decreases were partially offset by an increase in Mandatory Provident Fund deposits in Hong Kong.

Funds under Management

Funds under management increased by four per cent to \$124.2 billion as at March 31, 2001 from \$118.9 billion as at March 31, 2000. General fund assets increased by 10 per cent, driven mainly by insurance growth, while segregated fund assets decreased slightly. Strong sales of 401(k) pension products and variable annuities over the past 12 months along with the impact of a strengthening U.S. dollar were more than offset by reductions in fund values due to recent equity market declines.

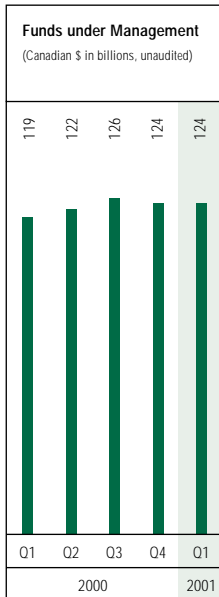
Capital

Total capital increased to \$9.7 billion as at March 31, 2001 from \$7.8 billion as at March 31, 2000. The increase was primarily a result of the issuance of subordinated debt, augmented by net income and the impact of a strengthening U.S. dollar, partially offset by shareholder dividends.

Results of Operations by Division

U.S. Division

U.S. Division net income was \$75 million, compared to \$101 million for the first quarter of 2000. This quarter's decrease from the strong results in 2000 was largely due to the impact of lower equity markets primarily on the earnings of the Division's wealth management businesses and due to higher credit provisions in response to weakening credit markets. The largest income impact from the equity markets decline was in the variable annuity business, which reported lower margins and higher actuarial reserves. Premiums and deposits remained unchanged from the first quarter of 2000, at \$4.1 billion. Increased sales of 401(k) pension products, due to the continued penetration of the broker dealer market were offset by lower variable annuity sales, as a result of the volatile equity markets during the quarter. Funds under management of \$68.9 billion were \$1.8 billion higher than the first quarter of 2000. Strong sales over the past 12 months and the strengthening of the U.S. dollar were largely offset by reductions in fund values from equity market declines.



Management's Analysis of Operations (cont'd)

Canadian Division

Canadian Division net income increased by 23 per cent to \$73 million, compared to \$59 million in the first quarter of 2000. The increased earnings were driven by higher margins on Individual Wealth Management products, particularly the redesigned and repriced segregated fund product and strong growth in the Group Benefits inforce block. Better claims experience and improved new business margins in Individual Insurance contributed to the increase in net income. First quarter premiums and deposits were down six per cent to \$1.4 billion. Growth in premiums and deposits of 25 per cent in Group Pensions and 26 per cent in Group Benefits was more than offset by a 31 per cent decrease in Individual Wealth Management deposits resulting from volatile equity markets and the low interest rate environment. Funds under management decreased marginally to \$31.0 billion as at March 31, 2001 from \$31.3 billion as at the same time last year as recent equity market declines eroded much of the segregated and mutual fund asset growth seen in 2000.

Asian Division

Asian Division net income increased by 55 per cent to \$59 million in the first quarter of 2001 from \$38 million in 2000. This increase was primarily due to growth in both the inforce block and new business in the Hong Kong insurance line along with business growth in Japan. Premiums and deposits decreased to \$718 million from \$762 million for the quarter ended March 31, 2001. Increased individual insurance premiums and Mandatory Provident Fund deposits in Hong Kong were offset by a company-initiated decrease in sales of low margin single premium products in Japan. Funds under management increased by nine per cent to \$9.2 billion as at March 31, 2001 from \$8.4 billion as at March 31, 2000, due to business growth in all units which more than offset the effect of the decline in equity markets.

Reinsurance Division

Reinsurance Division reported net income of \$40 million in the first quarter of 2001, an increase of 38 per cent over the \$29 million reported in the first quarter of 2000. All lines of business performed well and contributed favourably to the strong results in the quarter, particularly the Life reinsurance line, which reported exceptionally favourable mortality results. Premiums increased by 11 per cent from \$180 million in the first quarter of 2000 to \$200 million in 2001, primarily due to business growth in the Property and Casualty reinsurance line. Accident and Health reinsurance premiums continued to decline due to the Company's exit from the U.S. medical reinsurance market and from personal accident pools. General fund assets increased by 26 per cent to \$3.5 billion as at March 31, 2001 from \$2.8 billion as at March 31, 2000, reflecting business growth and the impact of a strengthening U.S. dollar.

Quarterly Dividend

On February 8, 2001, the Board of Directors declared a quarterly shareholders' dividend of \$0.12 per share on common shares of the Company, which was paid on March 19, 2001 to shareholders of record at the close of business on February 21, 2001.

Consolidated Statements of Operations

(Canadian \$ in millions unless otherwise stated and per share data, unaudited)	For the three months ended March 31	2001	2000
Revenue			
Premium income		\$ 2,116	\$ 2,279
Investment income		1,001	1,076
Other revenue		346	291
Total revenue		\$ 3,463	\$ 3,646
Policy benefits and expenses			
To policyholders and beneficiaries			
Death and disability benefits		\$ 643	\$ 591
Maturity and surrender benefits		707	739
Annuity payments		307	302
Policyholder dividends and experience rating refunds		193	183
Net transfers to segregated funds		271	482
Increase in actuarial liabilities		61	218
General expenses		584	481
Commissions		271	256
Interest expense		66	40
Premium taxes		24	23
Non-controlling interest in subsidiaries		(5)	15
Trust preferred securities issued by subsidiaries		16	16
Total policy benefits and expenses		\$ 3,138	\$ 3,346
Income before income taxes		\$ 325	\$ 300
Income taxes		(51)	(75)
Net income		\$ 274	\$ 225
Net income (loss) attributed to participating policyholders		\$ 4	\$ (2)
Net income attributed to shareholders		\$ 270	\$ 227
Net income		\$ 274	\$ 225
Weighted average number of common shares outstanding (in millions)		482	486
Weighted average number of diluted common shares outstanding (in millions)		486	486
Basic and diluted earnings per share		\$ 0.56	\$ 0.47

Consolidated Balance Sheets

(Canadian \$ in millions, unaudited)	As at	Mar. 31, 2001	Dec. 31, 2000	Mar. 31, 2000
ASSETS	Invested assets			
	Bonds	\$ 34,450	\$ 33,270	\$ 30,867
	Mortgages	7,361	7,174	6,737
	Stocks	4,893	4,621	5,181
	Real estate	3,384	3,262	3,209
	Policy loans	3,934	3,616	3,341
	Cash and short-term investments	4,586	3,783	3,728
	Other investments	878	884	882
	Total invested assets	\$ 59,486	\$ 56,610	\$ 53,945
	Other assets			
	Accrued investment income	\$ 807	\$ 834	\$ 727
	Outstanding premiums	378	487	330
	Future income taxes	542	515	476
	Miscellaneous	1,696	1,621	1,818
	Total other assets	\$ 3,423	\$ 3,457	\$ 3,351
	Total assets	\$ 62,909	\$ 60,067	\$ 57,296
	Segregated fund net assets	\$ 52,712	\$ 54,908	\$ 53,870
LIABILITIES AND EQUITY				
	Actuarial liabilities	\$ 42,816	\$ 41,384	\$ 40,138
	Benefits payable and provision for unreported claims	1,825	1,800	1,528
	Policyholder amounts on deposit	1,535	1,371	1,217
	Deferred realized net gains	3,527	3,434	2,674
	Banking deposits	643	592	422
	Other liabilities	2,768	2,632	2,857
		\$ 53,114	\$ 51,213	\$ 48,836
	Subordinated debt	1,407	588	583
	Non-controlling interest in subsidiaries	60	299	706
	Trust preferred securities issued by subsidiaries	779	756	726
	Equity			
	Participating policyholders' equity	58	54	59
	Shareholders' equity			
	Common shares	612	612	612
	Shareholders' retained earnings	6,879	6,545	5,774
	Total equity	\$ 7,549	\$ 7,211	\$ 6,445
	Total liabilities and equity	\$ 62,909	\$ 60,067	\$ 57,296
	Segregated fund net liabilities	\$ 52,712	\$ 54,908	\$ 53,870

Consolidated Statements of Equity

(Canadian \$ in millions, unaudited)	For the three months ended March 31	Participating Policyholders	Shareholders	2001	2000
Operating retained earnings					
Balance, January 1		\$ 54	\$ 6,414	\$ 6,468	\$ 5,783
Net income		4	270	274	225
Shareholder dividends		-	(57)	(57)	(49)
Purchase and cancellation of common shares		-	-	-	(190)
Balance, March 31		\$ 58	\$ 6,627	\$ 6,685	\$ 5,769
Currency translation account					
Balance, January 1		\$ -	\$ 131	\$ 131	\$ 43
Change during the period		-	121	121	21
Balance, March 31		\$ -	\$ 252	\$ 252	\$ 64
Retained earnings		\$ 58	\$ 6,879	\$ 6,937	\$ 5,833
Common shares					
Balance, January 1		\$ -	\$ 612	\$ 612	\$ 628
Purchase and cancellation of common shares		-	-	-	(16)
Balance, March 31		\$ -	\$ 612	\$ 612	\$ 612
Total equity		\$ 58	\$ 7,491	\$ 7,549	\$ 6,445

Consolidated Statements of Cash Flows

(Canadian \$ in millions, unaudited)	For the three months ended March 31	2001	2000
Operating activities			
Operating cash inflows			
Premiums and annuity considerations		\$ 2,225	\$ 2,306
Investment income received		954	918
Other revenue		346	291
Total operating cash inflows		\$ 3,525	\$ 3,515
Operating cash outflows			
Benefit payments		\$ 1,642	\$ 1,626
Insurance expenses and taxes		1,005	824
Dividends paid to policyholders		193	183
Net transfers to segregated funds		271	482
Change in other assets and liabilities		391	(84)
Total operating cash outflows		\$ 3,502	\$ 3,031
Cash provided by operating activities		\$ 23	\$ 484
Investing activities			
Purchases and mortgage advances		\$ (9,245)	\$ (8,642)
Disposals and repayments		8,921	8,866
Cash provided by (used in) investing activities		\$ (324)	\$ 224
Financing activities			
Increase in repurchase agreements and securities sold but not yet purchased		\$ 310	\$ 158
Shareholder dividends		(57)	-
Borrowed funds, net		34	-
Issue of subordinated debt, net (note 3)		796	-
Purchase and cancellation of common shares		-	(206)
Cash provided by (used in) financing activities		\$ 1,083	\$ (48)
Cash and short-term investments			
Increase during the period		\$ 782	\$ 660
Balance, January 1		3,480	2,810
Balance, March 31		\$ 4,262	\$ 3,470
Composition of cash and short-term investments			
Beginning of period			
Gross cash and short-term investments		\$ 3,783	\$ 3,047
Net payments in transit, included in other liabilities		(303)	(237)
Net cash and short-term investments, January 1		\$ 3,480	\$ 2,810
End of period			
Gross cash and short-term investments		\$ 4,586	\$ 3,728
Net payments in transit, included in other liabilities		(324)	(258)
Net cash and short-term investments, March 31		\$ 4,262	\$ 3,470

Segregated Funds

Consolidated Statements of Net Assets

(Canadian \$ in millions, unaudited)	As at	Mar. 31, 2001	Dec. 31, 2000	Mar. 31, 2000
	Investments, at market values			
	Bonds	\$ 3,151	\$ 2,567	\$ 3,304
	Stocks	46,945	49,880	48,241
	Real estate	2	2	7
	Cash and short-term investments	2,667	2,428	2,323
	Accrued investment income	18	16	20
	Other assets (liabilities), net	(71)	15	(25)
	Total segregated fund net assets	\$ 52,712	\$ 54,908	\$ 53,870
	Composition of segregated fund net assets:			
	Held by Policyholders	\$ 52,542	\$ 54,705	\$ 53,807
	Held by the Company	170	203	63
	Total segregated fund net assets	\$ 52,712	\$ 54,908	\$ 53,870

Segregated Funds

Consolidated Statements of Changes in Net Assets

(Canadian \$ in millions, unaudited)	For the three months ended March 31	2001	2000
	Additions		
	Deposits from policyholders	\$ 3,892	\$ 3,896
	Realized and unrealized investment gains (losses)	(6,861)	2,273
	Interest and dividends	332	294
	Net transfers from general fund	271	482
	Currency revaluation	2,225	343
	Total additions (reduction)	\$ (141)	\$ 7,288
	Deductions		
	Payments to policyholders	\$ 1,851	\$ 2,295
	Management and administrative fees	204	178
	Total deductions	\$ 2,055	\$ 2,473
	Net addition (reduction) to segregated funds for the period	\$ (2,196)	\$ 4,815
	Segregated fund net assets, January 1	54,908	49,055
	Segregated fund net assets, March 31	\$ 52,712	\$ 53,870

Notes to the Summary Consolidated Financial Statements

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

Note 1 *Significant Accounting Policies*

These summary consolidated 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"), except that these unaudited financial statements do not include all of the disclosures required for annual financial statements. None of the accounting requirements of OSFI is an exception to accounting principles generally accepted in Canada. The significant accounting policies followed in the preparation of these interim Consolidated Financial Statements are consistent with those found in the

2000 Annual Report and should be read in conjunction with the Annual Report.

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.

Note 2 *Change in Accounting Policy*

In December 2000, The Canadian Institute of Chartered Accountants issued Handbook Section 3500, "Earnings Per Share," effective for fiscal years commencing January 1, 2001, which requires the use of the treasury stock method of computing

diluted earnings per share. The Company adopted the recommendations of this standard on January 1, 2001 with retroactive application. The impact of this change was not material to these consolidated financial statements.

Note 3 *Issuance of Subordinated Debt*

On February 16, 2001, Manufacturers Life issued, in two tranches, \$800 in unsecured subordinated debentures, redeemable in whole or in part by the company at any time. Debentures with principal of \$250, maturing on February 16, 2011, bear interest at a fixed rate of 5.70% for five years and thereafter at a rate of 1% plus the 90-day Bankers Acceptance Rate (adjusted quarterly). In addition, debentures with

principal of \$550, maturing on February 16, 2016, bear interest at a fixed rate of 6.24% for ten years and thereafter at a rate of 1% plus the 90-day Bankers Acceptance Rate (adjusted quarterly). Proceeds to Manufacturers Life, net of issuance costs, were approximately \$796. The debt constitutes Tier 2B regulatory capital and was used for general corporate purposes.

Note 4 *Stock Options and Deferred Share Units*

As at March 31, 2001, there were 11 million outstanding stock options and deferred share units.

Note 5 *Manulife Century Life Insurance Company*

On January 25, 2001, the Company announced the signing of a definitive agreement between Manulife Century Life Insurance Company ("Manulife Century") and the administrators of Daihyaku Mutual Life Insurance Company ("Daihyaku") to assume Daihyaku's existing insurance policies.

In addition, on this date, Manulife Financial acquired Daihyaku's minority interest in Manulife Century making Manulife Century a wholly owned subsidiary of the Company.

Subsequent event

On April 2, 2001, Manulife Century completed the transfer of approximately

1.35 million active insurance policies from Daihyaku. The Company received assets with a fair value of approximately \$15,868 (Yen 1.3 trillion) of which approximately \$15,700 (Yen 1.3 trillion) will be included in its general fund and \$168 (Yen 13.5 billion) will be included in its segregated funds. Policy liabilities and other liabilities will increase by an amount commensurate with the general fund assets. This transaction has been accounted for as a purchase of a block of business and accordingly, the assets transferred to Manulife Century have been recorded at their estimated fair values at the closing date. Goodwill was not created as a result of this transaction.

Note 6 *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 the United States, Canada 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 U.S., Canadian, 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 For the three months ended March 31, 2001	U.S. Division	Canadian Division	Asian Division	Reinsurance Division	Other	Total
Revenue						
Premium income						
Life and health insurance	\$ 431	\$ 493	\$ 388	\$ 200	\$ –	\$ 1,512
Annuities and pensions	402	161	41	–	–	604
Total premium income	\$ 833	\$ 654	\$ 429	\$ 200	\$ –	\$ 2,116
Investment income	436	341	89	56	79	1,001
Other revenue	229	74	23	11	9	346
Total revenue	\$ 1,498	\$ 1,069	\$ 541	\$ 267	\$ 88	\$ 3,463
Interest expense	\$ 17	\$ 14	\$ 12	\$ 1	\$ 22	\$ 66
Income before income taxes	\$ 105	\$ 93	\$ 59	\$ 46	\$ 22	\$ 325
Income taxes	(30)	(20)	–	(6)	5	(51)
Net income	\$ 75	\$ 73	\$ 59	\$ 40	\$ 27	\$ 274
Amortization of realized and unrealized gains	\$ 42	\$ 31	\$ 7	\$ 3	\$ 53	\$ 136
Segregated fund deposits	\$ 3,234	\$ 391	\$ 267	\$ –	\$ –	\$ 3,892
As at March 31, 2001						
Actuarial liabilities	\$ 21,296	\$ 16,100	\$ 4,325	\$ 892	\$ 203	\$ 42,816
Funds under management						
General fund	\$ 26,260	\$ 20,871	\$ 7,117	\$ 3,508	\$ 5,153	\$ 62,909
Segregated funds	42,589	8,912	1,211	–	–	52,712
Mutual funds	–	1,250	209	–	–	1,459
Other managed funds	–	–	691	–	6,428	7,119

By geographic location For the three months ended March 31, 2001	United States	Canada	Asia	Other	Total
Revenue					
Premium income					
Life and health insurance	\$ 524	\$ 505	\$ 389	\$ 94	\$ 1,512
Annuities and pensions	402	161	41	–	604
Total premium income	\$ 926	\$ 666	\$ 430	\$ 94	\$ 2,116
Investment income	471	428	89	13	1,001
Other revenue	233	81	23	9	346
Total revenue	\$ 1,630	\$ 1,175	\$ 542	\$ 116	\$ 3,463

By segment	U.S.	Canadian	Asian	Reinsurance	Other	Total
For the three months ended March 31, 2000	Division	Division	Division	Division		
Revenue						
Premium income						
Life and health insurance	\$ 426	\$ 442	\$ 523	\$ 180	\$ –	\$ 1,571
Annuities and pensions	408	195	105	–	–	708
Total premium income	\$ 834	\$ 637	\$ 628	\$ 180	\$ –	\$ 2,279
Investment income	477	428	83	47	41	1,076
Other revenue	200	58	20	3	10	291
Total revenue	\$ 1,511	\$ 1,123	\$ 731	\$ 230	\$ 51	\$ 3,646
Interest expense	\$ 8	\$ 10	\$ 9	\$ 1	\$ 12	\$ 40
Income (loss) before income taxes	\$ 154	\$ 74	\$ 41	\$ 34	\$ (3)	\$ 300
Income taxes	(53)	(15)	(3)	(5)	1	(75)
Net income (loss)	\$ 101	\$ 59	\$ 38	\$ 29	\$ (2)	\$ 225
Amortization of realized and unrealized gains	\$ 80	\$ 39	\$ 14	\$ 2	\$ 35	\$ 170
Segregated fund deposits	\$ 3,284	\$ 505	\$ 107	\$ –	\$ –	\$ 3,896
As at March 31, 2000						
Actuarial liabilities	\$ 19,443	\$ 16,255	\$ 3,495	\$ 797	\$ 148	\$ 40,138
Funds under management						
General fund	\$ 23,673	\$ 20,763	\$ 5,890	\$ 2,774	\$ 4,196	\$ 57,296
Segregated funds	43,385	8,964	1,521	–	–	53,870
Mutual funds	–	1,539	184	–	–	1,723
Other managed funds	–	–	846	–	5,146	5,992

By geographic location	United States	Canada	Asia	Other	Total
For the three months ended March 31, 2000					
Revenue					
Premium income					
Life and health insurance	\$ 502	\$ 456	\$ 525	\$ 88	\$ 1,571
Annuities and pensions	408	195	105	–	708
Total premium income	\$ 910	\$ 651	\$ 630	\$ 88	\$ 2,279
Investment income	473	506	83	14	1,076
Other revenue	202	68	20	1	291
Total revenue	\$ 1,585	\$ 1,225	\$ 733	\$ 103	\$ 3,646

Note 7 Comparatives

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

Statistical Summary

(Canadian \$ in millions unless otherwise stated and per share information, unaudited)	2001	2000			
	Q1	Q4	Q3	Q2	Q1
Premiums and deposits:					
Life and health insurance premiums	1,512	1,545	1,410	1,526	1,571
Annuity and pension premiums	604	569	571	615	708
Segregated fund deposits	3,892	3,660	3,665	3,556	3,896
Mutual fund deposits	153	134	145	144	207
ASO premium equivalents	195	183	166	151	143
Total premiums and deposits	6,356	6,091	5,957	5,992	6,525
Funds under management:					
General fund	62,909	60,067	59,486	59,145	57,296
Segregated funds	52,712	54,908	58,365	55,138	53,870
Mutual and other managed funds	8,578	8,545	8,346	8,121	7,715
Total funds under management	124,199	123,520	126,197	122,404	118,881
Net income (loss) attributed to participating policyholders	4	–	–	(5)	(2)
Net income attributed to shareholders	270	286	315	247	227
Net income	274	286	315	242	225
Capitalization:					
Subordinated debt	1,407	588	588	582	583
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 capital	9,735	8,555	8,338	8,010	7,754
Selected key performance measures:					
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 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 (in millions)					
End of period	482	482	482	482	482
Weighted average – basic	482	482	482	482	486
Weighted average – diluted	486	482	482	482	486

Stock Trading Data

The following values are the high, low and close prices plus the average daily trading volume for Manulife Financial Corporation's stock on The Toronto Stock Exchange, the New York Stock Exchange, The Stock Exchange of Hong Kong and the Philippine Stock Exchange for the first quarter. The stock symbol is MFC on all exchanges except Hong Kong where it is 0945.

As at April 30, 2001, there were 482 million shares outstanding.

January 1 – March 31, 2001	Toronto	New York	Hong Kong	Philippines
High	\$ 47.25	\$ 31.38	\$ 237.00	P 1,565
Low	\$ 36.50	\$ 24.25	\$ 180.50	P 1,100
Close	\$ 41.55	\$ 26.40	\$ 193.00	P 1,210
Average Daily Volume (000)	1,119	242	43	6

Canadian \$ United States \$ Hong Kong \$ Philippine Pesos

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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, 2001, Manulife Financial had capital of Cdn \$9.7 billion, including Cdn \$7.5 billion of shareholders' equity. Manufacturers Life'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)
Fitch	AAA	(1st of 22 categories)
Moody's	Aa2	(3rd of 21 categories)
Standard & Poor's	AA+	(2nd of 21 categories)

Transfer Agent and Registrar

Information regarding your shareholdings, including changes of address, changes in registration, direct deposit of dividends (Canada and Hong Kong only), lost certificates, or to eliminate duplicate mailings of shareholder material, may be obtained by contacting our Transfer Agent.

Transfer Agent in Canada

Computershare Trust Company of Canada
100 University Avenue, 11th Floor
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Computershare offices are also located in Montreal, Halifax, Vancouver and Calgary.

Transfer Agent in the United States

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Auditors

Ernst & Young LLP
Chartered Accountants
Toronto, Canada

MFC Report to Shareholders

This Report to Shareholders is also available online at www.manulife.com