



Manulife Financial Corporation

December 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 year ended		
	Dec 31 2001	Dec 31 2000	% Change	Dec 31 2001	Dec 31 2000	% Change
Premiums and deposits:						
Life and health insurance premiums	2,036	1,545	32 %	7,385	6,052	22 %
Annuity and pension premiums	766	569	35 %	2,862	2,463	16 %
Segregated fund deposits	3,579	3,660	(2) %	14,044	14,777	(5) %
Mutual fund deposits	258	134	93 %	754	630	20 %
ASO premium equivalents	208	183	14 %	795	643	24 %
Total premiums and deposits	6,847	6,091	12 %	25,840	24,565	5 %

	As at		
	Dec 31 2001	Dec 31 2000	% Change
Funds under management:			
General fund	78,613	60,067	31 %
Segregated funds	59,206	54,908	8 %
Mutual and other managed funds	4,363	8,545 (*)	(49) %
Total funds under management	142,182	123,520 (*)	15 %
Total capital ⁽¹⁾	11,513	8,555	35 %

	For the three months ended			For the year ended		
	Dec 31 2001	Dec 31 2000	% Change	Dec 31 2001	Dec 31 2000	% Change
Net income (loss) attributed to participating policyholders	-	-	N/A	8	(7)	N/A
Net income attributed to shareholders	336	286	18 %	1,159	1,075	8 %
Net income	336	286	17 %	1,167	1,068	9 %
Normalized net income attributed to shareholders	336	286	18 %	1,223 (**)	1,033 (**)	18 %

Selected key performance measures

Basic earnings per share	\$ 0.70	\$ 0.59	17 %	\$ 2.40	\$ 2.22	9 %
Normalized basic earnings per share	\$ 0.70	\$ 0.59	17 %	\$ 2.53	\$ 2.13	19 %
Diluted earnings per share	\$ 0.69	\$ 0.59	16 %	\$ 2.38	\$ 2.22	7 %
Normalized diluted earnings per share ⁽²⁾	\$ 0.69	\$ 0.59	16 %	\$ 2.52	\$ 2.13	18 %
Return on shareholders' equity (annualized)	16.4%	16.1%	29 bp	15.1%	16.1%	(103) bp
Normalized return on shareholders' equity (annualized)	16.4%	16.1%	29 bp	15.9%	15.5%	40 bp
Book value per share	\$ 17.07	\$ 14.84	15 %	\$ 17.07	\$ 14.84	15 %
Shares outstanding (millions)						
- end of period	482	482		482	482	
- basic weighted average	482	482		482	483	
- diluted weighted average	486	482		486	484	

(1) Total capital includes total equity, subordinated debt, non-controlling interest in Manulife Financial Capital Trust and trust preferred securities issued by subsidiaries.

(2) Normalized diluted earnings per share is calculated based on normalized net income attributed to shareholders and diluted weighted average number of shares outstanding.

(*) Other managed funds included Seamark Asset Management Ltd. third party managed funds of \$4,288 as at December 31, 2000. Disposition of a portion of the Company's controlling interest in Seamark Asset Management Ltd. occurred in July 2001, at which time the Company ceased consolidation of the assets and liabilities and results of operations of Seamark and commenced accounting for this investment on an equity basis.

(**) Please refer to remarks on page 1 - Supplementary.

FINANCIAL HIGHLIGHTS - SUPPLEMENTARY



(Canadian \$ in millions, unaudited)

Non-recurring items

	For the year ended	
	Dec 31 2001	Dec 31 2000
Net income attributed to shareholders	1,159	1,075
Adjustment for non-recurring items, net of tax:		
September 11, 2001 events ⁽¹⁾	150	-
Seamark gain ⁽²⁾	(27)	-
Tax items ⁽³⁾	(59)	(42)
Subtotal of non-recurring items	64	(42)
Normalized earnings	1,223	1,033

Net impact of September 11, 2001 events

Exposure, net of recoveries	360
Catastrophe coverage	(120)
Income taxes	(60)
Income impact before existing and additional net reserves	180
Existing reserves	(80)
Income impact before additional net reserves	100
Additional reserves	50
Net income impact	150

(1) Provisions for anticipated claims arising from the terrorist events in the United States on September 11, 2001.

(2) Gain from the disposition of a portion of the Company's investment in Seamark Asset Management Ltd.

(3) Tax items in 2001 consisted of a one-time reduction in tax expense of \$30 associated with the recognition of a future tax asset in respect of previously unaccrued tax losses in Reinsurance Division and a \$29 accrual in the third quarter for a refund of tax, inclusive of interest, related to a recent court decision in the Company's favour pertaining to capital taxes. The tax item in 2000 pertained to a one-time reduction in tax expense of \$42 in the U.S. Division relating to prior years of 2000.

CONSOLIDATED STATEMENTS OF OPERATIONS



(Canadian \$ in millions, unaudited)

	For the three months ended					For the year ended	
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000	Dec 31	
						2001	2000
Revenue							
Premium income	2,802	2,771	2,558	2,116	2,114	10,247	8,515
Investment income	1,289	1,023	1,166	1,001	1,056	4,479	4,350
Other revenue	401	401	357	346	338	1,505	1,287
Total revenue	4,492	4,195	4,081	3,463	3,508	16,231	14,152
Policy benefits and expenses							
To policyholders and beneficiaries							
Death and disability benefits	739	1,026	778	643	700	3,186	2,480
Maturity and surrender benefits	1,073	1,270	1,121	707	603	4,171	2,500
Annuity payments	342	331	327	307	324	1,307	1,235
Policyholder dividends and experience rating refunds	239	253	215	193	254	900	859
Net transfers to segregated funds	522	354	323	271	107	1,470	1,439
Change in actuarial liabilities	37	(237)	(69)	61	177	(208)	822
General expenses	683	597	614	584	656	2,478	2,191
Commissions	306	275	281	271	279	1,133	1,086
Interest expense	68	66	57	66	55	257	191
Premium taxes	28	25	28	24	25	105	96
Non-controlling interest in subsidiaries	7	-	2	(5)	(70)	4	(151)
Trust preferred securities issued by subsidiaries	16	17	16	16	16	65	63
Total policy benefits and expenses	4,060	3,977	3,693	3,138	3,126	14,868	12,811
Income before income taxes	432	218	388	325	382	1,363	1,341
Income taxes	(96)	31	(80)	(51)	(96)	(196)	(273)
Net income	336	249 (**)	308	274	286	1,167 (**)	1,068 (*)
Net income (loss) attributed to participating policyholders	-	1	3	4	-	8	(7)
Net income attributed to shareholders	336	248 (**)	305	270	286	1,159 (**)	1,075 (*)
Net income	336	249 (**)	308	274	286	1,167 (**)	1,068 (*)

(*) Net income included a one-time reduction in tax expense of \$42 in the U.S. Division relating to prior years of 2000.

(**) Net income included non-recurring items relating to the terrorist events in the United States on September 11, 2001, a gain from the disposition of a portion of the Company's investment in Seamark Asset Management Ltd. and two tax items, all of which in aggregate reduced net income by \$64.

CONSOLIDATED BALANCE SHEETS



(Canadian \$ in millions, unaudited)

Assets	As at				
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000
Invested assets					
Bonds	46,070	45,775	43,947	34,450	33,270
Mortgages	7,902	7,613	7,420	7,361	7,174
Stocks	6,964	7,085	6,078	4,893	4,621
Real estate	3,484	3,523	3,424	3,384	3,262
Policy loans	4,644	4,571	4,344	3,934	3,616
Cash and short-term investments	4,995	4,912	5,981	4,586	3,783
Other investments	693	893	891	878	884
Total invested assets	74,752	74,372	72,085	59,486	56,610
Other assets					
Accrued investment income	1,041	954	879	807	834
Outstanding premiums	482	343	375	378	487
Future income taxes	517	642	555	542	515
Miscellaneous	1,821	1,759	1,859	1,696	1,621
Total other assets	3,861	3,698	3,668	3,423	3,457
Total assets	78,613	78,070	75,753	62,909	60,067
Segregated fund net assets	59,206	51,466	55,689	52,712	54,908
Liabilities and equity					
Actuarial liabilities	54,690	55,177	53,468	42,816	41,384
Benefits payable and provision for unreported claims	2,411	2,576	2,551	1,825	1,800
Policyholder amounts on deposit	2,702	2,912	2,860	1,535	1,371
Deferred realized net gains	3,583	3,569	3,476	3,527	3,434
Banking deposits	769	671	630	643	592
Other liabilities	2,881	2,852	2,874	2,768	2,632
	67,036	67,757	65,859	53,114	51,213
Subordinated debt	1,418	1,415	1,383	1,407	588
Non-controlling interest in subsidiaries	1,064	64	60	60	299
Trust preferred securities issued by subsidiaries	802	780	766	779	756
Equity					
Participating policyholders' equity	62	62	61	58	54
Shareholders' equity					
Common shares	614	613	612	612	612
Shareholders' retained earnings	7,617	7,379	7,012	6,879	6,545
Total equity	8,293	8,054	7,685	7,549	7,211
Total liabilities and equity	78,613	78,070	75,753	62,909	60,067
Segregated fund net liabilities	59,206	51,466	55,689	52,712	54,908

CONSOLIDATED STATEMENTS OF EQUITY



(Canadian \$ in millions, unaudited)

Operating retained earnings (excluding currency translation account)	Participating		For the three months ended					For the year ended	
	Policyholders	Shareholders	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000	Dec 31	
								2001	2000
Balance, beginning of period	62	7,064	7,126	6,935	6,685	6,468	6,230	6,468	5,783
Net income	-	336	336	249	308	274	286	1,167	1,068
Shareholder dividends	-	(58)	(58)	(58)	(58)	(57)	(48)	(231)	(193)
Issuance costs	-	(12)	(12)	-	-	-	-	(12)	-
Purchase and cancellation of common shares	-	-	-	-	-	-	-	-	(190)
Balance, end of period	62	7,330	7,392	7,126	6,935	6,685	6,468	7,392	6,468
Currency translation account									
Balance, beginning of period	-	315	315	138	252	131	155	131	43
Change during the period	-	(28)	(28)	177	(114)	121	(24)	156	88
Balance, end of period	-	287	287	315	138	252	131	287	131
Total Retained earnings	62	7,617	7,679	7,441	7,073	6,937	6,599	7,679	6,599
Common shares									
Balance, beginning of period	-	613	613	612	612	612	612	612	628
Common shares issued on exercise of options	-	1	1	1	-	-	-	2	-
Purchase and cancellation of common shares	-	-	-	-	-	-	-	-	(16)
Balance, end of period	-	614	614	613	612	612	612	614	612
Total equity	62	8,231	8,293	8,054	7,685	7,549	7,211	8,293	7,211

CONSOLIDATED STATEMENTS OF CASH FLOWS



(Canadian \$ in millions, unaudited)

	For the three months ended					For the year ended	
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000	Dec 31 2001	2000
Operating activities							
Operating cash inflows							
Premiums and annuity considerations	2,663	2,804	2,563	2,225	1,936	10,255	8,385
Investment income received	956	949	980	954	950	3,839	3,670
Other revenue	401	367	357	346	338	1,471	1,287
Total operating cash inflows	4,020	4,120	3,900	3,525	3,224	15,565	13,342
Operating cash outflows							
Benefit payments	2,312	2,602	4,425	1,642	1,532	10,981	5,969
Insurance expenses and taxes	1,048	998	929	1,005	986	3,980	3,624
Dividends paid to policyholders	239	253	215	193	254	900	859
Net transfers to segregated funds	522	354	323	271	107	1,470	1,439
Change in other assets and liabilities	655	(513)	433	391	120	966	(460)
Total operating cash outflows	4,776	3,694	6,325	3,502	2,999	18,297	11,431
Cash provided by (used in) operating activities	(756)	426	(2,425)	23	225	(2,732)	1,911
Investing activities							
Purchases and mortgage advances	(11,997)	(10,541)	(16,685)	(9,245)	(7,421)	(48,468)	(33,882)
Disposals and repayments	11,814	9,001	9,982	8,921	7,919	39,718	33,600
Cash received from assumptions and acquisition of businesses, net of cash paid	-	-	10,874	-	-	10,874	-
Net cash proceeds on partial disposition of shares in Seamark Asset Management Ltd.	-	29	-	-	-	29	-
Cash provided by (used in) investing activities	(183)	(1,511)	4,171	(324)	498	2,153	(282)
Financing activities							
Increase (decrease) in repurchase agreements and securities sold but not yet purchased	143	172	(352)	310	116	273	(559)
Shareholder dividends	(58)	(58)	(58)	(57)	(48)	(231)	(193)
Borrowed (repaid) funds, net	(1)	(1)	-	34	-	32	(1)
Issue of subordinated debt, net	-	-	-	796	-	796	-
Issue of Manulife Financial Capital Securities, net	988	-	-	-	-	988	-
Common shares issued on exercise of options	1	1	-	-	-	2	-
Purchase and cancellation of common shares	-	-	-	-	-	-	(206)
Cash provided by (used in) financing activities	1,073	114	(410)	1,083	68	1,860	(959)
Cash and short term investments							
Increase (decrease) during the period	134	(971)	1,336	782	791	1,281	670
Balance, beginning of period	4,627	5,598	4,262	3,480	2,689	3,480	2,810
Balance, end of period	4,761	4,627	5,598	4,262	3,480	4,761	3,480
Composition of cash and short-term investments							
Beginning of period							
Gross cash and short-term investments	4,912	5,981	4,586	3,783	2,928	3,783	3,047
Net payments in transit, included in other liabilities	(285)	(383)	(324)	(303)	(239)	(303)	(237)
Net cash and short-term investments, beginning of period	4,627	5,598	4,262	3,480	2,689	3,480	2,810
End of period							
Gross cash and short-term investments	4,995	4,912	5,981	4,586	3,783	4,995	3,783
Net payments in transit, included in other liabilities	(234)	(285)	(383)	(324)	(303)	(234)	(303)
Net cash and short-term investments, end of period	4,761	4,627	5,598	4,262	3,480	4,761	3,480

CONSOLIDATED STATEMENTS OF SEGREGATED FUNDS



(Canadian \$ in millions, unaudited)

Consolidated statements of segregated fund net assets

	As at				
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000
Investments, at market values					
Bonds	2,405	3,093	1,690	3,151	2,567
Stocks	53,511	45,193	51,456	46,945	49,880
Real estate	2	2	2	2	2
Cash and short-term investments	3,390	3,234	2,482	2,667	2,428
Accrued investment income	9	10	8	18	16
Other assets (liabilities), net	(111)	(66)	51	(71)	15
Total segregated fund net assets, end of quarter	59,206	51,466	55,689	52,712	54,908
Composition of segregated fund net assets:					
Held by Policyholders	59,052	51,250	55,451	52,542	54,705
Held by the Company	154	216	238	170	203
Total segregated fund net assets, end of quarter	59,206	51,466	55,689	52,712	54,908

Consolidated statements of changes in segregated fund net assets

	For the three months ended					For the year ended	
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Dec 31	
	2001	2001	2001	2001	2000	2001	2000
Additions							
Deposits from policyholders	3,579	3,102	3,471	3,892	3,660	14,044	14,777
Realized and unrealized investment gains (losses)	4,826	(7,858)	2,025	(6,861)	(6,438)	(7,868)	(5,977)
Interest and dividends	460	261	452	332	1,541	1,505	2,613
Net transfers from general fund	522	354	323	271	107	1,470	1,439
Funds assumed and acquired	53	-	234	-	-	287	-
Currency revaluation	335	1,734	(1,597)	2,225	(176)	2,697	1,793
Total additions (reductions)	9,775	(2,407)	4,908	(141)	(1,306)	12,135	14,645
Deductions							
Payments to policyholders	1,817	1,610	1,715	1,851	1,938	6,993	7,990
Management and administrative fees	218	206	216	204	213	844	802
Total deductions	2,035	1,816	1,931	2,055	2,151	7,837	8,792
Net increase (decrease) to segregated funds for the period	7,740	(4,223)	2,977	(2,196)	(3,457)	4,298	5,853
Segregated fund net assets, beginning of period	51,466	55,689	52,712	54,908	58,365	54,908	49,055
Segregated fund net assets, end of period	59,206	51,466	55,689	52,712	54,908	59,206	54,908

ASSET COMPOSITION AND QUALITY



(Canadian \$ in millions, unaudited)

Invested assets

As at December 31, 2001	Carrying value	%	Fair value	%	Unrealized gains	%	Unrealized losses	%	Deferred realized net gains (losses)	%	Total realized and unrealized net gains	%
Bonds (fixed maturity)												
Canadian government	8,077	11 %	8,975	12 %	918	25 %	(20)	2 %	195	5 %	1,093	18 %
Foreign governments	10,664	14 %	10,885	14 %	270	7 %	(49)	4 %	256	7 %	477	8 %
Corporate	26,097	35 %	26,907	35 %	1,097	30 %	(287)	24 %	630	18 %	1,440	24 %
Mortgage-backed securities	1,232	2 %	1,273	2 %	44	1 %	(3)	0 %	30	1 %	71	1 %
Mortgages	7,902	10 %	8,286	10 %	405	11 %	(21)	2 %	37	1 %	421	7 %
Stocks	6,964	9 %	6,657	9 %	420	12 %	(727)	61 %	2,298	64 %	1,991	33 %
Real estate	3,484	5 %	3,799	5 %	384	11 %	(69)	5 %	106	3 %	421	7 %
Policy loans	4,644	6 %	4,644	6 %	-	N/A	-	N/A	-	N/A	-	N/A
Cash and short-term investments	4,995	7 %	4,997	6 %	2	N/A	-	N/A	-	N/A	2	N/A
Other investments	693	1 %	768	1 %	95	3 %	(20)	2 %	31	1 %	106	2 %
Total invested assets	74,752	100 %	77,191	100 %	3,635	100 %	(1,196)	100 %	3,583	100 %	6,022	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)	- %	93	2 %
Total invested assets	56,610	100 %	58,991	100 %	3,226	100 %	(845)	100 %	3,434	100 %	5,815	100 %

ASSET COMPOSITION AND QUALITY (CONT'D)



(Canadian \$ in millions, unaudited)

Bond portfolio credit quality	NAIC designation	As at									
		Dec 31 2001		Sep 30 2001		Jun 30 2001		Mar 31 2001		Dec 31 2000	
			%		%		%		%		%
AAA	1	11,930	26%	10,782	24%	9,886	22%	10,289	30%	9,641	29%
AA	1	10,321	22%	12,561	27%	12,953	30%	6,369	18%	6,211	18%
A	1	13,772	30%	14,368	31%	14,033	32%	12,424	36%	12,571	38%
BBB	2	8,559	19%	6,428	14%	5,460	12%	3,814	11%	3,577	11%
BB & lower, and unrated	3 & below	1,488	3%	1,636	4%	1,615	4%	1,554	5%	1,270	4%
Total		46,070	100%	45,775	100%	43,947	100%	34,450	100%	33,270	100%

Mortgage portfolio composition

Commercial											
			%		%		%		%		%
Residential ⁽¹⁾		1,307	16%	1,272	17%	1,272	17%	1,231	16%	1,186	16%
Retail		1,891	24%	1,902	25%	1,958	27%	1,987	27%	1,958	27%
Office		2,015	25%	1,905	25%	1,806	24%	1,778	24%	1,708	24%
Industrial		1,942	25%	1,870	24%	1,761	24%	1,739	24%	1,713	24%
Other commercial		293	4%	271	4%	254	3%	277	4%	259	4%
Other mortgages		454	6%	393	5%	369	5%	349	5%	350	5%
Total		7,902	100%	7,613	100%	7,420	100%	7,361	100%	7,174	100%

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

Net impaired assets

	As at December 31, 2001			As at December 31, 2000		
	Gross amount	Allowance	Carrying value	Gross amount	Allowance	Carrying value
Mortgages	64	25	39	90	33	57
Other impaired assets	330	183	147	294	129	165
Total	394	208	186	384	162	222

Net impaired assets as a percentage of total invested assets as at December 31, 2001 and December 31, 2000 were 0.25% and 0.39% respectively.

Changes in provisions for impaired assets

	For the three months ended					For the year ended	
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000	2001	2000
Balance, beginning of the period	216	216	228	162	115	162	132
Provisions during the period	1	12	19	67	66	99	100
Write-offs, net of recoveries	(9)	(12)	(31)	(1)	(19)	(53)	(70)
Balance, end of period	208	216	216	228	162	208	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 December 31, 2001				
Bonds	633	(13)	59	679
Mortgages	155	3	4	162
Stocks	33	-	140	173
Real estate	76	9	17	102
Policy loans	98	-	-	98
Cash and short-term investments	25	-	-	25
Other investments	12	-	34	46
Currency	-	-	4	4
Total	1,032	(1)	258	1,289

	Gross investment income	Provision for impairment, net	Amortization of realized and unrealized gains (losses)	Total
For the three months ended September 30, 2001				
Bonds	626	(14)	24	636
Mortgages	149	2	5	156
Stocks	12	-	6	18
Real estate	72	-	9	81
Policy loans	95	-	-	95
Cash and short-term investments	38	-	-	38
Other investments	1	-	(6)	(5)
Currency	-	-	4	4
Total	993	(12)	42	1,023

	Gross investment income	Provision for impairment, net	Amortization of realized and unrealized gains (losses)	Total
For the three months ended June 30, 2001				
Bonds	649	(18)	34	665
Mortgages	147	-	3	150
Stocks	27	-	108	135
Real estate	64	-	10	74
Policy loans	97	-	-	97
Cash and short-term investments	39	-	-	39
Other investments	(22)	(1)	25	2
Currency	-	-	4	4
Total	1,001	(19)	184	1,166

	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	Yield %
For the year ended December 31, 2001					
Bonds	2,490	(113)	147	2,524	6.40%
Mortgages	597	6	16	619	8.63%
Stocks	66	-	348	414	13.00%
Real estate	279	9	46	334	10.65%
Policy loans	373	-	-	373	8.75%
Cash and short-term investments	152	-	-	152	2.61%
Other investments	5	(1)	43	47	N/A
Currency	-	-	16	16	N/A
Total	3,962	(99)	616	4,479	6.90%

	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%

ACTUARIAL LIABILITIES

(Canadian \$ in millions, unaudited)

Assets backing liabilities and equity

As at December 31, 2001	Individual life insurance		Annuities and pensions	Other	Capital	Total
	Participating	Non-participating				
Assets						
Bonds	14,532	4,087	12,741	9,843	4,867	46,070
Mortgages	1,471	711	3,416	1,807	497	7,902
Stocks	2,321	277	240	1,151	2,975	6,964
Real estate	1,691	370	58	818	547	3,484
Other	5,648	1,819	2,133	1,966	2,627	14,193
Total	25,663	7,264	18,588	15,585	11,513	78,613

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

The deferred realized net gains taken into account in the computation of actuarial liabilities as at December 31, 2001 and December 31, 2000 were \$2,025 and \$2,082 respectively.

ACTUARIAL LIABILITIES (CONT'D)


(Canadian \$ in millions, unaudited)

Actuarial liabilities by geographical location

As at December 31, 2001	Individual life insurance		Annuities and pensions	Other	Total
	Participating	Non-participating			
United States	11,634	3,424	6,471	1,238	22,767
Canada	2,603	2,595	10,693	1,834	17,725
International	11,426	1,245	1,424	103	14,198
Total	25,663	7,264	18,588	3,175	54,690

As at December 31, 2000					
United States	10,896	2,753	5,996	1,056	20,701
Canada	2,476	1,615	10,554	1,642	16,287
International	2,434	988	934	40	4,396
Total	15,806	5,356	17,484	2,738	41,384

Changes in actuarial liabilities	For the three months ended					For the year ended	
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Dec 31	
	2001	2001	2001	2001	2000	2001	2000
Balance, beginning of period	55,177	53,468	42,816	41,384	41,337	41,384	39,748
Normal change to new and Inforce policies	(27)	(237)	(77)	2	199	(339)	729
Changes in methods and assumptions	64	-	8	59	(22)	131	93
Changes due to acquisition and assumption of businesses	-	-	11,957	193	-	12,150	-
Currency impact	(524)	1,946	(1,236)	1,178	(130)	1,364	814
Balance, end of period	54,690	55,177	53,468	42,816	41,384	54,690	41,384

U.S. DIVISION STATEMENTS OF OPERATIONS



(Canadian \$ in millions, unaudited)

	For the three months ended					For the year ended	
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000	Dec 31 2001	2000
Revenue							
Premiums							
Life and health insurance	494	427	428	431	429	1,780	1,662
Annuities and pensions	559	590	505	402	399	2,056	1,686
Total premium income	1,053	1,017	933	833	828	3,836	3,348
Investment income	534	471	501	436	466	1,942	1,925
Other revenue	243	228	239	229	231	939	885
Total revenue	1,830	1,716	1,673	1,498	1,525	6,717	6,158
Policy benefits and expenses							
Policyholder benefits	1,268	1,263	1,151	1,015	986	4,697	4,055
General expenses	219	198	200	213	198	830	759
Commissions	156	131	148	137	145	572	600
Other	21	21	24	28	29	94	99
Total policy benefits and expenses	1,664	1,613	1,523	1,393	1,358	6,193	5,513
Income before income taxes	166	103	150	105	167	524	645
Income taxes	(48)	(27)	(46)	(30)	(54)	(151)	(168)
Net income	118	76 (**)	104	75	113	373 (**)	477 (*)

Selected financial ratios

Expense Ratios

General expenses to premiums and deposits	5.3%	5.5%	5.2%	5.2%	5.0%	5.3%	4.7%
General expenses to funds under management (annualized)	1.2%	1.2%	1.1%	1.2%	1.1%	1.1%	1.1%

Commission Ratios

Commissions to premiums and deposits	3.8%	3.6%	3.9%	3.4%	3.7%	3.7%	3.8%
Commissions to funds under management (annualized)	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.9%

Combined Ratios

General expenses and commissions to premiums and deposits	9.2%	9.1%	9.1%	8.6%	8.7%	9.0%	8.5%
General expenses and commissions to funds under management (annualized)	2.0%	1.9%	2.0%	2.0%	2.0%	1.9%	2.0%

(*) Net income included a one-time reduction in tax expense of \$42 in the U.S. Division relating to prior years of 2000.

(**) Net income included \$5 in provisions for anticipated claims arising from the terrorist events in the United States on September 11, 2001.

U.S. DIVISION DATA BY BUSINESS UNIT



(Canadian \$ in millions, unaudited)

	For the three months ended					For the year ended	
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000	Dec 31 2001	2000
Revenue (premiums, investment income and other revenue):							
Insurance	907	788	804	764	792	3,263	3,073
Group Pensions	185	174	182	177	172	718	693
Annuities	738	754	687	557	561	2,736	2,392
Total revenue	1,830	1,716	1,673	1,498	1,525	6,717	6,158
Payments to policyholders:							
Insurance	379	488	385	386	344	1,638	1,559
Group Pensions	128	101	100	90	96	419	358
Annuities	134	146	121	137	118	538	477
Total payments to policyholders	641	735	606	613	558	2,595	2,394
Commissions:							
Insurance	33	25	30	31	26	119	115
Group Pensions	27	26	26	27	25	106	95
Annuities	96	80	92	79	94	347	390
Total commissions	156	131	148	137	145	572	600
Net income:							
Insurance	80	39	70	60	63	249	260
Group Pensions	24	19	16	16	19	75	59
Annuities	14	18	18	(1)	31	49	158
Total net income	118	76 (**)	104	75	113	373 (**)	477 (*)

(*) Net income included a one-time reduction in tax expense of \$42 in the U.S. Division relating to prior years of 2000.

(**) Net income included \$5 in provisions for anticipated claims arising from the terrorist events in the United States on September 11, 2001.

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


(Canadian \$ in millions, unaudited)

Premiums and deposits:	For the three months ended					For the year ended	
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000	Dec 31 2001	2000
<i>Insurance</i>							
Premiums	494	427	428	431	429	1,780	1,662
Segregated fund deposits	141	122	135	142	165	540	559
Total Insurance	635	549	563	573	594	2,320	2,221
<i>Group Pensions</i>							
Premiums	49	44	50	54	50	197	204
Segregated fund deposits	1,845	1,750	1,703	2,134	1,715	7,432	6,977
Total Group Pensions	1,894	1,794	1,753	2,188	1,765	7,629	7,181
<i>Annuities</i>							
Premiums	510	546	455	348	349	1,859	1,482
Segregated fund deposits	1,058	741	1,061	958	1,223	3,818	5,114
Total Annuities	1,568	1,287	1,516	1,306	1,572	5,677	6,596
Total premiums and deposits	4,097	3,630	3,832	4,067	3,931	15,626	15,998
Total premiums and deposits:							
Premiums	1,053	1,017	933	833	828	3,836	3,348
Segregated fund deposits	3,044	2,613	2,899	3,234	3,103	11,790	12,650
Total premiums and deposits	4,097	3,630	3,832	4,067	3,931	15,626	15,998
New annualized premium sales ⁽¹⁾							
Insurance	88	61	64	74	105	287	340
Single premium sales							
Insurance	10	3	7	7	22	27	38

(1) New business sales for Group 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				
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000
<i>Insurance</i>					
General fund	18,475	18,411	17,337	17,764	17,165
Segregated funds	2,132	1,820	1,984	1,867	1,965
Total Insurance	20,607	20,231	19,321	19,631	19,130
<i>Group Pensions</i>					
General fund	3,103	3,117	2,996	3,482	2,951
Segregated funds	20,165	17,245	18,150	16,953	17,027
Total Group Pensions	23,268	20,362	21,146	20,435	19,978
<i>Annuities</i>					
General fund	5,153	5,181	4,922	5,014	4,989
Segregated funds	25,678	22,300	24,729	23,769	25,378
Total Annuities	30,831	27,481	29,651	28,783	30,367
Total funds under management	74,706	68,074	70,118	68,849	69,475
Funds under management:					
General fund	26,731	26,709	25,255	26,260	25,105
Segregated funds	47,975	41,365	44,863	42,589	44,370
Total funds under management	74,706	68,074	70,118	68,849	69,475

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

(Canadian \$ in millions, unaudited)

	For the three months ended					For the year ended	
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000	Dec 31 2001	2000
Beginning Balance	23,237	25,412	24,351	25,865	27,706	25,865	23,796
Gross Sales	1,565	1,288	1,512	1,307	1,573	5,672	6,610
Withdrawals	(713)	(641)	(742)	(758)	(848)	(2,854)	(3,194)
Net Sales	852	647	770	549	725	2,818	3,416
Net Investment Income ⁽²⁾ and Other ⁽³⁾	2,540	(2,822)	291	(2,063)	(2,566)	(2,054)	(1,347)
Ending Balance	26,629	23,237	25,412	24,351	25,865	26,629	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 year ended	
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000	Dec 31 2001	2000
Revenue							
Premiums							
Life and health insurance	603	599	583	493	505	2,278	1,882
Annuities and pensions	182	165	138	161	150	646	606
Total premium income	785	764	721	654	655	2,924	2,488
Investment income	486	375	415	341	352	1,617	1,587
Other revenue	69	73	71	74	65	287	249
Total revenue	1,340	1,212	1,207	1,069	1,072	4,828	4,324
Policy benefits and expenses							
Policyholder benefits	972	842	867	737	743	3,418	3,051
General expenses	168	165	164	157	156	654	595
Commissions	63	59	58	58	58	238	238
Other	26	26	25	24	27	101	90
Total policy benefits and expenses	1,229	1,092	1,114	976	984	4,411	3,974
Income before income taxes	111	120	93	93	88	417	350
Income taxes	(22)	(27)	(13)	(20)	(17)	(82)	(75)
Net income	89	93	80	73	71	335	275

Selected financial ratios
Expense Ratios

General expenses to premiums and deposits	11.6%	12.4%	12.7%	11.5%	11.4%	12.0%	11.1%
General expenses to funds under management (annualized)	2.0%	2.1%	2.0%	2.0%	2.0%	1.9%	1.9%

Commission Ratios

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

Combined Ratios

General expenses and commissions to premiums and deposits	16.0%	16.9%	17.2%	15.7%	15.7%	16.4%	15.6%
General expenses and commissions to funds under management (annualized)	2.7%	2.8%	2.7%	2.8%	2.7%	2.7%	2.6%

CANADIAN DIVISION DATA BY BUSINESS UNIT


(Canadian \$ in millions, unaudited)

	For the three months ended					For the year ended	
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000	Dec 31 2001	2000
Revenue (premiums, investment income and other revenue):							
Individual Insurance	442	322	384	260	294	1,408	1,280
Individual Wealth Management	403	388	348	361	335	1,500	1,383
Group Pensions	111	105	112	115	131	443	496
Group Benefits	384	397	363	333	312	1,477	1,165
Total revenue	1,340	1,212	1,207	1,069	1,072	4,828	4,324
Payments to policyholders:							
Individual Insurance	121	116	108	116	119	461	423
Individual Wealth Management	256	208	229	246	274	939	1,232
Group Pensions	98	180	119	145	168	542	604
Group Benefits	266	286	255	236	268	1,043	896
Total payments to policyholders	741	790	711	743	829	2,985	3,155
Commissions:							
Individual Insurance	27	25	23	20	22	95	85
Individual Wealth Management	22	19	20	26	25	87	111
Group Pensions	3	2	2	2	2	9	7
Group Benefits	11	13	13	10	9	47	35
Total commissions	63	59	58	58	58	238	238
Net income:							
Individual Insurance	39	37	36	30	31	142	118
Individual Wealth Management	30	28	28	24	16	110	79
Group Businesses ⁽¹⁾	20	28	16	19	24	83	78
Total net income	89	93	80	73	71	335	275

(1) Group Businesses include the Group Pensions and Group Benefits businesses.

CANADIAN DIVISION DATA BY BUSINESS UNIT (CONT'D)


(Canadian \$ in millions, unaudited)

Premiums and deposits:	For the three months ended					For the year ended	
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000	Dec 31	
						2001	2000
<i>Individual Insurance</i>							
Premiums	269	250	268	212	237	999	887
Segregated fund deposits	3	2	3	3	3	11	13
Total Individual Insurance	272	252	271	215	240	1,010	900
<i>Individual Wealth Management</i>							
Premiums	146	134	98	119	97	497	427
Segregated fund deposits	170	135	134	263	282	702	1,226
Mutual fund deposits	152	130	114	131	121	527	529
Total Individual Wealth Management	468	399	346	513	500	1,726	2,182
<i>Group Pensions</i>							
Premiums	36	31	40	42	53	149	179
Segregated fund deposits	128	104	120	125	123	477	442
Total Group Pensions	164	135	160	167	176	626	621
<i>Group Benefits</i>							
Premiums	334	349	315	281	268	1,279	995
ASO premium equivalents	208	191	201	195	183	795	643
Total Group Benefits	542	540	516	476	451	2,074	1,638
Total premiums and deposits	1,446	1,326	1,293	1,371	1,367	5,436	5,341
Total premiums and deposits:							
Premiums	785	764	721	654	655	2,924	2,488
Segregated fund deposits	301	241	257	391	408	1,190	1,681
Mutual fund deposits	152	130	114	131	121	527	529
ASO premium equivalents	208	191	201	195	183	795	643
Total premiums and deposits	1,446	1,326	1,293	1,371	1,367	5,436	5,341
New annualized premium sales ⁽¹⁾							
Individual Insurance	36	28	28	26	29	118	151 (*)
Group Benefits (includes ASO premium equivalents)	60	33	36	83	70	212	288 (**)
Total new annualized premium sales	96	61	64	109	99	330	439
Single premium sales							
Individual Insurance	17	16	9	9	16	51	54

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

(*) Included sales to two large accounts in Affinity markets.

(**) Included sales to City of Toronto.

CANADIAN DIVISION DATA BY BUSINESS UNIT (CONT'D)


(Canadian \$ in millions, unaudited)

Funds under management:	As at				
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000
<i>Individual Insurance</i>					
General fund	7,089	6,861	6,792	5,805	6,013
Segregated funds	206	195	214	218	247
Total Individual Insurance	7,295	7,056	7,006	6,023	6,260
<i>Individual Wealth Management</i>					
General fund	9,816	9,507	9,449	9,157	9,096
Segregated funds	6,622	6,031	6,636	6,522	6,926
Mutual funds	1,313	1,194	1,285	1,250	1,359
Total Individual Wealth Management	17,751	16,732	17,370	16,929	17,381
<i>Group Pensions</i>					
General fund	3,546	3,544	3,539	3,597	3,700
Segregated funds	2,451	2,177	2,261	2,172	2,221
Total Group Pensions	5,997	5,721	5,800	5,769	5,921
<i>Group Benefits</i>					
General fund	2,561	2,526	2,484	2,312	2,288
Total funds under management	33,604	32,035	32,660	31,033	31,850
Funds under management:					
General fund	23,012	22,438	22,264	20,871	21,097
Segregated funds	9,279	8,403	9,111	8,912	9,394
Mutual funds	1,313	1,194	1,285	1,250	1,359
Total funds under management	33,604	32,035	32,660	31,033	31,850

ASIAN DIVISION STATEMENTS OF OPERATIONS


(Canadian \$ in millions, unaudited)

	For the three months ended					For the year ended	
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000	2001	Dec 31 2000
Revenue							
Premiums							
Life and health insurance	732	720	696	388	391	2,536	1,740
Annuities and pensions	25	45	49	41	20	160	171
Total premium income	757	765	745	429	411	2,696	1,911
Investment income	126	101	131	89	95	447	353
Other revenue	37	28	31	23	23	119	80
Total revenue	920	894	907	541	529	3,262	2,344
Policy benefits and expenses							
Policyholder benefits	493	497	518	235	204	1,743	1,379
General expenses	233	207	201	177	258	818	667
Commissions	77	72	68	62	63	279	201
Other	19	16	16	8	(58)	59	(109)
Total policy benefits and expenses	822	792	803	482	467	2,899	2,138
Income before income taxes	98	102	104	59	62	363	206
Income taxes	(13)	(16)	(17)	-	(3)	(46)	(13)
Net income	85	86	87	59	59	317	193

Selected financial ratios
Expense Ratios

General expenses to premiums and deposits	21.2%	19.2%	18.4%	24.7%	45.0%	20.5%	27.1%
General expenses to funds under management (annualized)	4.2%	3.6%	3.6%	7.7%	11.1%	3.7%	7.2%

Commission Ratios

Commissions to premiums and deposits	7.0%	6.7%	6.2%	8.6%	11.0%	7.0%	8.2%
Commissions to funds under management (annualized)	1.4%	1.3%	1.2%	2.7%	2.7%	1.3%	2.2%

Combined Ratios

General expenses and commissions to premiums and deposits	28.3%	25.9%	24.6%	33.3%	56.0%	27.5%	35.3%
General expenses and commissions to funds under management (annualized)	5.6%	4.8%	4.8%	10.4%	13.8%	5.0%	9.3%

ASIAN DIVISION DATA BY BUSINESS UNIT


(Canadian \$ in millions, unaudited)

	For the three months ended					For the year ended	
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000	Dec 31 2001	2000
Revenue (premiums, investment income and other revenue):							
Hong Kong	360	351	354	317	305	1,382	1,153
Japan	443	442	463	140	137	1,488	893
Other	117	101	90	84	87	392	298
Total revenue	920	894	907	541	529	3,262	2,344
Payments to policyholders:							
Hong Kong	106	116	119	289	175	630	463
Japan	715	839	839	38	41	2,431	246
Other	21	16	18	18	15	73	55
Total payments to policyholders	842	971	976	345	231	3,134	764
Commissions:							
Hong Kong	42	36	35	29	30	142	105
Japan	24	25	23	24	23	96	64
Other	11	11	10	9	10	41	32
Total commissions	77	72	68	62	63	279	201
Net income:							
Hong Kong	52	51	51	48	46	202	157
Japan and other	33	35	36	11	13	115	36
Total net income	85	86	87	59	59	317	193

ASIAN DIVISION DATA BY BUSINESS UNIT (CONT'D)


(Canadian \$ in millions, unaudited)

Premiums and deposits:	For the three months ended					For the year ended	
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000	Dec 31 2001	2000
<i>Hong Kong</i>							
Premiums	262	269	260	235	218	1,026	824
Segregated fund deposits	218	231	288	233	133	970	397
Mutual fund deposits	22	51	30	18	10	121	87
Total Hong Kong	502	551	578	486	361	2,117	1,308
<i>Japan</i>							
Premiums	398	412	413	126	123	1,349	846
Segregated fund deposits	-	1	-	-	-	1	-
Total Japan	398	413	413	126	123	1,350	846
<i>Other</i>							
Premiums	97	84	72	68	70	321	241
Segregated fund deposits	16	16	27	34	16	93	49
Mutual fund deposits	84	13	5	4	3	106	14
Total other	197	113	104	106	89	520	304
Total premiums and deposits	1,097	1,077	1,095	718	573	3,987	2,458
Total premiums and deposits:							
Premiums	757	765	745	429	411	2,696	1,911
Segregated fund deposits	234	248	315	267	149	1,064	446
Mutual fund deposits	106	64	35	22	13	227	101
Total premiums and deposits	1,097	1,077	1,095	718	573	3,987	2,458
New annualized premium sales							
Hong Kong Individual Insurance	54	43	38	30	41	165	138
Japan Individual Insurance	43	36	49	34	63	162	203
Other Individual Insurance	31	29	21	19	26	100	76
Total new annualized premium sales	128	108	108	83	130	427	417

ASIAN DIVISION DATA BY BUSINESS UNIT (CONT'D)


(Canadian \$ in millions, unaudited)

Funds under management:	As at				
	Dec 31 2001	Sep 30 2001	Jun 30 2001	Mar 31 2001	Dec 31 2000
<i>Hong Kong</i>					
General fund	4,752	4,594	4,366	4,521	4,324
Segregated funds	1,663	1,451	1,465	1,110	1,074
Mutual funds	254	219	209	195	191
Other managed funds	637	549	688	691	748
Total Hong Kong	7,306	6,813	6,728	6,517	6,337
<i>Japan</i>					
General fund	13,726	15,361	14,915	2,110	2,447
Segregated funds	87	124	131	-	-
Total Japan	13,813	15,485	15,046	2,110	2,447
<i>Other</i>					
General fund	609	574	430	486	452
Segregated funds	202	123	119	101	70
Mutual funds	86	29	15	14	13
Total other	897	726	564	601	535
Total funds under management	22,016	23,024	22,338	9,228	9,319
Funds under management:					
General fund	19,087	20,529	19,711	7,117	7,223
Segregated funds	1,952	1,698	1,715	1,211	1,144
Mutual funds	340	248	224	209	204
Other managed funds	637	549	688	691	748
Total funds under management	22,016	23,024	22,338	9,228	9,319

REINSURANCE DIVISION


(Canadian \$ in millions, unaudited)

Statements of Operations	For the three months ended					For the year ended	
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Dec 31	
	2001	2001	2001	2001	2000	2001	2000
Revenue							
Premium income	207	225	159	200	220	791	768
Investment income	61	57	57	56	49	231	194
Other revenue	7	8	12	11	7	38	22
Total revenue	275	290	228	267	276	1,060	984
Policy benefits and expenses							
Policyholder benefits	206	404	159	194	218	963	762
General expenses	10	10	10	10	9	40	35
Commissions	10	13	7	14	13	44	47
Other	3	2	3	3	2	11	8
Total policy benefits and expenses	229	429	179	221	242	1,058	852
Income before income taxes	46	(139)	49	46	34	2	132
Income taxes	(19)	85	(14)	(6)	(6)	46	(24)
Net income	27	(54) (*)	35	40	28	48 (*)	108

Selected financial ratios

General expenses to premiums	4.8%	4.4%	6.3%	5.0%	4.1%	5.1%	4.6%
Commissions to Accident and Health and Property and Casualty reinsurance premiums	10.4%	10.6%	15.1%	15.9%	12.0%	12.5%	12.7%

	For the three months ended					For the year ended	
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Dec 31	
	2001	2001	2001	2001	2000	2001	2000
Premiums							
Life and Financial reinsurance	113	104	109	112	109	438	394
Property and Casualty reinsurance	61	86	37	65	84	249	256
Accident and Health reinsurance	33	35	13	23	27	104	118
Total premiums	207	225	159	200	220	791	768

Funds under management	As at				
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
	2001	2001	2001	2001	2000
General fund	3,821	3,582	3,441	3,508	3,259

(*) Net income included \$145 in provisions for anticipated claims arising from the terrorist events in the United States on September 11, 2001, partially offset by a one-time reduction in tax expense of \$30 associated with the recognition of a future tax asset in respect of previously unaccrued tax losses.

CORPORATE AND OTHER


(Canadian \$ in millions, unaudited)

Statements of Operations	For the three months ended					For the year ended	
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Dec 31	
	2001	2001	2001	2001	2000	2001	2000
Revenue							
Investment income	82	19	62	79	94	242	291
Other revenue	45	64	4	9	12	122	51
Total revenue	127	83	66	88	106	364	342
Policy benefits and expenses							
Policyholder benefits	13	(9)	-	1	14	5	88
General expenses	53	17	39	27	35	136	135
Commissions	-	-	-	-	-	-	-
Other	50	43	35	38	26	166	111
Total policy benefits and expenses	116	51	74	66	75	307	334
Income (loss) before income taxes	11	32	(8)	22	31	57	8
Income taxes	6	16	10	5	(16)	37	7
Net income (loss)	17	48 (*)	2	27	15	94 (*)	15

Funds under management	As at				
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
	2001	2001	2001	2001	2000
General fund	5,962	4,812	5,082	5,153	3,383
Other managed funds	2,073	3,088	7,247 (**)	6,428 (**)	6,234 (**)
Total funds under management	8,035	7,900	12,329 (**)	11,581 (**)	9,617 (**)

(*) Net income included a \$27 gain from the disposition of a portion of the Company's investment in Seamark Asset Management Ltd. and a \$29 accrual for a refund of tax, inclusive of interest, related to a recent court decision in the Company's favour pertaining to capital taxes.

(**) Other managed funds included Seamark Asset Management Ltd. third party managed funds of \$5,187, \$4,639 and \$4,288 as at June 30, 2001, March 31, 2001 and December 31, 2000, respectively. Disposition of a portion of the Company's controlling interest in Seamark Asset Management Ltd. occurred in July 2001, at which time the Company ceased consolidation of the assets and liabilities and results of operations of Seamark and commenced accounting for this investment on an equity basis.

SELECTED SUPPLEMENTAL FINANCIAL INFORMATION: SEGMENTED BY PRODUCT LINE


(Canadian \$ in millions, unaudited)

The following tables provide, for each of the periods indicated, selected supplemental consolidated financial information with respect to the Company, segmented by product line. Mutual funds within operating divisions have been classified as wealth management operations because such funds are savings and retirement products.

Segmented by product line:	For the three months ended					For the year ended	
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Dec 31	
	2001	2001	2001	2001	2000	2001	2000
Premiums and deposits ⁽¹⁾ :							
Insurance	2,429	2,325	2,255	1,905	1,933	8,914	7,386
Wealth management	4,418	3,933	4,124	4,451	4,158	16,926	17,179
Total premiums and deposits	6,847	6,258	6,379	6,356	6,091	25,840	24,565
Net operating income :							
Insurance	242	126	233	197	189	798	706
Wealth management	77	75	73	50	82	275	347
Sub total	319	201	306	247	271	1,073	1,053
Other ⁽²⁾	17	48	2	27	15	94	15
Total net operating income	336	249 (**)	308	274	286	1,167 (**)	1,068 (*)
	As at						
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31		
	2001	2001	2001	2001	2000		
Funds under management ⁽³⁾ :							
Insurance	53,144	53,634	51,711	38,020	37,571		
Wealth management	81,003	73,081	76,846	74,598	76,332		
Sub total	134,147	126,715	128,557	112,618	113,903		
Other ⁽⁴⁾	8,035	7,900	12,329 (***)	11,581 (***)	9,617 (***)		
Total funds under management	142,182	134,615	140,886 (***)	124,199 (***)	123,520 (***)		

Notes for Segmented Information by product line

- (1) Premiums and deposits are comprised of general fund premiums, segregated fund deposits, mutual fund deposits and ASO premium equivalents.
- (2) Other net operating income represents any residual Company revenues and expenses, net of allocations to the Divisions, together with the results of the operations of the Investment Division and other non-operating lines. It has not been allocated to insurance operations or wealth management operations.
- (3) Funds under management are comprised of general fund assets, segregated funds, mutual and other managed funds.
- (4) Other funds under management include any residual Company assets, primarily representing equity of the Company, net of allocations to the Divisions. It has not been allocated to insurance operations or wealth management operations.

(*) Net income included a one-time reduction in tax expense of \$42 in the U.S. Division relating to prior years of 2000.

(**) Net income included non-recurring items relating to the terrorist events in the United States on September 11, 2001, a gain from the disposition of a portion of the Company's investment in Seamark Asset management Ltd. and two tax items, all of which in aggregate reduced net income by \$64. These items were recorded in the third quarter of 2001.

(***) Other managed funds included Seamark Asset Management Ltd. third party managed funds of \$5,187, \$4,639 and \$4,288 as at June 30, 2001, March 31, 2001 and December 31, 2000, respectively. Disposition of a portion of the Company's controlling interest in Seamark Asset Management Ltd. occurred in July 2001, at which time the Company ceased consolidation of the assets and liabilities and results of operations of Seamark and commenced accounting for this investment on an equity basis.

SELECTED SUPPLEMENTAL FINANCIAL INFORMATION FOR INSURANCE OPERATIONS


(Canadian \$ in millions, unaudited)

Summary statements of operations :	For the three months ended					For the year ended	
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Dec 31	
	2001	2001	2001	2001	2000	2001	2000
Revenue							
Premium income	2,036	1,971	1,866	1,512	1,545	7,385	6,052
Investment income	771	584	671	523	558	2,549	2,337
Other revenue	78	72	82	76	63	308	219
Total revenue	2,885	2,627	2,619	2,111	2,166	10,242	8,608
Policy benefits and expenses							
Policyholder benefits	1,929	1,961	1,756	1,343	1,425	6,989	5,888
General expenses	428	389	384	355	394	1,556	1,323
Commissions	150	142	134	133	131	559	479
Other	57	47	49	40	(22)	193	12
Policy benefits and expenses	2,564	2,539	2,323	1,871	1,928	9,297	7,702
Income before income taxes	321	88	296	240	238	945	906
Income taxes	(79)	38	(63)	(43)	(49)	(147)	(200)
Net income	242	126	233	197	189	798	706
Revenue by division :							
(Premiums, investment income and other revenue)							
U.S.	907	788	804	764	792	3,263	3,073
Canadian	826	719	747	593	606	2,885	2,445
Asian	877	830	840	487	492	3,034	2,106
Reinsurance	275	290	228	267	276	1,060	984
Total	2,885	2,627	2,619	2,111	2,166	10,242	8,608
Policyholder benefits by division :							
(Policyholder benefits and dividends, changes in actuarial liabilities and transfers to segregated funds)							
U.S.	658	619	583	549	573	2,409	2,215
Canadian	588	480	538	395	393	2,001	1,661
Asian	477	458	476	205	241	1,616	1,250
Reinsurance	206	404	159	194	218	963	762
Total	1,929	1,961	1,756	1,343	1,425	6,989	5,888
Selected financial ratios							
Expense Ratios							
General expenses to premiums and deposits	17.6%	16.7%	17.0%	18.6%	20.4%	17.5%	17.9%
General expenses to funds under management (annualized)	3.2%	2.9%	3.0%	3.7%	4.2%	2.9%	3.5%
Commission Ratios							
Commissions to premiums and deposits	6.2%	6.1%	5.9%	7.0%	6.8%	6.3%	6.5%
Commissions to funds under management (annualized)	1.1%	1.1%	1.0%	1.4%	1.4%	1.1%	1.3%
Combined Ratios							
General expenses and commissions to premiums and deposits	23.8%	22.8%	23.0%	25.6%	27.2%	23.7%	24.4%
General expenses and commissions to funds under management (annualized)	4.4%	4.0%	4.0%	5.1%	5.6%	4.0%	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 year ended	
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Dec 31	
	2001	2001	2001	2001	2000	2001	2000
Premiums and deposits :							
U.S.	635	549	563	573	594	2,320	2,221
Canadian	814	792	787	691	691	3,084	2,538
Asian	773	759	746	441	428	2,719	1,859
Reinsurance	207	225	159	200	220	791	768
Total premiums and deposits	2,429	2,325	2,255	1,905	1,933	8,914	7,386

Funds under management :	As at				
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
	2001	2001	2001	2001	2000
U.S.	20,607	20,231	19,321	19,631	19,130
Canadian	9,856	9,582	9,490	8,335	8,548
Asian	18,860	20,239	19,459	6,546	6,634
Reinsurance	3,821	3,582	3,441	3,508	3,259
Total funds under management	53,144	53,634	51,711	38,020	37,571

Segmented by fund :	For the three months ended					For the year ended	
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Dec 31	
	2001	2001	2001	2001	2000	2001	2000
Premiums and deposits :							
General fund premiums	2,036	1,971	1,866	1,512	1,545	7,385	6,052
Segregated fund deposits	185	163	188	198	205	734	691
ASO premium equivalents	208	191	201	195	183	795	643
Total premiums and deposits	2,429	2,325	2,255	1,905	1,933	8,914	7,386

Funds under management :	As at				
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
	2001	2001	2001	2001	2000
General fund	50,253	51,142	49,014	35,608	35,044
Segregated funds	2,891	2,492	2,697	2,412	2,527
Total funds under management	53,144	53,634	51,711	38,020	37,571

SELECTED SUPPLEMENTAL FINANCIAL INFORMATION FOR WEALTH MANAGEMENT OPERATIONS


(Canadian \$ in millions, unaudited)

Summary statements of operations:	For the three months ended					For the year ended	
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Dec 31	
	2001	2001	2001	2001	2000	2001	2000
Revenue							
Premium income	766	800	692	604	569	2,862	2,463
Investment income	436	420	433	399	404	1,688	1,722
Other revenue	278	265	271	261	263	1,075	1,017
Total revenue	1,480	1,485	1,396	1,264	1,236	5,625	5,202
Policy benefits and expenses							
Policyholder benefits	1,010	1,045	939	838	726	3,832	3,359
General expenses	202	191	191	202	227	786	733
Commissions	156	133	147	138	148	574	607
Other	12	18	19	23	22	72	76
Policy benefits and expenses	1,380	1,387	1,296	1,201	1,123	5,264	4,775
Income before income taxes	100	98	100	63	113	361	427
Income taxes	(23)	(23)	(27)	(13)	(31)	(86)	(80)
Net income	77	75	73	50	82	275	347
Revenue by division:							
(Premiums, investment income and other revenue)							
U.S.	923	928	869	734	733	3,454	3,085
Canadian	514	493	460	476	466	1,943	1,879
Asian	43	64	67	54	37	228	238
Total	1,480	1,485	1,396	1,264	1,236	5,625	5,202
Policyholder benefits by division:							
(Policyholder benefits and dividends, changes in actuarial liabilities and transfers to segregated funds)							
U.S.	610	644	568	466	413	2,288	1,840
Canadian	384	362	329	342	350	1,417	1,390
Asian	16	39	42	30	(37)	127	129
Total	1,010	1,045	939	838	726	3,832	3,359
Selected financial ratios							
<u>Expense Ratios</u>							
General expenses to premiums and deposits	4.6%	4.9%	4.6%	4.5%	5.5%	4.6%	4.3%
General expenses to funds under management (annualized)	1.0%	1.0%	1.0%	1.1%	1.2%	1.0%	1.0%
<u>Commission Ratios</u>							
Commissions to premiums and deposits	3.5%	3.4%	3.6%	3.1%	3.6%	3.4%	3.5%
Commissions to funds under management (annualized)	0.8%	0.7%	0.8%	0.7%	0.8%	0.7%	0.8%
<u>Combined Ratios</u>							
General expenses and commissions to premiums and deposits	8.1%	8.2%	8.2%	7.6%	9.0%	8.0%	7.8%
General expenses and commissions to funds under management (annualized)	1.8%	1.8%	1.8%	1.8%	2.0%	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 year ended	
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Dec 31	
	2001	2001	2001	2001	2000	2001	2000
Premiums and deposits :							
U.S.	3,462	3,081	3,269	3,494	3,337	13,306	13,777
Canadian	632	534	506	680	676	2,352	2,803
Asian	324	318	349	277	145	1,268	599
Total premiums and deposits	4,418	3,933	4,124	4,451	4,158	16,926	17,179

Funds under management :	As at				
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
	2001	2001	2001	2001	2000
U.S.	54,099	47,843	50,797	49,218	50,345
Canadian	23,748	22,453	23,170	22,698	23,302
Asian	3,156	2,785	2,879	2,682	2,685
Total funds under management	81,003	73,081	76,846	74,598	76,332

Segmented by fund :	For the three months ended					For the year ended	
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Dec 31	
	2001	2001	2001	2001	2000	2001	2000
Premiums and deposits :							
General fund premiums	766	800	692	604	569	2,862	2,463
Segregated fund deposits	3,394	2,939	3,283	3,694	3,455	13,310	14,086
Mutual fund deposits	258	194	149	153	134	754	630
Total premiums and deposits	4,418	3,933	4,124	4,451	4,158	16,926	17,179

Funds under management :	As at				
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
	2001	2001	2001	2001	2000
General fund	22,398	22,116	21,657	22,148	21,640
Segregated funds	56,315	48,974	52,992	50,300	52,381
Mutual funds	1,653	1,442	1,509	1,459	1,563
Other managed funds	637	549	688	691	748
Total funds under management	81,003	73,081	76,846	74,598	76,332

HISTORICAL FINANCIAL HIGHLIGHTS



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

Key performance measures	2001	2000	1999	1998	1997	1996
Net income	1,167	1,068	866	710	743	503
Net operating income	1,167	1,068	866	710	624	503
Adjusted shareholders' net income	1,159	1,075	874	710	743	503
Capital ⁽¹⁾	11,513	8,555	7,771	7,415	6,377	4,859
Operating return on shareholders' equity (%) ⁽²⁾	15.1%	16.1%	14.0%	12.9%	13.6%	12.4%
Capital as a percentage of liabilities	17.2%	16.7%	16.1%	16.2%	14.4%	11.5%

(1) Capital includes: total equity (formerly surplus), subordinated debt, non-controlling interest in Manulife Financial Capital Trust 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	2001	2000	1999	1998	1997	1996
Revenue						
Premium income	10,247	8,515	8,672	5,696	5,622	5,694
Investment income	4,479	4,350	4,369	4,123	4,010	3,734
Other revenue	1,505	1,287	1,015	792	574	447
Total revenue	16,231	14,152	14,056	10,611	10,206	9,875
Policy benefits and expenses						
Policyholders and beneficiaries	10,134	7,654	6,608	6,385	6,508	5,883
Policyholder dividends and experience rating refunds	900	859	738	604	508	471
Change in actuarial liabilities	(208)	822	2,628	252	169	873
General expenses & commissions	3,611	3,277	2,703	2,118	1,868	1,693
Interest expense	257	191	179	158	156	161
Premium taxes	105	96	84	74	83	72
Non-controlling interest in subsidiaries	4	(151)	(114)	7	11	6
Trust preferred securities issued by subsidiaries	65	63	62	62	54	-
Total policy benefits and expenses	14,868	12,811	12,888	9,660	9,357	9,159
Income before income taxes	1,363	1,341	1,168	951	849	716
Unusual items	-	-	-	-	176	-
Income taxes	(196)	(273)	(302)	(241)	(282)	(213)
Net income	1,167	1,068	866	710	743	503
Net income (loss) attributed to:						
Participating policyholders (after demutualization)	8	(7)	(8)	-	-	-
Net income attributed to:						
Shareholders (after demutualization)	1,159	1,075	267	-	-	-
Mutual operations (prior to demutualization)	-	-	607	710	743	503
Adjusted shareholders' net income	1,159	1,075	874	710	743	503
Net income	1,167	1,068	866	710	743	503

HISTORICAL FINANCIAL HIGHLIGHTS (CONT'D)



(Canadian \$ in millions, unaudited)

Summary consolidated balance sheets

As at December 31	2001	2000	1999	1998	1997	1996
Assets						
Bonds	46,070	33,270	30,853	30,691	28,662	25,627
Mortgages	7,902	7,174	6,867	7,702	7,809	8,106
Stocks	6,964	4,621	4,832	4,042	3,529	2,796
Real estate	3,484	3,262	3,179	2,992	2,806	3,044
Policy loans	4,644	3,616	3,207	3,137	2,663	2,354
Cash and short term investments	4,995	3,783	3,047	1,329	1,842	2,600
Other investments	693	884	1,180	499	479	292
Invested assets	74,752	56,610	53,165	50,392	47,790	44,819
Other assets	3,861	3,457	3,543	2,710	2,733	2,424
Total assets	78,613	60,067	56,708	53,102	50,523	47,243
Liabilities and equity						
Actuarial liabilities	54,690	41,384	39,748	38,738	37,227	36,248
Other liabilities	12,346	9,829	8,439	6,873	6,865	6,088
Subordinated debt	1,418	588	582	627	581	566
Non-controlling interest in subsidiaries	1,064	299	750	76	54	48
Trust preferred securities issued by subsidiaries	802	756	735	783	728	-
Total equity ⁽¹⁾	8,293	7,211	6,454	6,005	5,068	4,293
Total liabilities and equity	78,613	60,067	56,708	53,102	50,523	47,243

(1) Previously reported as surplus

Funds under management

As at December 31	2001	2000	1999	1998	1997	1996
General fund	78,613	60,067	56,708	53,102	50,523	47,243
Segregated funds	59,206	54,908	49,055	38,200	27,018	18,553
Mutual funds	1,653	1,563	1,641	1,708	2,125	2,782
Other managed funds	2,710	6,982 (*)	4,732 (*)	3,680 (*)	2,652 (*)	2,944 (*)
Total	142,182	123,520	112,136	96,690	82,318	71,522

Premiums and deposits

For the years ended December 31	2001	2000	1999	1998	1997	1996
General fund	10,247	8,515	8,672	5,696	5,622	5,694
Segregated funds	14,044	14,777	10,709	8,846	7,026	4,291
Mutual funds	754	630	522	601	1,348	1,678
ASO premium equivalents	795	643	550	524	470	475
Total	25,840	24,565	20,453	15,667	14,466	12,138

Selected ratios:

5-yr compound growth rates

Operating income	18%	23%	25%	31%	49%	20%
Funds under management	15%	21%	19%	18%	17%	16%

(*) Other managed funds included Seamark Asset Management Ltd. third party managed funds of \$4,288, \$3,074, \$2,314, \$1,797 and \$931 as at December 31, 2000, 1999, 1998, 1997 and 1996, respectively. Disposition of a portion of the Company's controlling interest in Seamark Asset Management Ltd. occurred in July 2001, at which time the Company ceased consolidation of the assets and liabilities and results of operations of Seamark and commenced accounting for this investment on an equity basis.

EMBEDDED VALUE



(Canadian \$ in millions, unaudited)

OVERVIEW

The embedded value of Manulife Financial as at December 31, 2001 was \$14.0 billion.

This value represents a 26% increase over the \$11.3 billion reported as at December 31, 2000, before payment of shareholder dividends of \$230 million. Of this increase, \$850 million is attributable to the acquisition of the Daihaku inforce business in April 2001 and two other acquisitions in Canada. Excluding these acquisitions, the annual growth in the Company's embedded value would have been 18%.

A characteristic of the embedded value calculations is that assets are marked to market and as a result, the impact of the decline in stock markets during 2001 had a significant effect on embedded value growth. During the year, the S&P index declined 13% and the TSE 300 index declined 14%, reducing the embedded value by \$1.0 billion versus the expected year-end value.

Change in Embedded Value in 2001

The table below shows the change in the embedded value during 2001, and the corresponding changes in 2000.

	For the year ended	
	Dec 31 2001	Dec 31 2000
Embedded Value as at January 1	11,300	9,900
Interest on year start Embedded Value	1,090	1,000
New Business	580	600
Acquisitions	850	-
Experience variances and assumption changes	(350)	-
Embedded Value before currency adjustment	13,470	11,500
Discount rate changes	360	-
Currency	400	-
Embedded Value before shareholder dividends	14,230	11,500
Shareholder dividends	(230)	(200)
Embedded Value as at December 31	14,000	11,300

The embedded value as at December 31, 2000 increased by \$1.1 billion, reflecting the expected value created by the inforce business ('unwinding' of the discount rate).

The Company's new business in 2001 was sold with attractive margins that served to increase the embedded value by \$580 million, close to the result achieved in 2000.

In 2001, sales of equity-linked products, such as variable annuities, showed weakness. In addition, promotions on variable annuities, that were designed to increase consumer interest, reduced new business embedded value compared to 2000. If the new business embedded value of wealth management products in North America had been maintained at the 2000 levels, the Company would have experienced a 15% growth in new business embedded value. If year-end discount rates and currencies were used in the calculation, the 2001 new business embedded value would increase to \$640 million.

The \$850 million addition to embedded value from acquisitions was primarily related to the purchase of the Daihaku inforce block in April 2001. The acquisition of Zurich's Group Life business and Commercial Union's life business also contributed positive value.

The \$350 million reduction in embedded value for experience and assumption changes was primarily due to reduced values arising from the drop in equity markets and losses arising from the events of September 11, offset somewhat by favourable experience, particularly mortality, management actions to improve profitability and beneficial tax changes.

U.S. discount rates were lower in 2001 than in 2000. A reduction in U.S. 10-year interest rates coupled with a 125 basis point reduction in the discount rate applicable to business written in Hong Kong were the primary reasons for the \$360 million increase in embedded value. The change in Hong Kong reflects the fact that a portion of the business in that territory is denominated in U.S. dollars.

A discount rate of 6.5% has been used for business in Japan, comprising a 1.5% Government of Japan 10-year bond yield and a 5% risk premium.

The value of the Canadian dollar decreased by 4 cents during the year relative to the U.S. dollar, but appreciated by 7% relative to the Japanese yen. The net effect was to increase the embedded value by \$400 million.

EMBEDDED VALUE (CONT'D)**Principal Assumptions**

The principal economic assumptions used in the calculations are as follows:

	Canada	U.S.	Hong Kong	Japan
MCCSR Ratio	150%	150%	150%	150%
Discount rate	9.5%	9.0%	10.25%	6.5%
Income Tax Rate	38% decreasing to 31%	35%	Included in premium taxes	36%

Discount rates have been derived from Government Bond rates in the respective countries, plus risk premiums varying from 4% - 5%. Higher discount rates are used in some Asian businesses.

The Canadian dollar is valued at 62.7 cents versus the U.S. dollar. The Japanese yen is valued at \$0.012 Canadian dollars.

The embedded value has been calculated using the financial position of the Company as at June 30, 2001 projected to December 31, 2001, allowing for the actual change in key elements such as the market value of securities, new business contribution and policy experience. As such, management believes that the value is a fair representation of the Company's embedded value as at December 31, 2001.

The future stream of profits has been calculated on a Canadian GAAP basis in all countries.

The Company's target equity/debt structure has been utilized.

Sensitivity

Embedded value calculations are sensitive to a variety of factors including the market value of assets and the discount rate used in the calculations.

If the value of equities in the Company's portfolio increases by 10%, the Company's embedded value will increase by \$400 million.

A 100 basis point change in the discount rate has the following impact on embedded value:

100 b.p. increase in discount rates:	\$800 million decrease in embedded value
100 b.p. decrease in discount rates:	\$900 million increase in embedded value

ANNUAL RECONCILIATION OF CANADIAN GAAP NET INCOME AND EQUITY TO U.S. GAAP NET INCOME, COMPREHENSIVE INCOME AND EQUITY



(Canadian \$ in millions, unaudited)

The consolidated financial statements of the Company are presented in accordance with Canadian GAAP. Canadian GAAP differs in certain material respects from accounting principles generally accepted in the United States ("U.S. GAAP"). The following is the annual reconciliation of Canadian GAAP net income and equity to U.S. GAAP net income, comprehensive income and equity.

	For the years ended December 31			
	Net income		Equity	
	2001	2000	2001	2000
Net income and equity determined in accordance with Canadian GAAP	1,167	1,068	8,293	7,211
Bonds	247	(252)	1,121	798
Mortgages	(5)	(7)	(132)	(123)
Stocks	(668)	1,653	1,619	1,931
Real estate	(4)	(81)	(789)	(762)
Actuarial liabilities	(232)	(1,017)	(5,889)	(4,974)
Deferred acquisition costs	807	905	6,283	5,217
Deferred revenue	(142)	(94)	(465)	(273)
Future income taxes	2	43	(292)	(378)
Derivative instruments and hedging activities	41	-	41	-
Other reconciling items	(132)	(59)	80	95
Net income and equity determined in accordance with U.S. GAAP	1,081	2,159	9,870	8,742
Foreign currency translation	277	102	-	-
Effect of unrealized gains and losses on available-for-sale bonds and stocks:				
Bonds	679	1,334	1,970	1,291
Stocks	(260)	(1,686)	716	976
Actuarial liabilities	30	(318)	(769)	(826)
Deferred acquisition costs	(96)	85	(166)	(70)
Deferred revenue	3	11	5	2
Future income taxes on above	(211)	1	(562)	(351)
SFAS 133 transitional provisions ⁽¹⁾	-	-	(14)	-
SFAS 133 adjustments ⁽²⁾	-	-	(398)	-
Comprehensive income and equity determined in accordance with U.S. GAAP	1,503	1,688	10,652	9,764

(1) Includes a loss of \$4, net of tax, arising from hedges of foreign currency exposure of a net investment in a foreign operation.

(2) Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities".

MANULIFE FINANCIAL CORPORATION HEAD OFFICE

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Toronto, Ontario
Canada M4W 1E5

TRANSFER AGENT

CIBC Mellon Trust Company
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/	A.M. Best	A++
Financial strength	Dominion Bond Rating Service	IC-1
	Fitch	AAA
	Moody's	Aa2
	Standard & Poor's	AA+

MARKET INFORMATION

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

	Q4 01	Q3 01	Q2 01	Q1 01	Q4 00
Basic earnings per share	\$ 0.70	\$ 0.52	\$ 0.63	\$ 0.56	\$ 0.59
Normalized basic earnings per share	\$ 0.70	\$ 0.65	\$ 0.63	\$ 0.56	\$ 0.59
Diluted earnings per share	\$ 0.69	\$ 0.52	\$ 0.63	\$ 0.56	\$ 0.59
Normalized diluted earnings per share	\$ 0.69	\$ 0.65	\$ 0.63	\$ 0.56	\$ 0.59
Return on shareholders' equity (annualized)	16.4%	12.6%	16.2%	15.0%	16.1%
Normalized return on shareholders' equity (annualized)	16.4%	15.8%	16.2%	15.0%	16.1%
Book value per share	\$ 17.07	\$ 16.58	\$ 15.81	\$ 15.54	\$ 14.84
Market value to book value ratio	2.44	2.49	2.68	2.67	3.16
Market capitalization (\$ billions)	20.1	19.9	20.4	20.0	22.6
Shares outstanding (millions)					
- end of period	482	482	482	482	482
- weighted average	482	482	482	482	482
- diluted weighted average	486	486	486	486	482

CURRENT QUARTER SHARE PRICE INFORMATION

	Toronto (1)	New York (2)	Hong Kong (3)	Philippines (4)
Share Price				
High	\$ 44.39	\$ 27.84	\$ 213	P 1,420
Low	\$ 36.87	\$ 23.27	\$ 192	P 1,150
Close	\$ 41.60	\$ 26.06	\$ 203	P 1,250

Average daily trading volume number of shares (thousands)	1,075	196	12	2
(1) Canadian \$ (2) United States \$ (3) Hong Kong \$ (4) Philippine Pesos				

	Q4 01	Q3 01	Q2 01	Q1 01	Q4 00
MINIMUM CONTINUING CAPITAL AND SURPLUS REQUIREMENTS					
The Manufacturers Life Insurance Company's MCCSR	236%	207%	210%	249%	238%
Available Capital (\$ billions)	10.35	9.18	8.86	8.74	8.02
Required Capital (\$ billions)	4.39	4.44	4.22	3.50	3.37

FOREIGN EXCHANGE INFORMATION (*)

- Balance Sheets	(CDN to \$ 1 US)	1.593	1.579	1.518	1.577	1.500
	(CDN to 1 YEN)	0.012157	0.013244	0.01217	0.01256	0.01312
- Statements of Operations	(CDN to \$ 1 US)	1.580	1.545	1.541	1.528	1.526
	(CDN to 1 YEN)	0.01279	0.012723	0.012575	0.012932	0.013897

(*) 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.