



Now Your Company

MANULIFE FINANCIAL CORPORATION

2

SECOND QUARTER REPORT
TO SHAREHOLDERS

Financial Highlights

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

	For the three months ended June 30			As at and for the six months ended June 30		
	2000	1999	% change	2000	1999	% change
Premiums and deposits:						
Life and health insurance premiums	\$ 1,526	\$ 2,143	(29) ^(a)	\$ 3,097	\$ 3,335	(7)
Annuity and pension premiums	615	513	20	1,323	1,012	31
Segregated fund deposits	3,556	2,475	44	7,452	5,028	48
Mutual fund deposits	144	146	(1)	351	297	18
ASO premium equivalents	151	136	11	294	267	10
Total premiums and deposits	\$ 5,992	\$ 5,413	11^(a)	\$ 12,517	\$ 9,939	26
Funds under management:						
General fund				\$ 59,145	\$ 55,167	7
Segregated funds				55,138	42,502	30
Mutual and other managed funds				8,121	5,824	39
Total funds under management				\$122,404	\$103,493	18
Net income:						
Net loss attributed to:						
Participating policyholders (after demutualization)	\$ (5)	\$ –	n/a	\$ (7)	\$ –	n/a
Net income attributed to:						
Shareholders (after demutualization)	\$ 247	\$ –	n/a	\$ 474	\$ –	n/a
Mutual operations (prior to demutualization)	–	204	n/a	–	399	n/a
Adjusted shareholders' net income	\$ 247	\$ 204	21	\$ 474	\$ 399	19
Net income	\$ 242	\$ 204	19	\$ 467	\$ 399	17
Capitalization:						
Subordinated debt				\$ 582	\$ 588	(1)
Trust preferred securities issued by subsidiaries				754	750	1
Equity						
Participating policyholders' equity				54	–	n/a
Shareholders' equity						
Common shares				612	–	n/a
Shareholders' retained earnings				6,008	–	n/a
Surplus				–	6,267	n/a
Total capital				\$ 8,010	\$ 7,605	5
Selected key performance measures:						
Adjusted basic earnings per share ^(b)	\$ 0.51	\$ 0.41		\$ 0.98	\$ 0.80	
Return on shareholders' equity (annualized)	15.2 %	13.2 %		14.7 %	13.0 %	
Return on assets (annualized)	1.7 %	1.5 %		1.6 %	1.5 %	
Adjusted book value per share ^(c)				\$ 13.73	\$ 12.51	
Shares outstanding (in millions)						
End of period				482	501	
Weighted average	482	501		484	501	

(a) Life and health insurance premiums increased 11% and total premiums and deposits increased 29% after excluding a one-time assumption reinsurance premium of \$766 relating to the pre-liquidation liabilities of the Canadian group life and health business of Confederation Life (recorded in the second quarter of 1999).

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

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

Message to Shareholders

We are very pleased to report to our shareholders on another strong quarter. Shareholders' earnings of \$247 million, or \$0.51 per share, in the second quarter represents an increase of 21 per cent from the second quarter of 1999. Return on shareholders' equity of 15.2% exceeded our long-term target of 15 per cent. This compares to a return on shareholders' equity for the second quarter 1999 of 13.2 per cent. We continue to generate strong revenue and earnings growth across all our insurance and wealth management businesses. Premiums and deposits totaled \$6.0 billion for the quarter, a normalized increase of 29% over the same period in 1999. Second quarter investment income was \$1.1 billion, up 8% from the comparable 1999 period, reflecting in part the high quality of our invested assets. As at June 30, 2000, funds under management were \$122.4 billion, an increase of 18 per cent from the prior year.

High growth in our U.S. wealth management businesses has been based in part on product innovation. We recently introduced a new variable annuity product designed specifically for clients of asset based fee brokerage accounts – offering our customers all the benefits of a variable annuity within a popular fee structure.

In Canada, we continued our initiatives to expand our individual sales and marketing capacity through distribution agreements with an expanded number of sales organizations and agencies. This new distribution model allows our customers and financial advisors to choose how they want to do business with Manulife Financial. In the second quarter, new distribution channels contributed over 25 per cent of new individual life insurance sales in Canada. Our Canadian distribution strategy leverages off our very successful multi-channel distribution approach in the United States.

Our emerging businesses in Asia are delivering promising results. The prospect of China's entry into the World Trade Organization is expected to increase significantly the potential of our operation by providing opportunities to expand beyond our current Shanghai base. Our new Vietnam subsidiary, Chinfon Manulife, has delivered strong growth in both sales and agency force in just nine months of operations, well exceeding our original plans. In Japan, good sales growth in April and May was somewhat dampened by slower June sales following the business suspension of our minority partner. However, it is encouraging to observe that the slowdown in insurance sales was followed by a return of sales momentum in July and we

remain optimistic about the long-term opportunities generated by our presence in Japan, the world's largest insurance market.

At Manulife Financial, we are focused on meeting our customers' needs and providing sustainable value at competitive prices. This quarter, we expanded and enhanced our investment fund offerings in all markets, continuing our commitment to provide superior risk adjusted returns and broad diversification across asset classes, investment styles and asset managers. In the United States, we broadened the offerings of our Common Investment Platform available to all our variable products – annuities, 401(k) pensions and life insurance – to include five new index portfolios as well as several new top asset managers. Elliott & Page, our Canadian investment subsidiary, recently launched three new funds as well as making several portfolio manager changes designed to strengthen performance. In the second quarter, 69% of Elliott & Page's mutual funds performed at or above the median of their peers, based on 1-year performance. And in Hong Kong, we opened a new Asian investment management office. This unit was created in response to the tremendous expansion of our Asian insurance and wealth management businesses that have grown by a compound rate of 25 per cent per year over the past five years.

In June, the Canadian federal government introduced its long-awaited financial services reform legislation. Manulife Financial intends to participate fully in the upcoming parliamentary review process for this legislation to ensure implementation of ownership and merger policies that recognize the importance of maintaining a viable, independent life insurance industry in Canada.

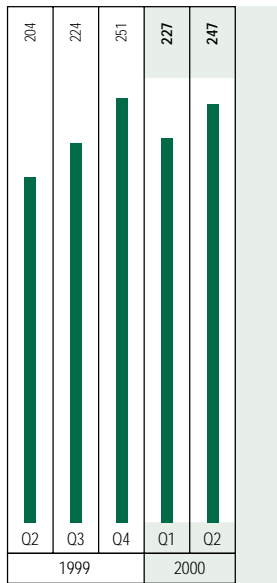
At Manulife Financial, we are committed to being at the leading edge in our customer focus – delivering innovative products, through a variety of preferred distribution channels, using state of the art customer service approaches. We are confident that this strategy will also deliver superior results to our shareholders.

Dominic D'Alessandro
President and Chief Executive Officer

Key Performance Measures

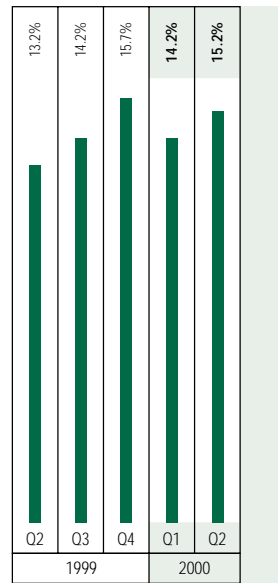
Adjusted Shareholders' Net Income

(Canadian \$ in millions, unaudited)



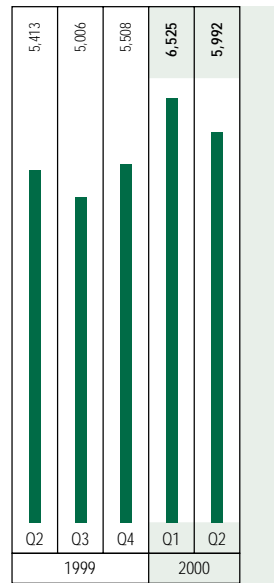
Return on Shareholders' Equity

(Canadian GAAP annualized %, unaudited)



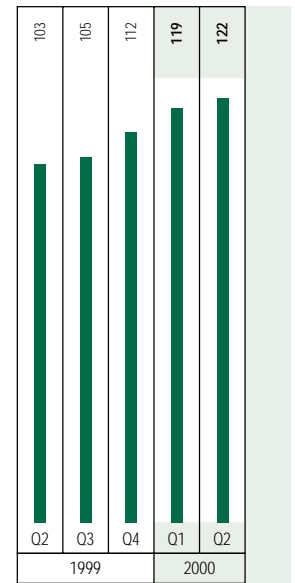
Premiums and Deposits

(Canadian \$ in millions, unaudited)



Funds Under Management

(Canadian \$ in billions, unaudited)



Management's Analysis of Operations

Overview

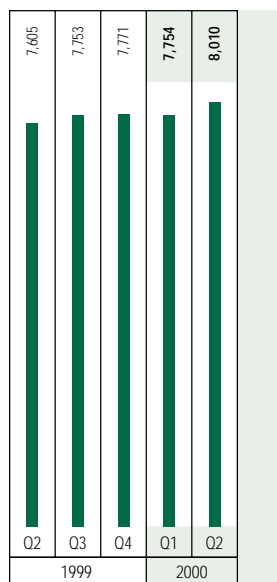
Manulife Financial reported a 21% increase in shareholders' net income for the second quarter ended June 30, 2000, increasing to \$247 million from \$204 million in 1999. This increase was primarily due to strong business growth in core insurance and wealth management operations and improved unit expenses, offset by less favourable claims experience.

The second quarter return on shareholders' equity (previously reported as surplus) was 15.2% compared to 13.2% for the same period in 1999. For the three months ended June 30, 2000, earnings per share were \$0.51 compared to adjusted basic earnings per share of \$0.41 in 1999.

For the six months ended June 30, 2000, shareholders' net income was \$474 million, an increase of 19% over 1999, while earnings per share rose to \$0.98 from \$0.80 and return on shareholders' equity increased to 14.7% from 13.0% in 1999.

Capital

(Canadian \$ in millions, unaudited)



Premiums and Deposits

Total premiums and deposits increased by 29% to \$6.0 billion in the second quarter of 2000 from \$4.6 billion in 1999, after excluding a one-time assumption reinsurance premium of \$766 million relating to the pre-liquidation liabilities of the Canadian group life and health business of Confederation Life in the second quarter of 1999. Premiums increased by 13% to \$2.1 billion driven by an increase in annuity sales together with insurance sales in Japan. Strong second quarter sales of 401(k) pension products and variable annuities drove a 44% increase in segregated fund deposits.

Funds Under Management

Funds under management increased by 18% to \$122.4 billion as at June 30, 2000 from \$103.5 billion as at June 30, 1999. This increase was predominantly driven by a 30% growth in segregated fund assets, primarily due to strong sales of 401(k) pension products and variable annuities along with market appreciation. General fund assets increased by 7%, driven by growth in insurance and annuity business and investment earnings. Other managed funds increased by 51% due to institutional sales and market appreciation.

Capital

Total capital increased to \$8.0 billion as at June 30, 2000 from \$7.6 billion as at June 30, 1999. The increase was primarily a result of net income, partially offset by a reduction in the foreign currency translation account arising from a strengthening of the Canadian dollar at the end of the second quarter and capital transactions. These latter items include: shareholder dividends and transactions relating to the demutualization and the public offering in the third quarter of 1999 and the normal course issuer bid which commenced on October 12, 1999.

Results of Operations by Division

U.S. Division

U.S. Division net income increased by 31% to \$106 million, compared to \$81 million in the second quarter of 1999, while year-to-date net income rose to \$207 million from \$175 million in 1999. This quarter's increase was primarily a result of growth in new insurance sales, increased fees from the management of segregated fund variable annuity and 401(k) pension assets, and improved unit expenses. Second quarter premiums and deposits increased by 38% to \$3.9 billion, driven primarily by increased 401(k) pension product and variable annuity sales resulting from increased penetration of the broker dealer market and increased productivity of the annuity wholesaling team. Improved Insurance sales in all product lines also contributed to this growth. Funds under management increased by 20% to \$69.3 billion as at June 30, 2000 from \$57.6 billion as at June 30, 1999, largely due to growth in segregated fund assets from net new deposits and U.S. equity market returns.

Management's Analysis of Operations (cont'd)

Canadian Division

Canadian Division net income increased by 28% to \$69 million, compared to \$53 million in the second quarter of 1999, while year-to-date net income rose to \$128 million from \$107 million in 1999. The increased earnings were largely driven by expense management initiatives that reduced unit expenses and by growth in both insurance and wealth management businesses. Second quarter premiums and deposits were up by 13% to \$1.3 billion with increases experienced in all business units, after excluding a one-time assumption reinsurance premium of \$766 million relating to the pre-liquidation liabilities of the Canadian group life and health business of Confederation Life (recorded in the second quarter of 1999). Funds under management increased by 7% to \$31.7 billion as at June 30, 2000 from \$29.7 billion as at the same time last year. This increase was largely due to segregated fund asset growth driven by asset appreciation and net new deposits.

Asian Division

Asian Division net income increased by \$2 million to \$42 million in the second quarter 2000 from \$40 million in the second quarter 1999, although 1999 net income was buoyed by a one-time bond recovery of \$8 million. Year-to-date net income was \$80 million compared to \$61 million in 1999, excluding the recovery. These increases were due primarily to business growth in Hong Kong and Japan. Premiums and deposits increased by 27% to \$594 million for the quarter ended June 30, 2000, driven by business growth and improved retention across the division. Funds under management increased by 44% to \$8.8 billion as at June 30, 2000 from \$6.1 billion as at June 30, 1999. This increase was due to business growth in all units and an increase in institutional funds managed by Manulife Funds Direct.

Reinsurance Division

Reinsurance Division reported net income of \$24 million in the second quarter of 2000, slightly lower than the \$28 million reported in the second quarter of 1999. Year-to-date net income was \$53 million compared to \$57 million in 1999. The Life and Financial reinsurance and the Property and Casualty reinsurance lines continued to make positive contributions to earnings. The Accident and Health reinsurance line reported less favourable claims experience in the quarter, which contributed to the reduction in earnings. Premiums increased by 4% to \$190 million in the second quarter 2000, primarily due to strong growth in the Property and Casualty reinsurance business. Accident and Health reinsurance premiums continued to decline due to the Company's exit from the U.S. medical reinsurance market and as a result of reduced participation in personal accident pools. General fund assets increased by 9% to \$2.9 billion as at June 30, 2000 from \$2.7 billion as at June 30, 1999.

Normal Course Issuer Bid

On October 7, 1999, the Company announced the establishment of a normal course issuer bid program on The Toronto Stock Exchange (the "Exchange") authorizing the Company to purchase up to 25,045,161 common shares, representing approximately 5% of common shares issued and outstanding. The normal course issuer bid, accepted by the Exchange, commenced on October 12, 1999 and will expire on October 11, 2000 unless the maximum number of shares is purchased before then or the Company provides notice of early termination. Transactions will be executed on the Exchange at the prevailing market price in amounts and at times determined by the Company. Any shares purchased as part of the bid will be cancelled. As at June 30, 2000, the Company had purchased and cancelled 19 million of its common shares at a total cost of \$334 million. A copy of the Notice of Intention may be obtained without charge from the Investor Relations Department, 200 Bloor Street East, Toronto, Ontario, M4W 1E5.

Quarterly Dividend

On May 17, 2000, The Board of Directors announced approval of a quarterly shareholders' dividend of \$0.10 per share on common shares of the Company, which was paid on July 7, 2000 to shareholders of record at the close of business on June 2, 2000.

Consolidated Statements of Operations

(Canadian \$ in millions, unaudited)	For the three months ended June 30		For the six months ended June 30	
	2000	1999	2000	1999
Revenue				
Premium income	\$ 2,141	\$ 2,656	\$ 4,420	\$ 4,347
Investment income	1,102	1,018	2,187	2,042
Other revenue	321	253	612	478
Total revenue	\$ 3,564	\$ 3,927	\$ 7,219	\$ 6,867
Policy benefits and expenses				
To policyholders and beneficiaries				
Death and disability benefits	\$ 591	\$ 540	\$ 1,182	\$ 1,046
Maturity and surrender benefits	563	579	1,302	1,014
Annuity payments	298	304	600	628
Policyholder dividends and experience rating refunds	222	182	405	329
Net transfers to segregated funds	423	217	905	503
Increase in actuarial liabilities	293	1,141	511	1,492
General expenses	548	457	1,038	822
Commissions	268	219	524	415
Interest expense	48	46	88	87
Premium taxes	24	20	47	41
Non-controlling interest in subsidiaries	(54)	(66)	(39)	(65)
Trust preferred securities issued by subsidiaries	15	18	31	33
Total policy benefits and expenses	\$ 3,239	\$ 3,657	\$ 6,594	\$ 6,345
Income before income taxes	\$ 325	\$ 270	\$ 625	\$ 522
Income taxes	(83)	(66)	(158)	(123)
Net income	\$ 242	\$ 204	\$ 467	\$ 399
Net loss attributed to:				
Participating policyholders (after demutualization)	\$ (5)	\$ -	\$ (7)	\$ -
Net income attributed to:				
Shareholders (after demutualization)	\$ 247	\$ -	\$ 474	\$ -
Mutual operations (prior to demutualization)	-	204	-	399
Adjusted shareholders' net income	\$ 247	\$ 204	\$ 474	\$ 399
Net income	\$ 242	\$ 204	\$ 467	\$ 399

Earnings per share (note 2)

Consolidated Balance Sheets

(Canadian \$ in millions, unaudited)	As at	June 30, 2000	Dec. 31, 1999	June 30, 1999
ASSETS				
	Invested assets			
	Bonds	\$ 32,896	\$ 30,853	\$ 30,569
	Mortgages	6,812	6,867	7,323
	Stocks	5,171	4,832	4,230
	Real estate	3,267	3,179	3,024
	Policy loans	3,434	3,207	3,139
	Cash and short-term investments	3,355	3,047	2,475
	Other investments	956	1,180	888
	Total invested assets	\$ 55,891	\$ 53,165	\$ 51,648
	Other assets			
	Accrued investment income	\$ 761	\$ 727	\$ 699
	Outstanding premiums	331	357	342
	Future income taxes	536	529	685
	Miscellaneous (note 3)	1,626	1,930	1,793
	Total other assets	\$ 3,254	\$ 3,543	\$ 3,519
	Total assets	\$ 59,145	\$ 56,708	\$ 55,167
	Segregated fund net assets	\$ 55,138	\$ 49,055	\$ 42,502
LIABILITIES AND EQUITY				
	Actuarial liabilities	\$ 40,779	\$ 39,748	\$ 39,123
	Benefits payable and provision for unreported claims	1,619	1,522	1,406
	Policyholder amounts on deposit	1,251	1,166	1,090
	Deferred realized net gains	3,377	2,266	2,602
	Banking deposits	473	333	292
	Other liabilities	3,207	3,152	2,354
		\$ 50,706	\$ 48,187	\$ 46,867
	Subordinated debt	582	582	588
	Non-controlling interest in subsidiaries (note 3)	429	750	695
	Trust preferred securities issued by subsidiaries	754	735	750
	Equity			
	Participating policyholders' equity	54	61	-
	Shareholders' equity (note 1)			
	Common shares	612	628	-
	Shareholders' retained earnings	6,008	5,765	-
	Surplus	-	-	6,267
	Total equity	\$ 6,674	\$ 6,454	\$ 6,267
	Total liabilities and equity	\$ 59,145	\$ 56,708	\$ 55,167
	Segregated fund net liabilities	\$ 55,138	\$ 49,055	\$ 42,502

Consolidated Statements of Equity

(Canadian \$ in millions, unaudited)	For the six months ended June 30	Participating Policyholders	Shareholders	2000	1999
Operating retained earnings					
Balance, January 1		\$ 61	\$ 5,722	\$ 5,783	\$ 5,762
Net income (loss) as a stock company		(7)	474	467	-
Net income as a mutual operation		-	-	-	399
Shareholder dividends		-	(96)	(96)	-
Purchase and cancellation of common shares		-	(190)	(190)	-
Balance, June 30		\$ 54	\$ 5,910	\$ 5,964	\$ 6,161
Currency translation account					
Balance, January 1		\$ -	\$ 43	\$ 43	\$ 243
Change during the period as a stock company		-	55	55	-
Change during the period as a mutual company		-	-	-	(137)
Balance, June 30		\$ -	\$ 98	\$ 98	\$ 106
Retained earnings		\$ 54	\$ 6,008	\$ 6,062	\$ 6,267
Common shares					
Balance, January 1		\$ -	\$ 628	\$ 628	\$ -
Purchase and cancellation of common shares		-	(16)	(16)	-
Balance, June 30		\$ -	\$ 612	\$ 612	\$ -
Total equity		\$ 54	\$ 6,620	\$ 6,674	\$ 6,267

Consolidated Statements of Cash Flows

(Canadian \$ in millions, unaudited)

For the six months ended June 30

	2000	1999
Operating activities		
Operating cash inflows		
Premiums and annuity considerations	\$ 4,446	\$ 3,646
Investment income received	1,831	1,719
Other revenue	612	478
Total operating cash inflows	\$ 6,889	\$ 5,843
Operating cash outflows		
Benefit payments	\$ 2,986	\$ 2,664
Insurance expenses and taxes	1,797	1,342
Dividends paid to policyholders	405	329
Net transfers to segregated funds	905	503
Change in other assets and liabilities	(476)	(40)
Total operating cash outflows	\$ 5,617	\$ 4,798
Cash provided by operating activities	\$ 1,272	\$ 1,045
Investing activities		
Purchases and mortgage advances	\$ (18,865)	\$ (15,565)
Disposals and repayments	18,135	15,029
Cash used in investing activities	\$ (730)	\$ (536)
Financing activities		
Increase in repurchase agreements and securities sold but not yet purchased	\$ 57	\$ 609
Shareholder dividends	(48)	-
Purchase and cancellation of common shares	(206)	-
Cash provided by (used in) financing activities	\$ (197)	\$ 609
Cash and short-term investments		
Increase during the period	\$ 345	\$ 1,118
Balance, January 1	2,810	1,140
Balance, June 30	\$ 3,155	\$ 2,258
Composition of cash and short-term investments		
Beginning of period		
Gross cash and short-term investments	\$ 3,047	\$ 1,329
Net payments in transit, included in other liabilities	(237)	(189)
Net cash and short-term investments, January 1	\$ 2,810	\$ 1,140
End of period		
Gross cash and short-term investments	\$ 3,355	\$ 2,475
Net payments in transit, included in other liabilities	(200)	(217)
Net cash and short-term investments, June 30	\$ 3,155	\$ 2,258

Segregated Funds

Consolidated Statements of Net Assets

(Canadian \$ in millions, unaudited)	As at	June 30, 2000	Dec. 31, 1999	June 30, 1999
Investments, at market values				
	Bonds	\$ 2,755	\$ 3,188	\$ 2,945
	Mortgages	–	–	2
	Stocks	49,986	42,903	37,157
	Real estate	4	7	8
	Cash and short-term investments	2,399	2,948	2,365
	Accrued investment income	18	24	26
	Other liabilities, net	(24)	(15)	(1)
	Total segregated fund net assets	\$ 55,138	\$ 49,055	\$ 42,502
Composition of segregated fund net assets:				
	Held by Policyholders	\$ 54,808	\$ 48,993	\$ 42,443
	Held by the Company	330	62	59
	Total segregated fund net assets	\$ 55,138	\$ 49,055	\$ 42,502

Segregated Funds

Consolidated Statements of Changes in Net Assets

(Canadian \$ in millions, unaudited)	For the three months ended June 30		For the six months ended June 30	
	2000	1999	2000	1999
Additions				
	\$ 3,556	\$ 2,475	\$ 7,452	\$ 5,028
	(1,865)	2,472	408	2,867
	493	135	787	474
	423	217	905	503
	703	(789)	1,046	(1,547)
	\$ 3,310	\$ 4,510	\$ 10,598	\$ 7,325
Deductions				
	\$ 1,838	\$ 1,439	\$ 4,133	\$ 2,724
	204	155	382	299
	\$ 2,042	\$ 1,594	\$ 4,515	\$ 3,023
	\$ 1,268	\$ 2,916	\$ 6,083	\$ 4,302
	53,870	39,586	49,055	38,200
	\$ 55,138	\$ 42,502	\$ 55,138	\$ 42,502

Notes to the Summary Consolidated Financial Statements

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

• NOTE 1 | Significant Accounting Policies

These summary financial statements have been prepared in accordance with Canadian generally accepted accounting principles including the accounting requirements of the Superintendent of Financial Institutions (Canada) ("OSFI"). None of the accounting requirements of OSFI is an exception to accounting principles generally accepted in Canada. The significant accounting policies followed in the preparation of these interim Consolidated Financial Statements are consistent with those found in the 1999 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. Accordingly, the comparative figures presented for the period ended June 30, 1999 are the result of the mutual operations of Manufacturers Life.

• NOTE 2 | Earnings Per Share

Basic earnings per share for the three-month period from April 1, 2000 to June 30, 2000 were \$0.51, calculated using net income attributable to

shareholders of \$247 and the weighted average of the number of shares outstanding for that period of 482 million.

• NOTE 3 | Investment in Manulife Century Life Insurance Company

In April, 1999 the Company entered the Japanese life insurance market by establishing a new life insurance company, Manulife Century Life Insurance Company ("Manulife Century Life"), with a local company, Daihyaku Mutual Life Insurance Company ("Daihyaku Mutual"). As at that date, the total consideration which could be paid by Manulife Century Life to Daihyaku Mutual for the business infrastructure acquired was expected to effectively range from Yen 15 billion to Yen 100 billion. In addition, Manulife Financial's equity interest in Manulife Century Life could increase over time. The total effective consideration which could be paid and the ultimate equity interest were collectively dependent on Manulife Century Life's financial performance over the 15-year period following closing.

Effective May 31, 2000 Daihyaku Mutual was issued a suspension order by

regulatory authorities in Japan and was placed under government administration. In accordance with the transaction structure between Manulife Century Life, the Company and Daihyaku Mutual, the total consideration which could be paid by Manulife Century Life to Daihyaku Mutual for the business infrastructure acquired now is estimated to range from Yen 10 billion to Yen 40 billion. The total consideration paid and ultimate equity interest are now dependent on Manulife Century Life's financial performance over the 5-year period following closing. Potential additional payments of \$209 (Yen 15 billion) recorded as goodwill and as non-controlling interest in subsidiaries as at March 31, 1999 were revised effective May 31, 2000 to reflect Manulife Century Life's new expectation that such additional payments will no longer be required.

• NOTE 4 | Segmented Information

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

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

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

By segment	Canadian Division	U.S. Division	Asian Division	Reinsurance Division	Other	Total
For the six months ended June 30, 2000						
Revenue						
Premium income						
Life and health insurance	\$ 916	\$ 841	\$ 970	\$ –	\$ –	\$ 2,727
Reinsurance	–	–	–	370	–	370
Annuities and pensions	357	837	129	–	–	1,323
Total premium income	\$ 1,273	\$ 1,678	\$ 1,099	\$ 370	\$ –	\$ 4,420
Investment income	838	947	167	96	139	2,187
Other revenue	119	418	36	11	28	612
Total revenue	\$ 2,230	\$ 3,043	\$ 1,302	\$ 477	\$ 167	\$ 7,219
Interest expense	\$ 22	\$ 23	\$ 19	\$ 1	\$ 23	\$ 88
Income (loss) before income taxes	\$ 167	\$ 317	\$ 88	\$ 70	\$ (17)	\$ 625
Income taxes	(39)	(110)	(8)	(17)	16	(158)
Net income (loss)	\$ 128	\$ 207	\$ 80	\$ 53	\$ (1)	\$ 467
Amortization of realized and unrealized gains	\$ 89	\$ 133	\$ 21	\$ 4	\$ 91	\$ 338
Segregated fund deposits	\$ 927	\$ 6,328	\$ 197	\$ –	\$ –	\$ 7,452
As at June 30, 2000						
Actuarial liabilities	\$ 16,273	\$ 19,786	\$ 3,719	\$ 821	\$ 180	\$ 40,779
Funds under management						
General fund	\$ 20,819	\$ 24,880	\$ 6,378	\$ 2,895	\$ 4,173	\$ 59,145
Segregated funds	9,332	44,390	1,416	–	–	55,138
Mutual funds	1,556	–	212	–	–	1,768
Other managed funds	–	–	806	–	5,547	6,353

By geographic location

For the six months ended June 30, 2000

	Canada	United States	Asia	Other	Total
Revenue					
Premium income					
Life and health insurance	\$ 937	\$ 996	\$ 974	\$ 190	\$ 3,097
Annuities and pensions	357	837	129	–	1,323
Total premium income	\$ 1,294	\$ 1,833	\$ 1,103	\$ 190	\$ 4,420
Investment income	1,025	994	167	1	2,187
Other revenue	145	424	36	7	612
Total revenue	\$ 2,464	\$ 3,251	\$ 1,306	\$ 198	\$ 7,219

By segment	Canadian Division	U.S. Division	Asian Division	Reinsurance Division	Other	Total
For the six months ended June 30, 1999						
Revenue						
Premium income						
Life and health insurance	\$ 1,579	\$ 836	\$ 565	\$ –	\$ 2	\$ 2,982
Reinsurance	–	–	–	353	–	353
Annuities and pensions	391	570	51	–	–	1,012
Total premium income	\$ 1,970	\$ 1,406	\$ 616	\$ 353	\$ 2	\$ 4,347
Investment income	834	903	147	83	75	2,042
Other revenue	99	320	33	6	20	478
Total revenue	\$ 2,903	\$ 2,629	\$ 796	\$ 442	\$ 97	\$ 6,867
Interest expense	\$ 17	\$ 18	\$ 17	\$ 1	\$ 34	\$ 87
Income (loss) before income taxes	\$ 125	\$ 272	\$ 63	\$ 77	\$ (15)	\$ 522
Income taxes	(18)	(97)	6	(20)	6	(123)
Net income (loss)	\$ 107	\$ 175	\$ 69	\$ 57	\$ (9)	\$ 399
Amortization of realized and unrealized gains	\$ 101	\$ 132	\$ 18	\$ 4	\$ 72	\$ 327
Segregated fund deposits	\$ 765	\$ 4,101	\$ 162	\$ –	\$ –	\$ 5,028
As at June 30, 1999						
Actuarial liabilities	\$ 16,337	\$ 19,357	\$ 2,620	\$ 709	\$ 100	\$ 39,123
Funds under management						
General fund	\$ 20,655	\$ 23,778	\$ 4,897	\$ 2,654	\$ 3,183	\$ 55,167
Segregated funds	7,555	33,847	1,100	–	–	42,502
Mutual funds	1,495	–	126	–	–	1,621
Other managed funds	–	–	–	–	4,203	4,203

By geographic location	Canada	United States	Asia	Other	Total
For the six months ended June 30, 1999					
Revenue					
Premium income					
Life and health insurance	\$ 1,604	\$ 1,051	\$ 568	\$ 112	\$ 3,335
Annuities and pensions	391	570	51	–	1,012
Total premium income	\$ 1,995	\$ 1,621	\$ 619	\$ 112	\$ 4,347
Investment income	936	936	148	22	2,042
Other revenue	115	327	34	2	478
Total revenue	\$ 3,046	\$ 2,884	\$ 801	\$ 136	\$ 6,867

• NOTE 5 | Comparatives

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

Statistical Summary

	2000		1999		
	Q2	Q1	Q4	Q3	Q2
(Canadian \$ in millions unless otherwise stated and per share information, unaudited)					
Premiums and deposits:					
Life and health insurance premiums ^(a)	1,526	1,571	1,527	1,506	2,143
Annuity and pension premiums	615	708	688	604	513
Segregated fund deposits	3,556	3,896	3,028	2,653	2,475
Mutual fund deposits	144	207	117	108	146
ASO premium equivalents	151	143	148	135	136
Total premiums and deposits	5,992	6,525	5,508	5,006	5,413
Funds under management:					
General fund	59,145	57,296	56,708	56,809	55,167
Segregated funds	55,138	53,870	49,055	42,408	42,502
Mutual and other managed funds	8,121	7,715	6,373	5,906	5,824
Total funds under management	122,404	118,881	112,136	105,123	103,493
Net income:					
Net loss attributed to:					
Participating policyholders (after demutualization)	(5)	(2)	(8)	-	-
Net income attributed to:					
Shareholders (after demutualization)	247	227	251	16	-
Mutual operations (prior to demutualization)	-	-	-	208	204
Adjusted shareholders' net income	247	227	251	224	204
Net income	242	225	243	224	204
Capitalization:					
Subordinated debt	582	583	582	597	588
Trust preferred securities issued by subsidiaries	754	726	735	733	750
Equity					
Participating policyholders' equity	54	59	61	69	-
Shareholders' equity					
Common shares	612	612	628	636	-
Shareholders' retained earnings	6,008	5,774	5,765	5,718	-
Surplus	-	-	-	-	6,267
Total capital	8,010	7,754	7,771	7,753	7,605
Selected key performance measures:					
Adjusted basic earnings per share ^(b)	\$ 0.51	\$ 0.47	\$ 0.50	\$ 0.45	\$ 0.41
Return on shareholders' equity (annualized)	15.2 %	14.2 %	15.7 %	14.2 %	13.2 %
Return on assets (annualized)	1.7 %	1.6 %	1.7 %	1.6 %	1.5 %
Adjusted book value per share ^(c)	\$ 13.73	\$ 13.24	\$ 12.94	\$ 12.68	\$ 12.51
Market value to adjusted book value ratio	1.90	1.61	1.43	1.38	n/a
Market capitalization (\$ billions)	12.6	10.3	9.1	8.7	n/a
Shares outstanding (weighted average in millions)	482	486	499	501	501

(a) Life and health insurance premiums include a one-time assumption reinsurance premium of \$766 relating to the pre-liquidation liabilities of the Canadian group life and health business of Confederation Life (recorded in the second quarter of 1999).

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

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

Stock Trading Data

The following 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 second quarter. The stock symbol is **MFC** on all exchanges except Hong Kong where it is **0945**.

As at August 10, 2000, there were 482 million shares outstanding.

April 1 – June 30, 2000	Toronto	New York	Hong Kong	Philippines
High	\$ 28.25	\$ 19.19	\$ 146.50	P 805
Low	\$ 20.85	\$ 14.31	\$ 109.00	P 585
Close	\$ 26.10	\$ 17.81	\$ 136.50	P 775
Average Daily Volume (000)	2,130	248	119	14
	Canadian \$	United States \$	Hong Kong \$	Philippine Pesos

Shareholder Information

Manulife Financial Corporation Head Office

200 Bloor Street East
Toronto, Ontario
Canada M4W 1E5
Telephone: (416) 926-3000
Fax: (416) 926-5454

Web site

www.manulife.com

Investor Relations

Manulife Financial Corporation
Investor Relations
200 Bloor Street East
7th Floor
Toronto, Ontario
Canada M4W 1E5
Telephone: 1-800-795-9767
Fax: (416) 926-3503
E-Mail: investor_relations@manulife.com

Corporate Communications

Manulife Financial Corporation
Corporate Communications
200 Bloor Street East
2nd Floor
Toronto, Ontario
Canada M4W 1E5
Telephone: (416) 926-5230
Fax: (416) 926-5410
E-Mail: corporate_communications@manulife.com

Transfer Agent and Registrar

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

Transfer Agent and Registrar

Montreal Trust Company
c/o Computershare Investor Services Inc.
100 University Avenue, 11th Floor
Toronto, Ontario
Canada M5J 2Y1
Telephone: 1-800-783-9495
Fax: 1-877-713-9293
Local fax: (416) 285-2174
E-Mail: manulife@montrealtrust.com
Montreal Trust offices are also available in Montreal, Halifax, Vancouver and Calgary.

Transfer Agent in the United States

American Securities Transfer & Trust Inc.
12039 West Alameda Parkway
Suite Z-2
Lakewood, Colorado
U.S.A. 80228
Telephone: 1-800-783-9768

Transfer Agent in Hong Kong

Central Registration Hong Kong Limited
Rooms 1901-5, 19th Floor
Hopewell Centre
183 Queen's Road East
Hong Kong
Telephone: 852-2862-8628

Transfer Agent in the Philippines

The Hong Kong and Shanghai Banking Corporation Limited
33/F Philippine Stock Exchange Centre
West Tower Exchange Road
Ortigas Centre, Pasig City, Philippines
Telephone: 632-635-3786

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 June 30, 2000, Manulife Financial had capital of Cdn \$8.0 billion, including Cdn \$6.6 billion of shareholders' equity. The Company's financial strength and claims paying ratings are among the strongest in the life insurance industry.

A.M. Best	A++	(1st of 16 categories)
Dominion Bond Rating Service	IC-1	(1st of 5 categories)
Fitch	AAA	(1st of 22 categories)
Moody's Investor Services	Aa2	(3rd of 21 categories)
Standard & Poor's	AA+	(2nd of 21 categories)