



Manulife Financial Corporation

Management's Discussion and Analysis

For the three and nine months ended September 30, 2023

# MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") is current as of November 8, 2023, unless otherwise noted. This MD&A should be read in conjunction with our unaudited Interim Consolidated Financial Statements for the three and nine months ended September 30, 2023 and the MD&A and audited Consolidated Financial Statements contained in our 2022 Annual Report.

For further information relating to our risk management practices and risk factors affecting the Company, see "Risk Management and Risk Factors" and "Critical Actuarial and Accounting Policies" in the MD&A in our 2022 Annual Report and the "Risk Management" note to the Consolidated Financial Statements in our most recent annual and interim reports.

In this MD&A, the terms "Company", "Manulife", "we" and "our" mean Manulife Financial Corporation ("MFC") and its subsidiaries. All amounts are reported in Canadian dollars, unless otherwise indicated. Any information contained in, or otherwise accessible through, websites mentioned in this MD&A does not form a part of this document.

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## A TOTAL COMPANY PERFORMANCE

### A1 Implementation of IFRS 17 and IFRS 9

Manulife adopted IFRS 17 “Insurance Contracts” and IFRS 9 “Financial Instruments” effective for years beginning on or after January 1, 2023, to be applied retrospectively. See “Future Accounting and Reporting Changes” in the MD&A in our 2022 Annual Report (“2022 MD&A”). Our quarterly and year-to-date 2022 results have been restated in accordance with IFRS 17, including the other comprehensive income option<sup>1</sup>, and IFRS 9. Audited restated consolidated financial statements for the year ended December 31, 2022 will be included in our 2023 Annual Report.

The 2022 comparative results restated in this MD&A may not be fully representative of our market risk profile, as the transition of our general fund portfolio for asset-liability matching purposes under IFRS 17 and IFRS 9 was not completed until early 2023. Consequently, year-over-year variations between our 2023 results compared with the 2022 results should be viewed in this context.

In addition, our 2022 results are also not directly comparable with 2023 results because IFRS 9 hedge accounting and expected credit loss (“ECL”) principles are applied prospectively effective January 1, 2023. Accordingly, we have also presented comparative quarterly and year-to-date 2022 results as if IFRS had allowed such principles to be implemented for 2022 (the “IFRS 9 transitional impacts”). This presentation will only be reported in our MD&A’s for 2023 for certain 2022 comparative results.

These 2022 comparative results are non-GAAP and denoted as being “transitional” and include the financial measures noted below:

- Transitional net income (loss) attributed to shareholders;
- Transitional net income (loss) before income taxes;
- Transitional net income (loss);
- Transitional net income (loss) attributed to shareholders before income taxes;
- Common shareholders’ transitional net income (loss);
- Transitional return on common shareholders’ equity (“Transitional ROE”);
- Transitional basic earnings (loss) per common share; and
- Transitional diluted earnings (loss) per common share.

Adoption of IFRS 17 and IFRS 9 has also resulted in additional definitions and revisions to the following financial measures:

- **New non-GAAP financial measures:** post-tax contractual service margin (“post-tax CSM”); post-tax contractual service margin net of non-controlling interests (“NCI”) (“post-tax CSM net of NCI”); Drivers of Earnings (“DOE”) line items for net investment result, other, income tax (expense) recovery and transitional net income attributed to participating policyholders and NCI; and core DOE line items for core net insurance service result, core net investment result, other core earnings, and core income tax (expense) recovery.
- **New non-GAAP ratios:** expenditure efficiency ratio with its component non-GAAP financial measures: total expenditures and core expenditures (for 2022 and 2023 quarterly and year-to-date results only); and adjusted book value per common share.
- **Revised definitions of non-GAAP and other financial measures:** core earnings; expense efficiency ratio with its new component non-GAAP financial measures: total expenses and core expenses; consolidated capital; and financial leverage ratio.

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<sup>1</sup> More information about the other comprehensive income option can be found in note 2 of the Consolidated Financial Statements contained in our 2022 Annual Report.

## A2 Profitability

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22 Transitional	2023	2022 Transitional
Net income (loss) attributed to shareholders <sup>(1)</sup>	\$ 1,013	\$ 1,025	\$ 777	\$ 3,444	\$ 2,270
Return on common shareholders' equity ("ROE") <sup>(1)</sup>	9.5%	9.3%	7.1%	10.8%	7.2%
Diluted earnings (loss) per common share (\$) <sup>(1)</sup>	\$ 0.52	\$ 0.50	\$ 0.38	\$ 1.76	\$ 1.10

  

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22	2023	2022
Net income (loss) attributed to shareholders <sup>(1)</sup>	\$ 1,013	\$ 1,025	\$ 491	\$ 3,444	\$ (2,848)
Core earnings <sup>(2)</sup>	\$ 1,743	\$ 1,637	\$ 1,339	\$ 4,911	\$ 4,258
Diluted earnings (loss) per common share (\$)	\$ 0.52	\$ 0.50	\$ 0.23	\$ 1.76	\$ (1.57)
Diluted core earnings per common share ("Core EPS") (\$) <sup>(3)</sup>	\$ 0.92	\$ 0.83	\$ 0.68	\$ 2.55	\$ 2.13
ROE	9.5%	9.3%	4.3%	10.8%	(10.2)%
Core return on shareholders' equity ("Core ROE") <sup>(3)</sup>	16.8%	15.5%	12.7%	15.7%	13.9%
Expense efficiency ratio <sup>(3)</sup>	44.3%	45.1%	46.3%	45.5%	45.2%
Expenditure efficiency ratio <sup>(3)</sup>	50.9%	51.9%	53.6%	52.2%	52.3%
General expenses	\$ 1,042	\$ 1,022	\$ 914	\$ 3,150	\$ 2,729
Core expenses <sup>(2)</sup>	\$ 1,622	\$ 1,598	\$ 1,389	\$ 4,825	\$ 4,186
Core expenditures <sup>(2)</sup>	\$ 2,111	\$ 2,099	\$ 1,856	\$ 6,322	\$ 5,563

<sup>(1)</sup> 2022 results for transitional net income attributed to shareholders, transitional diluted earnings per common share and transitional ROE are adjusted to include IFRS 9 hedge accounting and expected credit loss principles ("IFRS 9 transitional impacts"). See section A1 "Implementation of IFRS 17 and IFRS 9" of the MD&A above for more information. For 2023, there are no IFRS 9 transitional adjustments as ECL and hedge accounting is effective January 1, 2023 and therefore the impact is included in net income attributed to shareholders.

<sup>(2)</sup> This item is a non-GAAP financial measure. See "Non-GAAP and other financial measures" below for more information.

<sup>(3)</sup> This item is a non-GAAP ratio. See "Non-GAAP and other financial measures" below for more information.

### Quarterly profitability

Manulife's net income attributed to shareholders was \$1,013 million in the third quarter of 2023 ("3Q23") compared with net income attributed to shareholders of \$491 million and transitional net income attributed to shareholders of \$777 million in the third quarter of 2022 ("3Q22"). The 3Q22 transitional net income attributed to shareholders includes \$286 million of IFRS 9 transitional impacts. Net income attributed to shareholders is comprised of core earnings (consisting of items we believe reflect the underlying earnings capacity of the business), which amounted to \$1,743 million in 3Q23 compared with \$1,339 million in 3Q22, and items excluded from core earnings, which amounted to a net charge of \$730 million in 3Q23 compared with a net charge of \$848 million in 3Q22. Items excluded from core earnings in 3Q22 on a transitional basis amounted to a net charge of \$562 million. The effective tax rate on net income (loss) attributed to shareholders was a recovery of 7% in 3Q23 compared with a tax expense of 10% in 3Q22, reflecting a 3Q23 one-time tax-related benefit of \$290 million and differences in the jurisdictional mix of pre-tax profits and losses.

Net income attributed to shareholders in 3Q23 was \$236 million higher than 3Q22 transitional net income attributed to shareholders driven by growth in core earnings and the above-noted one-time tax-related benefit, partially offset by a larger net charge from market experience. The net charge from market experience in 3Q23 was primarily related to lower-than-expected returns (including fair value changes) relative to long-term assumptions on alternative long duration assets ("ALDA") mainly related to real estate, lower-than-expected returns relative to long-term assumptions on public equity and a charge from derivatives and hedge accounting ineffectiveness. Net income attributed to shareholders in 3Q23 increased \$522 million compared with 3Q22, driven by the factors mentioned above and the \$286 million of IFRS 9 transitional impacts (transitional impacts are geography-related and do not impact total shareholders' equity as the corresponding offset is in other comprehensive income).

Core earnings increased \$404 million or 28% on a constant exchange rate basis<sup>1</sup> compared with 3Q22. The increase in core earnings compared with 3Q22 was driven by the non-recurrence of a \$256 million provision in our Property & Casualty (“P&C”) Reinsurance business related to Hurricane Ian in 3Q22, an increase in expected investment earnings resulting from higher investment yields and business growth, improved insurance experience in the U.S. and Canada, an increase in net fee income from higher average AUMA<sup>2</sup> and higher performance fees in Global Wealth and Asset Management (“Global WAM”), and higher returns on surplus assets. These were partially offset by an increase in the ECL provision primarily related to electric utility bonds and private placements, higher performance-related costs in Corporate and Other and Global WAM, investments in technology and higher cost of debt financing.

The components of the items excluded from core earnings are outlined in the table below and the annual review of actuarial methods and assumptions that flow directly through income is discussed in section D2 “Actuarial methods and assumptions” below.

### **Year-to-date profitability**

Net income attributed to shareholders for the nine months ended September 30, 2023 was \$3,444 million compared with a net loss attributed to shareholders of \$2,848 million and transitional net income attributed to shareholders of \$2,270 million for the nine months ended September 30, 2022. The year-to-date 2022 transitional net income attributed to shareholders includes \$5,118 million of IFRS 9 transitional impacts. Year-to-date core earnings amounted to \$4,911 million in 2023 compared with \$4,258 million in the same period of 2022, and items excluded from year-to-date core earnings amounted to a net charge of \$1,467 million in 2023 compared with a net charge of \$7,106 million in the same period of 2022. Items excluded from year-to-date core earnings in the same period of 2022 on a transitional basis amounted to a net charge of \$1,988 million. The effective tax rate on year-to-date net income (loss) attributed to shareholders was 12% in 2023 compared with 25% for the same period in 2022, reflecting a 2023 one-time tax-related benefit of \$290 million and differences in the jurisdictional mix of pre-tax profits and losses.

The increase of \$1,174 million in year-to-date net income attributed to shareholders in 2023 compared with 2022 transitional net income attributed to shareholders was driven by growth in year-to-date core earnings, the above-noted one-time tax-related benefit and a smaller charge from year-to-date market experience. The net charge from market experience in 2023 was primarily related to lower-than-expected returns (including fair value changes) relative to long-term assumptions on ALDA mainly related to energy and real estate and a net charge from derivatives and hedge accounting ineffectiveness. Year-to-date net income attributed to shareholders in 2023 increased by \$6,292 million compared with the year-to-date net loss attributed to shareholders in 2022, driven by factors mentioned above and the \$5,118 million of IFRS 9 transitional impacts (transitional impacts are geography-related and do not impact total shareholders’ equity as the corresponding offset is in other comprehensive income).

Year-to-date core earnings in 2023 increased \$653 million or 12% compared with the same period of 2022. The increase in year-to-date core earnings compared with 2022 was driven by an increase in expected investment earnings related to higher investment yields and business growth, gains in our P&C Reinsurance business from updates to prior year hurricane provisions in 2023 compared with charges in 2022 including Hurricane Ian, more favourable insurance experience reflecting more favourable experience in Canada and improved, although unfavourable, experience in the U.S., and higher returns on surplus assets net of higher cost of debt financing. These were partially offset by an increase in the 2023 ECL provision primarily driven by commercial mortgages, electric utility bonds and private placements, lower CSM amortization reflecting both a slower amortization on certain variable fee approach (“VFA”) contracts and the impact of the 2022 U.S. variable annuity reinsurance transactions, higher performance-related costs in Corporate and Other and Global WAM, and higher investments

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<sup>1</sup> Percentage growth / declines in core earnings, pre-tax core earnings, total expenses, core expenses, total expenditures, core expenditures, general expenses, CSM net of NCI, new business CSM, assets under management and administration, assets under management, core EBITDA, and Manulife Bank average net lending assets are stated on a constant exchange rate basis, a non-GAAP ratio. See “Non-GAAP and other financial measures” below for more information.

<sup>2</sup> For more information on this metric, see “Non-GAAP and other financial measures” below.

in technology. In addition, year-to-date Global WAM core earnings benefited from higher fee spreads and performance fees in Institutional Asset Management partially offset by lower earnings from seed capital investments due to repatriations. Actions to improve the capital efficiency of our legacy business resulted in \$29 million lower year-to-date core earnings in 2023 compared with the same period of 2022.

Core earnings by segment is presented in the table below.

Core earnings by segment <sup>(1)</sup> (\$ millions, unaudited)	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22	2023	2022
Asia	\$ 522	\$ 473	\$ 387	\$ 1,484	\$ 1,316
Canada	408	374	391	1,135	1,091
U.S.	442	458	437	1,285	1,158
Global Wealth and Asset Management	361	320	354	968	1,025
Corporate and Other	10	12	(230)	39	(332)
<b>Total core earnings</b>	<b>\$ 1,743</b>	<b>\$ 1,637</b>	<b>\$ 1,339</b>	<b>\$ 4,911</b>	<b>\$ 4,258</b>

<sup>(1)</sup> Effective January 1, 2023, we have made a number of changes to the composition of reporting segments to better align our financial reporting with our business strategy and operations. Our international high net worth business was reclassified from the U.S. segment to the Asia segment to reflect the contributions of our Bermuda operations alongside the high net worth business that we report in our Singapore and Hong Kong operations. Our investment in the start-up capital of segregated and mutual funds, and investment-related revenue and expense were reclassified from the Corporate and Other segment to the Global WAM segment to more closely align with Global WAM's management practices. Refinements were made to the allocations of corporate overhead and interest on surplus among segments. Prior period comparative information has been restated to reflect the changes in segment reporting.

The table below presents transitional net income attributed to shareholders and net income attributed to shareholders consisting of core earnings and items excluded from core earnings.

(\$ millions, unaudited)	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22	2023	2022
<b>Core earnings</b>	<b>\$ 1,743</b>	<b>\$ 1,637</b>	<b>\$ 1,339</b>	<b>\$ 4,911</b>	<b>\$ 4,258</b>
<b>Items excluded from core earnings:</b>					
Market experience gains (losses) <sup>(1)</sup>	(1,022)	(570)	(575)	(1,657)	(1,930)
<i>Realized gains (losses) on debt instruments</i>	(24)	(24)	(225)	(79)	(708)
<i>Derivatives and hedge accounting ineffectiveness</i>	(266)	(13)	354	(186)	449
<i>Actual less expected long-term returns on public equity</i>	(273)	86	(375)	(79)	(1,565)
<i>Actual less expected long-term returns on ALDA</i>	(400)	(478)	(113)	(1,242)	602
<i>Other investment results</i>	(59)	(141)	(216)	(71)	(708)
Changes in actuarial methods and assumptions that flow directly through income <sup>(2)</sup>	(14)	-	26	(14)	26
Reinsurance transactions, tax-related items and other <sup>(3)</sup>	306	(42)	(13)	204	(84)
<b>Total items excluded from core earnings</b>	<b>(730)</b>	<b>(612)</b>	<b>(562)</b>	<b>(1,467)</b>	<b>(1,988)</b>
<b>Transitional net income attributed to shareholders</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 777</b>	<b>n/a</b>	<b>\$ 2,270</b>
<b>Less: IFRS 9 transitional impacts:</b>					
Change in expected credit loss			(9)		(8)
Hedge accounting			438		6,895
<b>Total IFRS 9 transitional impacts (pre-tax)</b>			<b>429</b>		<b>6,887</b>
Tax on IFRS 9 transitional impacts			(143)		(1,769)
<b>Total IFRS 9 transitional impacts (post-tax)</b>			<b>286</b>		<b>5,118</b>
<b>Net income (loss) attributed to shareholders</b>	<b>\$ 1,013</b>	<b>\$ 1,025</b>	<b>\$ 491</b>	<b>\$ 3,444</b>	<b>\$ (2,848)</b>

<sup>(1)</sup> Market experience was a net charge of \$1,022 million in 3Q23 primarily driven by lower-than-expected returns (including fair value changes) relative to long-term assumptions on ALDA mainly related to real estate, lower-than-expected returns relative to long-term assumptions on public equity, a charge from derivatives and hedge accounting ineffectiveness, net realized losses from the sale of debt instruments which are classified as fair value through other comprehensive income ("FVOCI") and a charge in other investment results. Market experience was a net charge of \$575 million in 3Q22 consisting of a net loss from lower-than-expected returns relative to long-term assumptions on public equity, net realized losses from the sale of debt instruments which are classified as FVOCI, a loss from changes in foreign currency exchange rates and a net loss from lower-than-expected returns (including fair value changes) relative to long-term assumptions on ALDA mainly related to real estate. This was partially offset by losses on derivatives and hedge accounting ineffectiveness due to unusually large interest rate movements.

<sup>(2)</sup> Refer to section D2 "Actuarial methods and assumptions" below for detail.

<sup>(3)</sup> The 3Q23 net gain of \$306 million included a one-time tax-related benefit of \$290 million, additional tax-related true-ups of \$11 million and a gain of \$5 million related to a reinsurance transaction in Vietnam. The 3Q22 charge of \$13 million is related to an increase to an existing legal provision in the U.S.

Transitional net income attributed to shareholders by segment and net income attributed to shareholders by segment are presented in the following tables.

Transitional net income attributed to shareholders by segment <sup>(1)</sup>	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22 Transitional	2023	2022 Transitional
(\$ millions, unaudited)					
Asia	\$ 84	\$ 130	\$ 176	\$ 733	\$ 154
Canada	290	227	481	826	1,078
U.S.	72	183	314	441	1,554
Global Wealth and Asset Management	318	317	287	932	720
Corporate and Other	249	168	(481)	512	(1,236)
<b>Total transitional net income attributed to shareholders</b>	<b>\$ 1,013</b>	<b>\$ 1,025</b>	<b>\$ 777</b>	<b>\$ 3,444</b>	<b>\$ 2,270</b>

  

Net income attributed to shareholders by segment <sup>(1)</sup>	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22	2023	2022
(\$ millions, unaudited)					
Asia	\$ 84	\$ 130	\$ 280	\$ 733	\$ 368
Canada	290	227	853	826	(430)
U.S.	72	183	(447)	441	(2,272)
Global Wealth and Asset Management	318	317	287	932	720
Corporate and Other	249	168	(482)	512	(1,234)
<b>Total net income attributed to shareholders</b>	<b>\$ 1,013</b>	<b>\$ 1,025</b>	<b>\$ 491</b>	<b>\$ 3,444</b>	<b>\$ (2,848)</b>

<sup>(1)</sup> Effective January 1, 2023, we have made a number of changes to the composition of reporting segments to better align our financial reporting with our business strategy and operations. Our international high net worth business was reclassified from the U.S. segment to the Asia segment to reflect the contributions of our Bermuda operations alongside the high net worth business that we report in our Singapore and Hong Kong operations. Our investment in the start-up capital of segregated and mutual funds, and investment-related revenue and expense were reclassified from the Corporate and Other segment to the Global WAM segment to more closely align with Global WAM's management practices. Refinements were made to the allocations of corporate overhead and interest on surplus among segments. Prior period comparative information has been restated to reflect the changes in segment reporting.

## Expenditure efficiency ratio and expense efficiency ratio

In 2018 we introduced our strategic priority of expense efficiency. The expense efficiency ratio is a financial measure which we use to measure progress on this priority. The expense efficiency ratio reflects only those expenses that flow directly through core earnings ("core expenses"). Due to changes introduced by IFRS 17, certain costs that are directly attributable to acquire new business are capitalized into the CSM instead of directly flowing through core earnings and are now excluded from the ratio.

To provide a reference point to our expense efficiency ratio prior to the adoption of IFRS 17, we are temporarily introducing an additional efficiency ratio, the expenditure efficiency ratio, for 2022 and 2023 only, which captures all expenses, including costs that are directly attributable to the acquisition of new business ("core expenditures").

## Quarterly expenditure efficiency ratio and expense efficiency ratio

The **expenditure efficiency ratio** was 50.9% in 3Q23, compared with 53.6% in 3Q22. The 2.7 percentage point decrease in the ratio compared with 3Q22 was driven by a 25% increase in pre-tax core earnings partially offset by a 12% increase in core expenditures. 3Q23 core expenditures increased as a result of higher performance-related costs, investments in technology and additional expenses related to the impact of now consolidating 100% of Manulife Fund Management ("MFM"). Costs directly attributable to the acquisition of new business represented approximately 23% and 25% of total core expenditures in 3Q23 and 3Q22, respectively.

The **expense efficiency ratio** was 44.3% in 3Q23, compared with 46.3% in 3Q22. The 2.0 percentage point decrease in the ratio compared with 3Q22 was driven by the items noted above related to the decrease in the expenditure efficiency ratio excluding those costs that are directly attributable to the acquisition of new business which are reflected in the CSM under IFRS 17.

Total 3Q23 general expenses increased 14% on an actual exchange rate basis and 12% on a constant exchange rate basis compared with 3Q22 driven by the items noted above related to the decrease in the expenditure efficiency ratio and items outside of core earnings, which were not material in 3Q23. However, general expenses are also net of directly attributable maintenance expenses and directly attributable acquisition expenses for products measured using the premium allocation approach (“PAA”) which are included in insurance service expenses on our financial statements. Directly attributable maintenance expenses and directly attributable acquisition expenses for products measured using the PAA increased 12% on a constant exchange rate basis and 13% on an actual exchange rate basis in 3Q23 compared with 3Q22.

### **Year-to-date expenditure efficiency ratio and expense efficiency ratio**

On a year-to-date basis, the **expenditure efficiency ratio** was 52.2% in 2023 compared with 52.3% in the same period of 2022. The 0.1 percentage point decrease in the year-to-date ratio compared with 2022 was driven by an 11% increase in year-to-date pre-tax core earnings, partially offset by an 11% increase in year-to-date core expenditures. 2023 year-to-date core expenditures increased as a result of higher performance-related costs, investments in technology, higher distribution costs reflecting stronger top-line growth, additional expenses related to the impact of now consolidating 100% of MFM and higher travel and return to pre-pandemic activities. Year-to-date costs directly attributable to the acquisition of new business represented approximately 24% and 25% of total year-to-date core expenditures in 2023 and 2022, respectively.

The year-to-date **expense efficiency ratio** was 45.5% in 2023, compared with 45.2% in the same period of 2022. The 0.3 percentage point increase in the year-to-date ratio compared with 2022 was driven by the items noted above related to the decrease in the year-to-date expenditure efficiency ratio excluding those costs that are directly attributable to the acquisition of new business which are reflected in the CSM under IFRS 17.

Total year-to-date general expenses in 2023 increased 15% on an actual exchange rate basis and 12% on a constant exchange rate basis compared with 2022 driven by the items noted above related to the decrease in the expenditure efficiency ratio and items outside of core earnings. However, general expenses are also net of directly attributable maintenance expenses and directly attributable acquisition expenses for products measured using the PAA which are included in insurance service expenses on our financial statements. Directly attributable maintenance expenses and directly attributable acquisition expenses for products measured using the PAA increased 14% on a constant exchange rate basis and 16% on an actual exchange rate basis in 2023 compared with 2022.

## A3 Business performance<sup>1</sup>

(\$ millions, unless otherwise stated) (unaudited)	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22	2023	2022
Asia APE sales	\$ 1,120	\$ 1,181	\$ 913	\$ 3,474	\$ 2,900
Canada APE sales	431	322	285	1,046	1,009
U.S. APE sales	106	130	149	370	456
Total APE sales <sup>(1)</sup>	1,657	1,633	1,347	4,890	4,365
Asia new business value	414	424	380	1,210	1,142
Canada new business value	153	106	89	351	275
U.S. new business value	33	55	46	133	122
Total new business value <sup>(1),(2)</sup>	600	585	515	1,694	1,539
Asia new business CSM <sup>(3)</sup>	402	432	340	1,135	985
Canada new business CSM	51	57	44	154	152
U.S. new business CSM	54	103	86	252	316
Total new business CSM <sup>(3)</sup>	507	592	470	1,541	1,453
Asia CSM net of NCI	10,030	9,630	9,309	10,030	9,309
Canada CSM	3,662	3,656	3,558	3,662	3,558
U.S. CSM	3,651	4,106	4,185	3,651	4,185
Corporate and Other CSM	26	31	34	26	34
Total CSM net of NCI	17,369	17,423	17,086	17,369	17,086
Post-tax CSM net of NCI <sup>(4)</sup>	14,992	14,877	14,560	14,992	14,560
Global WAM gross flows (\$ billions) <sup>(1)</sup>	34.3	35.2	32.0	108.2	104.5
Global WAM net flows (\$ billions) <sup>(1)</sup>	(0.8)	2.2	3.0	5.8	11.5
Global WAM assets under management and administration (\$ billions) <sup>(4)</sup>	806.7	819.6	751.3	806.7	751.3
Global WAM total invested assets (\$ billions)	6.7	5.5	5.6	6.7	5.6
Global WAM segregated funds net assets (\$ billions)	233.9	238.7	214.5	233.9	214.5
Total assets under management and administration (\$ billions) <sup>(4),(5)</sup>	1,321.7	1,344.8	1,263.1	1,321.7	1,263.1
Total invested assets (\$ billions) <sup>(5)</sup>	398.7	403.4	396.6	398.7	396.6
Total segregated funds net assets (\$ billions) <sup>(5)</sup>	356.9	366.0	335.2	356.9	335.2

<sup>(1)</sup> For more information on this metric, see “Non-GAAP and other financial measures” below.

<sup>(2)</sup> Quarterly and year-to-date 2022 NBV has not been restated as a result of the adoption of IFRS 17. The impact of not restating 2022 is not material.

<sup>(3)</sup> New business CSM is net of NCI.

<sup>(4)</sup> This item is a non-GAAP financial measure. See “Non-GAAP and other financial measures” below for more information.

<sup>(5)</sup> See section A5 below for more information.

**Annualized premium equivalent (“APE”) sales** were \$1.7 billion in 3Q23, an increase of 21%<sup>2</sup> compared with 3Q22. Our APE sales in the third quarter were boosted by strong performance in Asia, reflecting our diverse business model. In Asia, APE sales increased 20% compared with 3Q22 as a result of growth in Hong Kong and Asia Other<sup>3</sup>. In Hong Kong, APE sales increased 57% compared with 3Q22 driven by strong growth in our broker and bancassurance channels reflecting the return of demand from mainland Chinese visitor (“MCV”) customers following the Hong Kong and mainland China border reopening in February 2023. In Japan, APE sales decreased 6% compared with 3Q22, due to lower sales in corporate-owned life insurance (“COLI”) products. APE sales increased 14% in Asia Other compared with 3Q22. Higher bancassurance sales in mainland China and higher broker sales in our International High Net Worth business and in Singapore were partially offset by lower agency and bancassurance sales in Vietnam. In Canada, APE sales increased 51% compared with 3Q22 driven by a large affinity markets sale. U.S. APE sales decreased 31% compared with 3Q22 due to the adverse impact of higher short-term interest rates on accumulation insurance products, particularly for our affluent customers.

<sup>1</sup> Effective January 1, 2023, our international high net worth business was reclassified from the U.S. segment to the Asia segment to reflect the contributions of our Bermuda operations alongside the high net worth business that we report in our Singapore and Hong Kong operations. Prior period comparative information has been restated to reflect the reclassification.

<sup>2</sup> Percentage growth / declines in APE sales is stated on a constant exchange rate basis.

<sup>3</sup> Asia Other excludes Hong Kong and Japan.

Year-to-date APE sales of \$4.9 billion in 2023 were 9% higher than the same period of 2022, driven by higher year-to-date sales in Asia and Canada partially offset by lower year-to-date sales in the U.S.

**New business value (“NBV”)** was \$600 million in 3Q23, an increase of 15%<sup>1</sup> compared with 3Q22. In Asia, NBV increased 7% compared with 3Q22 driven by higher sales volumes partially offset by business mix. In Canada, NBV increased 72% compared with 3Q22 driven by higher sales volumes in Individual Insurance and higher margins in Group Insurance. In the U.S., NBV decreased 29% compared with 3Q22 primarily due to lower sales volumes and product mix, partially offset by pricing actions and higher interest rates.

Year-to-date NBV was \$1,694 million in 2023, an increase of 6% compared with the same period of 2022. In Asia, year-to-date NBV in 2023 increased 2% compared with 2022 driven by higher sales volumes partially offset by business mix. In Canada, year-to-date NBV increased 28% compared with 2022 driven by higher sales volumes in Individual Insurance, partially offset by lower Annuities margins largely due to product mix, and lower segregated fund sales volumes. In the U.S., year-to-date NBV increased 4% compared with 2022 due to pricing actions, higher interest rates and product mix, partially offset by lower sales volumes.

**New business contractual service margin (“New Business CSM”)** was \$507 million in 3Q23, an increase of 6% compared with 3Q22. In Asia, new business CSM increased 16% compared with 3Q22 primarily due to higher sales volumes partially offset by business mix. In Canada, new business CSM increased 16% compared with 3Q22 driven by product mix in Individual Insurance. Under IFRS 17, the majority of Group Insurance and affinity products are classified as PAA and do not generate CSM. In the U.S., new business CSM decreased 39% compared with 3Q22 driven by lower sales volumes and product mix.

Year-to-date new business CSM was \$1,541 million in 2023, an increase of 3% compared with the same period of 2022. In Asia, year-to-date new business CSM in 2023 increased 12% compared with 2022, primarily due to higher sales volumes partially offset by business mix. In Canada, year-to-date new business CSM increased 1% compared with 2022 due to product mix in Individual Insurance. As noted above, under IFRS 17, the majority of group insurance and affinity products are classified as PAA and do not generate CSM. In the U.S., year-to-date new business CSM decreased 24% compared with 2022 driven primarily by lower sales volumes and product mix.

**The contractual service margin (“CSM”) net of NCI** was \$17,369 million as at September 30, 2023, an increase of \$86 million compared with December 31, 2022. The increase in CSM net of NCI reflects an increase in total CSM movement of \$172 million, net of an increase in NCI of \$86 million. Organic CSM movement was an increase of \$629 million for the nine months ended September 30, 2023, driven by the impact of new insurance business and expected movements related to finance income or expenses, partially offset by amounts recognized for service provided in year-to-date earnings and a net reduction from insurance experience. Inorganic CSM movement was a decrease of \$457 million for the same period, driven by net unfavourable impacts of equity market experience and higher interest rates on certain participating and variable annuity contracts, as well as changes in foreign currency exchange rates, partially offset by the changes from our annual review of actuarial methods and assumptions. Post-tax CSM net of NCI was \$14,992 million as at September 30, 2023.

**Global WAM reported net outflows** were \$0.8 billion in 3Q23 compared with net inflows of \$3.0 billion in 3Q22. Net outflows in Retirement were \$3.4 billion in 3Q23 compared with net inflows of \$1.4 billion in 3Q22, driven entirely by a large-case pension plan redemption in the U.S. Net outflows in Retail were \$0.2 billion in 3Q23 compared with net inflows of \$1.0 billion in 3Q22, reflecting lower demand as investors continued to favour short-term cash and money market instruments amid market volatility and higher interest rates. This was partially offset by the launch of our Global Semiconductors strategy in Japan and higher net inflows in mainland China from acquiring full ownership of MFM in the fourth quarter of 2022 (“4Q22”). Net inflows in Institutional Asset Management were \$2.8 billion in 3Q23 compared with net inflows of \$0.6 billion in 3Q22, driven by higher net flows in fixed income mandates, and higher sales of equity and agriculture mandates, as well as the impact of the MFM acquisition.

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<sup>1</sup> Percentage growth / declines in NBV is stated on a constant exchange rate basis.

Year-to-date net inflows were \$5.8 billion in 2023, compared with \$11.5 billion in the same period of 2022. The decrease was primarily due to higher pension plan redemptions in Retirement, and lower Retail sales from lower investor demand. This was partially offset by lower mutual fund redemption rates, and the launch of new products in Institutional Asset Management in 2023 as well as the impact of the MFM acquisition as mentioned above.

## A4 Financial strength

(unaudited)	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22	2023	2022
MLI's LICAT ratio <sup>(1)</sup>	137%	136%	136%	137%	136%
Financial leverage ratio <sup>(2)</sup>	25.2%	25.8%	25.8%	25.2%	25.8%
Consolidated capital (\$ billions) <sup>(3)</sup>	\$ 71.4	\$ 69.3	\$ 71.5	\$ 71.4	\$ 71.5
Book value per common share (\$)	\$ 22.42	\$ 21.30	\$ 21.78	\$ 22.42	\$ 21.78
Adjusted book value per common share (\$) <sup>(2)</sup>	\$ 30.67	\$ 29.42	\$ 29.49	\$ 30.67	\$ 29.49

<sup>(1)</sup> This item is disclosed under OSFI's Life Insurance Capital Adequacy Test Public Disclosure Requirements guideline. Comparative LICAT ratios for 2022 are as reported in 2022 and have not been restated for the implementation of IFRS 17.

<sup>(2)</sup> This item is a non-GAAP ratio. See "Non-GAAP and other financial measures" below for more information.

<sup>(3)</sup> This item is a capital management measure. For more information on this metric, see "Non-GAAP and other financial measures" below.

**The Life Insurance Capital Adequacy Test ("LICAT")** ratio for The Manufacturers Life Insurance Company ("MLI") as at September 30, 2023 was 137% compared with 136% as at June 30, 2023. The one percentage point increase reflects the impact of core earnings and market movements in the quarter, partly offset by shareholders' dividends and common share buybacks.

MFC's LICAT ratio was 124% as at September 30, 2023 compared with 123% as at June 30, 2023 with the increase driven by similar factors that impacted the movement in MLI's LICAT ratio. The difference between the MLI and MFC ratios as at September 30, 2023 was largely due to the \$6.2 billion of MFC senior debt outstanding that does not qualify as available capital at the MFC level but, based on the form it was down-streamed, qualifies as regulatory capital for MLI.

**MFC's financial leverage ratio**<sup>1</sup> as at September 30, 2023 was 25.2%, a decrease of 0.6 percentage points from 25.8% as at June 30, 2023. The decrease in the ratio was driven by the increase in total equity due to net accumulated other comprehensive income ("AOCI") gains from higher interest rates, growth in retained earnings and the impact of weaker Canadian dollar.

**MFC's consolidated capital**<sup>1</sup> was \$71.4 billion as at September 30, 2023, an increase of \$1.8 billion compared with \$69.6 billion as at December 31, 2022. The increase was primarily driven by net issuance of subordinated debt<sup>2</sup>, an increase in total equity and higher post-tax CSM<sup>3</sup>. The increase in total equity was due to net AOCI gains from higher interest rates, and growth in retained earnings, partially offset by common share buybacks and the impact of stronger Canadian dollar.

**Cash and cash equivalents and marketable securities**<sup>4</sup> was \$237.7 billion as at September 30, 2023 compared with \$241.0 billion as at December 31, 2022. The decrease was primarily driven by the lower market value of debt instruments due to higher interest rates.

**Book value per common share** as at September 30, 2023 was \$22.42, a 4% increase compared with \$21.56 as at December 31, 2022. The number of common shares outstanding was 1,818 million as at September 30, 2023, a decrease of 47 million shares from 1,865 million as at December 31, 2022, due to common share buybacks.

<sup>1</sup> Effective January 1, 2022, the calculation of financial leverage ratio and consolidated capital now includes the impact of post-tax CSM. See "Non-GAAP and other financial measures below" for more information.

<sup>2</sup> The net issuance of subordinated debt consists of the issuance of \$1.2 billion in the first quarter of 2023 and the redemption of \$0.6 billion in the second quarter of 2023.

<sup>3</sup> This item is a non-GAAP financial measure. See "Non-GAAP and other financial measures" below for more information.

<sup>4</sup> Includes cash & cash equivalents, comprised of cash on deposit, Canadian and U.S. Treasury Bills and high quality short-term investments, and marketable assets, comprised of investment grade government and agency bonds, investment grade corporate bonds, investment grade securitized instruments, publicly traded common stocks and preferred shares.

**Adjusted book value per common share** as at September 30, 2023 was \$30.67, a 4% increase compared with \$29.42 as at December 31, 2022 driven by an increase in adjusted book value<sup>1</sup> and a lower number of common shares outstanding. The adjusted book value increased \$0.9 billion due to growth in total common shareholder's equity and an increase in post-tax CSM. The increase in common shareholder's equity reflects the impact of net AOCI gains from higher interest rates, and growth in retained earnings partially offset by a stronger Canadian dollar and common share buybacks.

## **A5 Assets under management and administration ("AUMA")**

AUMA as at September 30, 2023 was \$1.3 trillion, an increase of 2% compared with December 31, 2022, primarily due to the favourable impact of markets and net inflows. Segregated funds net assets increased 2% primarily due to the favourable impact of markets and total invested assets were in line with December 31, 2022, on an actual exchange rate basis.

## **A6 Impact of foreign currency exchange rates**

Changes in foreign currency exchange rates from 3Q22 to 3Q23 increased core earnings by \$29 million in 3Q23, primarily due to a weaker Canadian dollar compared with the U.S. dollar. Changes in foreign currency exchange rates increased year-to-date core earnings by \$136 million in 2023 compared with the same period of 2022 primarily due to a weaker Canadian dollar compared with the U.S. dollar. The impact of foreign currency exchange rates on items excluded from core earnings does not provide relevant information given the nature of those items.

## **A7 Business highlights**

### **We are making decisions easier for our global and diverse customer base**

During 3Q23 we launched a unified high net worth onboarding platform in Bermuda<sup>2</sup>, Hong Kong and Singapore, to our international brokers to deliver a consistent high touch experience for both distributors and customers by streamlining new business application, underwriting and compliance processes across our three high net worth markets. In Canada, we expanded our Personalized Medicine program to all Group Benefits extended healthcare plans, making this service available to more customers, while enabling them to learn about medications that best meet their needs and work with healthcare providers on customized treatment plans that can lead to better outcomes. Meanwhile, Global WAM continued to fulfill investor needs for wealth solutions through the expansion of our offerings with the launch of the Global Semiconductors strategy in Japan which garnered more than \$0.7 billion in net flows during the quarter, as well as the launch of a Municipal Opportunities Separately Managed Account in U.S. Retail, built on our mutual fund of the same name.

In the U.S., we expanded our reach into the employer market by introducing a Premier Benefit Indexed Universal Life product. This permanent life insurance product, available through the workplace, offers a streamlined digital process for employees to purchase individual coverage and includes our John Hancock Vitality PLUS feature. In addition, we launched a distribution relationship with JPMorgan Chase & Co. enabling new sales of our suite of products, including our John Hancock Vitality program, through its network of more than 6,900 advisors.

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<sup>1</sup> This item is a non-GAAP financial measure. See "Non-GAAP and other financial measures" below for more information.

<sup>2</sup> This represents our International High Net Worth business.

## **We are accelerating digital initiatives to move faster and meet customers' personalized needs**

In Canada, we announced a strategic partnership with League, a leading healthcare technology provider, to offer our Group Benefits members more integrated digital healthcare experiences, enabling them to connect their benefits directly with healthcare options. This partnership continues our digitization efforts to meet growing demand for more personalized digital experiences that help customers understand their health, focus on prevention, access care, and better comprehend and optimize their benefits. In the U.S., we continued to optimize our digital capabilities to create a seamless, digital customer experience through the launch of single sign-on for John Hancock Vitality customers between John Hancock Life and Vitality websites, improvement of the website navigation of our producer portal, and enhancement of the interactive voice response authentication enabling 31% of inbound calls to be completed with no human interaction in the quarter.

In Asia, we further automated the claims-handling process in Hong Kong to improve operational efficiency and deliver a better customer experience as we continue to leverage data to enhance our auto-adjudication engine, driving an almost twofold-increase of straight-through processed claims compared with 3Q22. In Global WAM, we accelerated customer adoption of digital applications in Canada Retirement through our "Say Goodbye to Paper" campaign which contributed to a 165% increase in members converting to e-statements over the 3-month campaign period and an increase in satisfaction in their digital experience over the prior quarter.

## B PERFORMANCE BY SEGMENT

### B1 Asia<sup>1</sup>

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22 Transitional	2023	2022 Transitional
<i>Canadian dollars</i>					
Net income attributed to shareholders <sup>(1)</sup>	\$ 84	\$ 130	\$ 176	\$ 733	\$ 154
<i>U.S. dollars</i>					
Net income attributed to shareholders <sup>(1)</sup>	US\$ 63	US\$ 96	US\$ 134	US\$ 543	US\$ 118
<hr/>					
(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22	2023	2022
<i>Canadian dollars</i>					
<b>Profitability:</b>					
Net income attributed to shareholders <sup>(1)</sup>	\$ 84	\$ 130	\$ 280	\$ 733	\$ 368
Core earnings <sup>(1)</sup>	522	473	387	1,484	1,316
<b>Business performance:</b>					
Annualized premium equivalent sales	1,120	1,181	913	3,474	2,900
New business value	414	424	380	1,210	1,142
New business contractual service margin net of NCI	402	432	340	1,135	985
Contractual service margin net of NCI	10,030	9,630	9,309	10,030	9,309
Assets under management (\$ billions) <sup>(2)</sup>	159.6	159.3	149.7	159.6	149.7
Total invested assets (\$ billions)	135.8	135.2	127.6	135.8	127.6
Total segregated funds net assets (\$ billions)	23.8	24.1	22.0	23.8	22.0
<hr/>					
<i>U.S. dollars</i>					
<b>Profitability:</b>					
Net income attributed to shareholders <sup>(1)</sup>	US\$ 63	US\$ 96	US\$ 216	US\$ 543	US\$ 285
Core earnings <sup>(1)</sup>	390	353	296	1,104	1,027
<b>Business performance:</b>					
Annualized premium equivalent sales	835	879	699	2,582	2,262
New business value	310	315	291	900	889
New business contractual service margin net of NCI	300	323	261	845	768
Contractual service margin net of NCI	7,414	7,273	6,772	7,414	6,772
Assets under management (\$ billions) <sup>(2)</sup>	118.0	120.3	108.9	118.0	108.9
Total invested assets (\$ billions)	100.4	102.1	92.9	100.4	92.9
Total segregated funds net assets (\$ billions)	17.6	18.2	16.0	17.6	16.0

<sup>(1)</sup> See "Non-GAAP and other financial measures" below for a reconciliation of quarterly core earnings to net income (loss) attributed to shareholders for 2023 and quarterly core earnings and transitional net income (loss) attributed to shareholders to net income (loss) attributed to shareholders for 2022.

<sup>(2)</sup> This item is a non-GAAP financial measure. See "Non-GAAP and other financial measures" below for more information.

**Asia's net income attributed to shareholders** was \$84 million in 3Q23 compared with net income attributed to shareholders of \$280 million and transitional net income attributed to shareholders of \$176 million in 3Q22. The 3Q22 transitional net income attributed to shareholders includes a charge of \$104 million from IFRS 9 transitional impacts. Net income attributed to shareholders is comprised of core earnings, which were \$522 million in 3Q23 compared with \$387 million in 3Q22, and items excluded from core earnings, which amounted to a net charge of \$438 million in 3Q23 compared with a net charge of \$107 million in 3Q22. Items excluded from core earnings in 3Q22 on a transitional basis amounted to a net charge of \$211 million. See section E3 "Non-GAAP and other financial measures" below, for a reconciliation of quarterly core earnings to net income (loss) attributed to shareholders for 3Q23 and quarterly core earnings and transitional net income (loss) attributed to shareholders to net income (loss) attributed to shareholders for 3Q22. See section A2 "Profitability" above, for explanations of the items excluded from core earnings. The changes in core earnings expressed in Canadian dollars were due to the factors described below and additionally, reflected a net \$9 million favourable impact due to changes in various foreign currency exchange rates versus the Canadian dollar.

<sup>1</sup> Effective January 1, 2023, we have made a change to the composition of reporting segments to better align our financial reporting with our business strategy and operations. Our international high net worth business was reclassified from the U.S. segment to the Asia segment (in Asia Other) to reflect the contributions of our Bermuda operations alongside the high net worth business that we report in our Singapore and Hong Kong operations. Refinements were made to the allocations of corporate overhead and interest on surplus among segments. Prior period comparative information has been restated to reflect the changes in segment reporting.

Expressed in U.S. dollars, the presentation currency of the segment, net income attributed to shareholders was US\$63 million in 3Q23 compared with net income attributed to shareholders of US\$216 million and transitional net income attributed to shareholders of US\$134 million in 3Q22. Core earnings were US\$390 million in 3Q23 compared with US\$296 million in 3Q22 and items excluded from core earnings were a net charge of US\$327 million in 3Q23 compared with a net charge of US\$80 million in 3Q22. Items excluded from core earnings in 3Q22 on a transitional basis were a net charge of US\$162 million.

Core earnings in 3Q23 increased 33% compared with 3Q22 driven by higher expected investment income due to higher investment yields and business growth, an increase in CSM amortization in Hong Kong, reflecting the impact of the annual review of actuarial methods and assumptions, and improved new business results on onerous contracts as a result of product actions.

Year-to-date net income attributed to shareholders was US\$543 million in 2023 compared with net income attributable to shareholders of US\$285 million and transitional net income attributed to shareholders of US\$118 million in the same period of 2022. The 2022 year-to-date transitional net income attributed to shareholders includes a charge of US\$167 million from IFRS 9 transitional adjustments. Year-to-date core earnings were US\$1,104 million in 2023 compared with US\$1,027 million in 2022 driven by higher expected investment income due to higher investment yields and business growth, improved new business results on onerous contracts as a result of product actions, and a neutral provision for ECL in 2023 compared with a charge in 2022, partially offset by a slower CSM amortization and less favourable claims experience. Items excluded from year-to-date core earnings were a net charge of US\$561 million in 2023 compared with a net charge of US\$742 million for the same period of 2022. Items excluded from core earnings in 2022 on a transitional basis amounted to a net charge of US\$909 million. See section E3 “Non-GAAP and other financial measures” below, for a reconciliation of year-to-date core earnings to year-to-date net income (loss) attributed to shareholders for 2023, and year-to-date core earnings and year-to-date transitional net income (loss) attributed to shareholders to year-to-date net income (loss) attributed to shareholders for 2022. Expressed in Canadian dollars, year-to-date core earnings reflected a net \$40 million favourable impact of changes in various foreign currency exchange rates versus the Canadian dollar.

**APE sales** in 3Q23 were US\$835 million, an increase of 20% compared with 3Q22, driven by growth in Hong Kong and Asia Other. NBV in 3Q23 was US\$310 million, an increase of 7% compared with 3Q22 driven by higher sales volumes partially offset by business mix. New business CSM in 3Q23 was US\$300 million, an increase of 16% compared with 3Q22, primarily due to higher sales volumes partially offset by business mix. New business value margin (“NBV margin”)<sup>1</sup> was 41.9% in 3Q23 compared with 44.9% in 3Q22. Year-to-date APE sales were US\$2,582 million in 2023, an increase of 16% compared with the same period of 2022, driven by strong growth in our broker and bancassurance channels in Hong Kong and higher bancassurance sales in Asia Other. Year-to-date NBV and new business CSM in 2023 were US\$900 million and US\$845 million, an increase of 2% and 12%, respectively, compared with 3Q22, driven by similar reasons noted above for the quarter.

- Hong Kong APE sales in 3Q23 were US\$209 million, an increase of 57% compared with 3Q22. The increase reflected strong growth in our broker and bancassurance channels, primarily driven by a return of demand from MCV customers following the reopening of the border between Hong Kong and mainland China since February 2023. Hong Kong NBV and new business CSM in 3Q23 were US\$132 million and US\$125 million, an increase of 20% and 29%, respectively, compared with 3Q22 due to higher sales volumes, partially offset by higher proportion of lower margin savings products. Hong Kong NBV margin was 63.0% in 3Q23, a decrease of 19.7 percentage points compared with 3Q22.
- Japan APE sales in 3Q23 were US\$67 million, a decrease of 6% compared with 3Q22 reflecting lower sales in COLI products. Japan NBV was US\$32 million in 3Q23, an increase of 21% compared with 3Q22 due to product management actions, partially offset by lower sales volume. Japan NBV margin was 47.2% in 3Q23, an increase of 10.5 percentage points compared with 3Q22. Japan new business CSM was US\$22 million in 3Q23, a decrease of 21% compared with 3Q22 due to lower sales volume and model refinements.

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<sup>1</sup> For more information on this metric, see “Non-GAAP and other financial measures” below.

- Asia Other APE sales in 3Q23 were US\$559 million, an increase of 14% compared with 3Q22. Higher bancassurance sales in mainland China and higher broker sales in our International High Net Worth business and in Singapore were partially offset by lower agency and bancassurance sales in Vietnam. Asia Other NBV in 3Q23 was US\$146 million, a decrease of 5% compared with 3Q22 due to product mix, partially offset by higher sales volumes. Asia Other NBV margin was 31.6% in 3Q23, a decrease of 3.3 percentage points compared with 3Q22. Asia Other new business CSM in 3Q23 was US\$153 million in 3Q23, an increase of 13% compared with 3Q22, driven by higher sales volumes, partially offset by product mix.

**CSM net of NCI** was US\$7,414 million as at September 30, 2023, an increase of US\$463 million, net of a US\$64 million increase attributed to NCI compared with December 31, 2022. Organic CSM movement was an increase of US\$441 million for the nine months ended September 30, 2023 driven by the impact of new insurance business and expected movements related to finance income or expenses, partially offset by amounts recognized for service provided in year-to-date earnings and a net reduction from insurance experience. Inorganic CSM movement was an increase of US\$86 million for the nine months ended September 30, 2023 largely due to changes in actuarial methods and assumptions that adjust the CSM, partially offset by the impact of markets from an increase in interest rates and unfavourable equity market performance on certain participating and variable annuity contracts, and strengthening of the U.S. dollar against Asian currencies.

**Assets under management** were US\$118.0 billion as at September 30, 2023, an increase of US\$2.9 billion or 5% compared with December 31, 2022, driven by the impact of positive equity market performance in 2023 on invested assets and segregated funds net assets, and business growth.

**Business highlights** – In 3Q23, we:

- launched a unified high net worth onboarding platform in Bermuda<sup>1</sup>, Hong Kong, and Singapore, to our international brokers to deliver a consistent high touch experience for both distributors and customers by streamlining new business application, underwriting and compliance processes across our three high net worth operations;
- further automated the claims-handling process in Hong Kong to improve operational efficiency and deliver a better customer experience as we continue to leverage data to enhance our auto-adjudication engine, driving an almost twofold increase of straight-through processed claims compared with 3Q22; and
- completed the seamless data migration of more than 3 million customers in mainland China as a part of policy administration system modernization. This cloud-native solution enables scale and efficiency, and lays the foundation for improved customer, distributor and partner experience; this milestone will enable faster speed to market through collaborative product development and easier integration with our digital partners' ecosystems.

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<sup>1</sup> This represents our International High Net Worth business.

## B2 Canada<sup>1</sup>

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22 Transitional	2023	2022 Transitional
Net income attributed to shareholders <sup>(1)</sup>	\$ 290	\$ 227	\$ 481	\$ 826	\$ 1,078

  

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22	2023	2022
<b>Profitability:</b>					
Net income attributed to shareholders <sup>(1)</sup>	\$ 290	\$ 227	\$ 853	\$ 826	\$ (430)
Core earnings <sup>(1)</sup>	408	374	391	1,135	1,091
<b>Business performance:</b>					
Annualized premium equivalent sales	431	322	285	1,046	1,009
Contractual service margin	3,662	3,656	3,558	3,662	3,558
Manulife Bank average net lending assets (\$ billions) <sup>(2)</sup>	25.1	24.9	24.6	25.0	24.0
Assets under management (\$ billions) <sup>(2)</sup>	137.9	144.0	141.2	137.9	141.2
Total invested assets (\$ billions)	103.5	108.0	106.4	103.5	106.4
Segregated funds net assets (\$ billions)	34.4	36.0	34.8	34.4	34.8

<sup>(1)</sup> See “Non-GAAP and other financial measures” below for a reconciliation of quarterly core earnings to net income (loss) attributed to shareholders for 2023 and quarterly core earnings and transitional net income (loss) attributed to shareholders to net income (loss) attributed to shareholders for 2022.

<sup>(2)</sup> This item is a non-GAAP financial measure. See “Non-GAAP and other financial measures” below for more information.

**Canada’s net income attributed to shareholders** was \$290 million in 3Q23 compared with net income attributed to shareholders of \$853 million and transitional net income attributed to shareholders of \$481 million in 3Q22. The 3Q22 transitional net income attributed to shareholders includes a charge of \$372 million from IFRS 9 transitional impacts. Net income attributed to shareholders is comprised of core earnings, which were \$408 million in 3Q23 compared with \$391 million in 3Q22, and items excluded from core earnings, which amounted to a net charge of \$118 million in 3Q23 compared with a net gain of \$462 million in 3Q22. Items excluded from core earnings in 3Q22 on a transitional basis amounted to a net gain of \$90 million. See section E3 “Non-GAAP and other financial measures” below, for a reconciliation of quarterly core earnings to net income (loss) attributed to shareholders for 3Q23 and quarterly core earnings and transitional net income (loss) attributed to shareholders to net income (loss) attributed to shareholders for 3Q22. See section A2 “Profitability” above, for explanations of the items excluded from core earnings.

Core earnings in 3Q23 increased \$17 million or 4% compared with 3Q22, reflecting more favourable insurance experience, business growth in Group Insurance and higher expected investment earnings due to higher yields and business growth, partially offset by an increase in the ECL provision, and an increase in the corporate tax rate enacted in 4Q22.

Year-to-date net income attributed to shareholders was \$826 million in 2023 compared with a year-to-date net loss attributable to shareholders of \$430 million and year-to-date transitional net income attributed to shareholders of \$1,078 million in the same period of 2022. The 2022 year-to-date transitional net income includes a gain of \$1,508 million from IFRS 9 transitional adjustments. Year-to-date core earnings were \$1,135 million in 2023 compared with \$1,091 million in the same period of 2022. The increase in year-to-date core earnings of \$44 million or 4% reflected higher expected investment earnings from higher yields, more favourable insurance experience, and business growth in Group Insurance, partially offset by slower amortization of CSM on certain VFA contracts, an increase in the ECL provision and the increase in the corporate tax rate enacted in 4Q22. Items excluded from year-to-date core earnings were a net charge of \$309 million in 2023 compared with a net charge of \$1,521 million for the same period of 2022. Items excluded from year-to-date core earnings in 2022 on a transitional basis amounted to a net charge of \$13 million. See section E3 “Non-GAAP and other financial measures” below, for a reconciliation of year-to-date core earnings to year-to-date net income (loss) attributed to shareholders for 2023, and year-to-date core earnings and year-to-date transitional net income (loss) attributed to shareholders to year-to-date net income (loss) attributed to shareholders for 2022.

<sup>1</sup> Effective January 1, 2023, refinements were made to the allocations of corporate overhead and interest on surplus among segments. Prior period comparative information has been restated to reflect the changes in segment reporting.

**APE sales** of \$431 million in 3Q23 increased by \$146 million or 51% compared with 3Q22.

- Individual insurance APE sales in 3Q23 of \$250 million increased \$148 million or 145% compared with 3Q22, primarily due to a large affinity markets sale, partially offset by lower participating life insurance sales.
- Group insurance APE sales in 3Q23 of \$135 million increased \$2 million or 2% compared with 3Q22, primarily due to higher small business and mid-size sales, partially offset by lower large-case sales.
- Annuities APE sales in 3Q23 of \$46 million decreased \$4 million or 8% compared with 3Q22, primarily due to lower sales of segregated fund products.

Year-to-date APE sales in 2023 were \$1,046 million, \$37 million or 4% higher than in the same period of 2022, primarily due to a large affinity markets sale, higher small business and mid-size group insurance sales, partially offset by lower Annuities sales of segregated fund products and lower large-case Group Insurance sales.

**CSM** was \$3,662 million as at September 30, 2023, a decrease of \$13 million compared with December 31, 2022. Organic CSM movement was an increase of \$25 million for the nine months ended September 30, 2023 driven by the impact of new insurance business, expected movements related to finance income or expenses, and insurance experience gains, partially offset by amounts recognized for service provided in year-to-date earnings. Inorganic CSM movement was a decrease of \$38 million for the nine months ended September 30, 2023 reflecting the unfavourable impact of markets primarily related to equity market experience on certain variable annuity contracts, partially offset by changes in actuarial methods and assumptions that adjust the CSM.

**Manulife Bank average net lending assets** for the quarter were \$25.1 billion as at September 30, 2023, up \$0.4 billion or 1% compared with December 31, 2022, driven by improved retention and business growth.

**Assets under management** were \$137.9 billion as at September 30, 2023, a decrease of \$4.7 billion or 3% compared with December 31, 2022, due to lower total invested assets, primarily reflecting the impact of higher interest rates, and lower segregated funds net assets, driven by net outflows.

**Business highlights** – In 3Q23, we:

- announced a strategic partnership with League, a leading healthcare technology provider, to offer our group benefits members more integrated digital healthcare experiences, enabling them to connect their benefits directly with healthcare options. This partnership continues our digitization efforts to meet growing demand for more personalized digital experiences that help customers understand their health, focus on prevention, access care, and better comprehend and optimize their benefits;
- expanded our Personalized Medicine program to all Group Benefits extended healthcare plans, making this service available to more customers, while enabling them to learn about medications that best meet their needs and work with healthcare providers on customized treatment plans that can lead to better outcomes; and
- completed a successful communication campaign highlighting the ease and speed of online claims submission with our Group Benefits customers which led to a 15%-increase in Manulife Mobile app downloads, and an increase of more than 1 million claims initiated through digital channels since the beginning of the year.

### B3 U.S.<sup>1</sup>

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22 Transitional	2023	2022 Transitional
<i>Canadian dollars</i>					
Net income attributed to shareholders <sup>(1)</sup>	\$ 72	\$ 183	\$ 314	\$ 441	\$ 1,554
<i>U.S. dollars</i>					
Net income attributed to shareholders <sup>(1)</sup>	US\$ 53	US\$ 136	US\$ 241	US\$ 327	US\$ 1,218
<hr/>					
(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22	2023	2022
<i>Canadian dollars</i>					
<b>Profitability:</b>					
Net income attributed to shareholders <sup>(1)</sup>	\$ 72	\$ 183	\$ (447)	\$ 441	\$ (2,272)
Core earnings <sup>(1)</sup>	442	458	437	1,285	1,158
<b>Business performance:</b>					
Annualized premium equivalent sales	106	130	149	370	456
Contractual service margin	3,651	4,106	4,185	3,651	4,185
Assets under management (\$ billions)	193.6	199.4	197.6	193.6	197.6
Total invested assets (\$ billions)	128.8	132.1	133.6	128.8	133.6
Total segregated funds invested net assets (\$ billions)	64.8	67.3	64.0	64.8	64.0
<hr/>					
<i>U.S. dollars</i>					
<b>Profitability:</b>					
Net income attributed to shareholders <sup>(1)</sup>	US\$ 53	US\$ 136	US\$ (342)	US\$ 327	US\$ (1,776)
Core earnings <sup>(1)</sup>	329	341	335	955	901
<b>Business performance:</b>					
Annualized premium equivalent sales	79	97	115	275	356
Contractual service margin	2,695	3,104	3,046	2,695	3,046
Assets under management (\$ billions)	143.2	150.7	143.8	143.2	143.8
Total invested assets (\$ billions)	95.3	99.8	97.2	95.3	97.2
Total segregated funds invested net assets (\$ billions)	47.9	50.9	46.6	47.9	46.6

<sup>(1)</sup> See "Non-GAAP and other financial measures" below for a reconciliation of quarterly core earnings to net income (loss) attributed to shareholders for 2023 and quarterly core earnings and transitional net income (loss) attributed to shareholders to net income (loss) attributed to shareholders for 2022.

**U.S.'s net income attributed to shareholders** was \$72 million in 3Q23 compared with a net loss attributed to shareholders of \$447 million and transitional net income attributed to shareholders of \$314 million in 3Q22. The 3Q22 transitional net income attributed to shareholders includes a gain of \$761 million from IFRS 9 transitional impacts. Net income attributed to shareholders is comprised of core earnings, which were \$442 million in 3Q23 compared with \$437 million in 3Q22, and items excluded from core earnings, which amounted to a net charge of \$370 million in 3Q23 compared with a net charge of \$884 million in 3Q22. Items excluded from core earnings in 3Q22 on a transitional basis amounted to a net charge of \$123 million. See section E3 "Non-GAAP and other financial measures" below, for a reconciliation of quarterly core earnings to net income (loss) attributed to shareholders for 3Q23 and quarterly core earnings and transitional net income (loss) attributed to shareholders to net income (loss) attributed to shareholders for 3Q22. See section A2 "Profitability" above, for explanations of the items excluded from core earnings. The changes in core earnings expressed in Canadian dollars were due to the factors described below and additionally, reflected a \$11 million favourable impact from the strengthening of the U.S. dollar compared with the Canadian dollar.

<sup>1</sup> Effective January 1, 2023, we have made a number of changes to the composition of reporting segments to better align our financial reporting with our business strategy and operations. Our international high net worth business was reclassified from U.S. Insurance in the U.S. segment to the Asia segment to reflect the contributions of our Bermuda operations alongside the high net worth business that we report in our Singapore and Hong Kong operations. Refinements were made to the allocations of corporate overhead and interest on surplus among segments. Prior period comparative information has been restated to reflect the changes in segment reporting.

Expressed in U.S. dollars, the functional currency of the segment, net income attributed to shareholders was US\$53 million in 3Q23 compared with a net loss attributed to shareholders of US\$342 million and transitional net income attributed to shareholders of US\$241 million in 3Q22. Core earnings were US\$329 million in 3Q23 compared with US\$335 million in 3Q22 and items excluded from core earnings were a net charge of US\$276 million in 3Q23 compared with a net charge of US\$677 million in 3Q22. Items excluded from core earnings on a transitional basis in 3Q22 were a net charge of US\$94 million.

Core earnings decreased US\$6 million or 2% compared with 3Q22 reflecting an increase in the ECL provision primarily related to electric utility bonds and private placements compared with a reduction in the provision in 3Q22, and lower CSM amortization reflecting the impact of the annual review of actuarial methods and assumptions as well as slower CSM amortization on certain VFA contracts. These impacts were partially offset by an increase in expected investment earnings driven by higher investment yields and business growth and improved insurance experience primarily due to net favourable claims experience. Net favourable claims experience included in core earnings was primarily due to favourable life experience, partially offset by unfavourable long-term care claims experience.

Year-to-date net income attributed to shareholders was US\$327 million in 2023 compared with a net loss attributable to shareholders of US\$1,776 million and transitional net income attributed to shareholders of US\$1,218 million in the same period of 2022. The 2022 year-to-date transitional net income includes a gain of US\$2,994 million from IFRS 9 transitional adjustments. Year-to-date core earnings were US\$955 million in 2023 compared with US\$901 million in the same period of 2022. Year-to-date core earnings increased US\$54 million mainly due to increased expected investment earnings due to higher investment yields and business growth as well as improved, although unfavourable, insurance experience primarily driven by the non-recurrence of excess mortality claims related to COVID-19 in the first quarter of 2022. These impacts were partially offset by an increase in the ECL provision in 2023 primarily related to commercial mortgages, electric utility bonds and private placements compared with a reduction in the provision in 2022, and lower CSM recognized into earnings due to a slower CSM amortization on certain VFA contracts, the reinsurance of a significant portion of the variable annuities block in the prior year, and the impact of the annual review of actuarial methods and assumptions. Long-term care experience included in core earnings was more unfavourable. Items excluded from year-to-date core earnings were a net charge of US\$628 million in 2023 compared with a net charge of US\$2,677 million for the same period of 2022. Items excluded from core earnings in 2022 on a transitional basis amounted to a net gain of US\$317 million. See section E3 “Non-GAAP and other financial measures” below, for a reconciliation of year-to-date core earnings to year-to-date net income (loss) attributed to shareholders for 2023 and year-to-date core earnings and year-to-date transitional net income (loss) to shareholders to year-to-date net income (loss) attributed to shareholders for 2022. Expressed in Canadian dollars, year-to-date core earnings reflected a \$59 million favourable impact of changes in foreign currency exchange rates versus the Canadian dollar.

**APE sales** in 3Q23 of US\$79 million decreased 31% compared with 3Q22 due to the adverse impact of higher short-term interest rates on accumulation insurance products, particularly for our affluent customers. Year-to-date APE sales in 2023 of US\$275 million decreased 23% compared with the same period of 2022 due to the reason outlined above. APE sales of products with the John Hancock Vitality PLUS feature represented 71% and 73% of overall U.S. sales in 3Q23 and year-to-date 2023, respectively, compared with 74% and 72% in the same periods of 2022.

**CSM** was US\$2,695 million as at September 30, 2023, a decrease of US\$358 million compared with December 31, 2022. Organic CSM movement was an increase of US\$26 million for the nine months ended September 30, 2023 driven by the impact of new insurance business and expected movements related to finance income or expenses, partially offset by amounts recognized for service provided in year-to-date earnings and a net reduction from insurance experience. The net unfavourable insurance experience in organic CSM movement was due to unfavourable life insurance lapse and claims experience partially offset by favourable long-term care and annuities claims and lapse experience. Inorganic CSM movement was a decrease of US\$384 million for the nine months ended September 30, 2023 mainly due to changes in actuarial methods and assumptions primarily related to life insurance, partially offset by favourable market impacts from equity market experience and higher interest rates primarily on variable annuity contracts.

**Assets under management** were US\$143.2 billion as at September 30, 2023, a decrease of US\$3.8 billion or 3% compared with December 31, 2022. The decrease in total invested assets and segregated funds net assets was primarily due to the impact from markets, reflecting changes in interest rates and equity markets.

**Business highlights** – In 3Q23, we:

- expanded our reach into the employer market by introducing a Premier Benefit Indexed Universal Life product. This permanent life insurance product, available through the workplace, offers a streamlined digital process for employees to purchase individual coverage and includes our John Hancock Vitality PLUS feature;
- launched a distribution relationship with JPMorgan Chase & Co. enabling new sales of our suite of products, including our John Hancock Vitality program, through its network of more than 6,900 advisors;
- furthered our mission of helping customers live longer, healthier, better lives and differentiating ourselves from other life insurance carriers by hosting ‘Longer.Healthier.Better.’ – the first longevity symposium in the industry – that brought together 250 life insurance brokers, leadership from reinsurance companies, media, and local government officials to give them a first-hand look at the innovations and science shaping the future of longevity; and
- continued to optimize our digital capabilities to create a more seamless, digital customer experience through the launch of single sign-on for John Hancock Vitality customers between John Hancock Life and Vitality websites, improvement of the website navigation of our producer portal, and enhancement of the interactive voice response authentication enabling 31% of inbound calls to be completed with no human interaction in the quarter.

## B4 Global Wealth and Asset Management<sup>1</sup>

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22	2023	2022
<b>Profitability:</b>					
Net income attributed to shareholders <sup>(1)</sup>	\$ 318	\$ 317	\$ 287	\$ 932	\$ 720
Core earnings <sup>(1)</sup>	361	320	354	968	1,025
Core EBITDA <sup>(2)</sup>	480	424	465	1,297	1,384
Core EBITDA margin (%) <sup>(3)</sup>	26.9%	24.6%	28.9%	24.7%	28.4%
<b>Business performance:</b>					
Sales					
Wealth and asset management gross flows	34,274	35,152	31,992	108,241	104,452
Wealth and asset management net flows	(795)	2,187	3,047	5,832	11,543
Assets under management and administration (\$ billions)	806.7	819.6	751.3	806.7	751.3
Total invested assets (\$ billions)	6.7	5.5	5.6	6.7	5.6
Segregated funds net assets (\$ billions)	233.9	238.7	214.5	233.9	214.5
Average assets under management and administration (\$ billions) <sup>(2)</sup>	813.1	814.9	773.6	812.3	787.9

<sup>(1)</sup> See “Non-GAAP and other financial measures” below for a reconciliation of quarterly core earnings to net income (loss) attributed to shareholders for 2023 and quarterly core earnings and transitional net income (loss) attributed to shareholders to net income (loss) attributed to shareholders for 2022. Transitional impacts in Global WAM are not material.

<sup>(2)</sup> This item is a non-GAAP financial measure. See “Non-GAAP and other financial measures” below for more information.

<sup>(3)</sup> This item is a non-GAAP ratio. See “Non-GAAP and other financial measures” below for more information.

<sup>1</sup> Effective January 1, 2023, we have made a number of changes to the composition of reporting segments to better align our financial reporting with our business strategy and operations. Our investment in the start-up capital of segregated and mutual funds, and investment-related revenue and expense were reclassified from the Corporate and Other segment to the Global WAM segment to more closely align with Global WAM’s management practices. Refinements were made to the allocations of corporate overhead and interest on surplus among segments. Prior period comparative information has been restated to reflect the changes in segment reporting.

**Global WAM's net income attributed to shareholders** was \$318 million in 3Q23 compared with \$287 million in 3Q22. Net income attributed to shareholders is comprised of core earnings, which were \$361 million in 3Q23 compared with \$354 million in 3Q22, and items excluded from core earnings, which amounted to a net charge of \$43 million in 3Q23 compared with a net charge of \$67 million in 3Q22. See section E3 "Non-GAAP and other financial measures" below, for a reconciliation of quarterly core earnings to net income (loss) attributed to shareholders for 3Q23 and quarterly core earnings and transitional net income (loss) attributed to shareholders to net income (loss) attributed to shareholders for 3Q22. See section A2 "Profitability" above, for explanations of the items excluded from core earnings.

Core earnings in 3Q23 were in line with 3Q22, driven by an increase in net fee income from higher average AUMA and higher performance fees in Institutional Asset Management, offset by an increase in performance-related costs.

Core EBITDA was \$480 million in 3Q23, an increase of 1% compared with 3Q22, driven by similar factors as noted above for core earnings. Core EBITDA margin was 26.9% in 3Q23, a decrease of 200 basis points compared with 3Q22, driven by an increase in performance-related costs. See section E3 "Non-GAAP and other financial measures" below, for additional information on core EBITDA and core EBITDA margin.

Year-to-date net income attributed to shareholders was \$932 million in 2023 compared with \$720 million in the same period of 2022 and year-to-date core earnings were \$968 million in 2023 compared with \$1,025 million in the same period of 2022. The decrease in year-to-date core earnings of \$57 million or 8% reflected an increase in performance-related costs and lower earnings from seed capital investments due to repatriations. This was partially offset by an increase in net fee income from higher fee spreads and higher performance fees in Institutional Asset Management. Items excluded from year-to-date core earnings were a net charge of \$36 million in 2023 compared with a net charge of \$305 million in the same period of 2022. See section E3 "Non-GAAP and other financial measures" below, for a reconciliation of year-to-date core earnings to year-to-date net income (loss) attributed to shareholders for 2023 and year-to-date core earnings and year-to-date transitional net income (loss) attributed to shareholders to year-to-date net income (loss) attributed to shareholders for 2022.

Year-to-date core EBITDA was \$1,297 million in 2023 compared with \$1,384 million in the same period of 2022. The decrease in year-to-date core EBITDA of \$87 million or 9% was driven by similar factors as noted above for year-to-date core earnings. Year-to-date core EBITDA margin was 24.7% in 2023 compared with 28.4% in the same period of 2022. The decrease of 370 basis points was mainly driven by an increase in performance-related costs. See section E3 "Non-GAAP and other financial measures" below, for additional information on year-to-date core EBITDA and year-to-date core EBITDA margin.

**Gross flows** were \$34.3 billion in 3Q23, an increase of 5%<sup>1</sup> compared with 3Q22. By business line, the results were:

- Retirement gross flows in 3Q23 were \$13.6 billion, an increase of 4% compared with 3Q22, driven by growth in member contributions.
- Retail gross flows in 3Q23 were \$14.8 billion, a decrease of 5% compared with 3Q22, reflecting lower demand as investors continued to favour short-term cash and money market instruments amid market volatility and higher interest rates. This was partially offset by higher gross flows in mainland China that include the impact of acquiring full ownership of MFM in 4Q22 and the launch of our Global Semiconductors strategy in Japan.
- Institutional Asset Management gross flows in 3Q23 were \$5.8 billion, an increase of 56% compared with 3Q22, primarily driven by higher sales in mainland China and the impact of acquiring full ownership interest of MFM as mentioned above, as well as higher sales in equity, fixed income, and agriculture mandates.

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<sup>1</sup> Percentage growth / declines in gross flows is stated on a constant exchange rate basis.

Year-to-date gross flows were \$108.2 billion in 2023, in line with the same period of 2022. Higher retail and institutional sales in mainland China from acquiring full ownership interest of MFM, and new institutional product launches totaling \$1.6 billion in the first quarter of 2023, coupled with higher sales in fixed income mandates were offset by lower retail sales from lower investor demand as noted above.

**Net outflows** were \$0.8 billion in 3Q23 compared with net inflows of \$3.0 billion in 3Q22. By business line, the results were:

- Net outflows in Retirement were \$3.4 billion in 3Q23 compared with net inflows of \$1.4 billion in 3Q22 driven entirely by a large-case pension plan redemption in the U.S.
- Net outflows in Retail were \$0.2 billion in 3Q23 compared with net inflows of \$1.0 billion in 3Q22, reflecting lower demand as investors continued to favour short-term cash and money market instruments amid market volatility and higher interest rates. This was partially offset by the launch of the new strategy in Japan and higher net inflows in mainland China from acquiring full ownership of MFM in 4Q22.
- Net inflows in Institutional Asset Management were \$2.8 billion in 3Q23 compared with inflows of \$0.6 billion in 3Q22, driven by higher net flows in fixed income mandates, and higher sales of equity and agriculture mandates, as well as the impact of the MFM acquisition.

Year-to-date net inflows were \$5.8 billion in 2023, compared with \$11.5 billion in the same period of 2022. The decrease was primarily due to higher pension plan redemptions in Retirement, and lower Retail sales from lower investor demand. This was partially offset by lower mutual fund redemption rates, and the launch of new products in Institutional Asset Management in 2023 as well as the impact of the MFM acquisition as mentioned above.

**Assets under management and administration** of \$806.7 billion as at September 30, 2023 increased 4% compared with December 31, 2022. The increase was driven by the favourable year-to-date impact of markets and net inflows. As at September 30, 2023, Global WAM also managed \$201.4 billion in assets for the Company's non-WAM reporting segments. Including those managed assets, AUMA managed by Global WAM<sup>1</sup> was \$1,008.2 billion compared with \$984.3 billion as at December 31, 2022.

Segregated funds net assets were \$233.9 billion as at September 30, 2023, 4% higher compared with December 31, 2022 on an actual exchange rate basis, driven by the favourable year-to-date impact of markets.

**Business highlights** – In 3Q23, we:

- continued to fulfil investor needs for wealth solutions through the expansion of our offerings with the launch of the Global Semiconductors strategy in Japan which garnered more than \$0.7 billion in net flows during the quarter, as well as the launch of a Municipal Opportunities Separately Managed Account in U.S. Retail, built on our mutual fund of the same name; and
- accelerated customer adoption of digital applications in Canada Retirement through our “Say Goodbye to Paper” campaign which contributed to a 165% increase in members converting to e-statements over the 3-month campaign period and an increase in satisfaction in their digital experience over the prior quarter.

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<sup>1</sup> This item is a non-GAAP financial measure. See “Non-GAAP and other financial measures” below for more information.

## B5 Corporate and Other<sup>1</sup>

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22 Transitional	2023	2022 Transitional
Net income (loss) attributed to shareholders <sup>(1)</sup>	\$ 249	\$ 168	\$ (481)	\$ 512	\$ (1,236)

  

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22	2023	2022
Net income (loss) attributed to shareholders <sup>(1)</sup>	\$ 249	\$ 168	\$ (482)	\$ 512	\$ (1,234)
Core earnings (loss) <sup>(1)</sup>	10	12	(230)	39	(332)

<sup>(1)</sup> See “Non-GAAP and other financial measures” below for a reconciliation of quarterly core earnings to net income (loss) attributed to shareholders for 2023 and quarterly core earnings and transitional net income (loss) attributed to shareholders to net income (loss) attributed to shareholders for 2022.

**Corporate and Other** is composed of investment performance on assets backing capital, net of amounts allocated to operating segments; financing costs; costs incurred by the corporate office related to shareholder activities (not allocated to the operating segments); our Property and Casualty (“P&C”) Reinsurance business; as well as our run-off reinsurance operation including variable annuities and accident and health. In addition, for segment reporting purposes, consolidations and eliminations of transactions between operating segments are also included in Corporate and Other earnings.

**Corporate and Other reported net income attributed to shareholders** of \$249 million in 3Q23 compared with a net loss attributed to shareholders of \$482 million and transitional net loss attributed to shareholders of \$481 million for 3Q22. The 3Q22 transitional net loss includes a gain of \$1 million from IFRS 9 transitional impacts. Net income attributed to shareholders is comprised of core earnings, which was \$10 million in 3Q23 compared with a core loss of \$230 million in 3Q22, and the items excluded from core earnings which amounted to a net gain of \$239 million in 3Q23 compared with a net charge of \$252 million in 3Q22. Items excluded from core earnings in 3Q22 on a transitional basis amounted to a charge of \$251 million. See section E3 “Non-GAAP and other financial measures” below, for a reconciliation of quarterly core earnings to net income (loss) attributed to shareholders for 3Q23 and quarterly core earnings and transitional net income (loss) attributed to shareholders to net income (loss) attributed to shareholders for 3Q22. See section A2 “Profitability” above, for explanations of the items excluded from core earnings.

The \$240 million increase in core earnings was primarily related to the non-recurrence of a \$256 million charge in our P&C Reinsurance business for estimated losses relating to Hurricane Ian in 3Q22 and higher yields on debt instruments, net of higher cost of debt financing. These items were partially offset by higher core expenses due to higher performance-related costs as well as investments in technology.

Year-to-date net income attributed to shareholders was \$512 million in 2023 compared with a net loss attributable to shareholders of \$1,234 million and a transitional net loss attributed to shareholders of \$1,236 million in the same period of 2022. The year-to-date transitional net loss attributed to shareholders in 2022 includes a charge of \$2 million from IFRS 9 transitional adjustments. The year-to-date core earnings was \$39 million in 2023 compared with a core loss of \$332 million in the same period of 2022. The increase in the year-to-date core earnings of \$371 million was primarily driven by similar reasons mentioned above. Items excluded from the year-to-date core earnings were a net gain of \$473 million in 2023 compared with a net charge of \$902 million in the same period of 2022. Items excluded from year-to-date core earnings in 2022 on a transitional basis amounted to a net charge of \$904 million. See section E3 “Non-GAAP and other financial measures” below, for a reconciliation of year-to-date core earnings to year-to-date net income (loss) attributed to shareholders for 2023 and year-to-date core earnings and year-to-date transitional net income (loss) attributed to shareholders to year-to-date net income (loss) attributed to shareholders for 2022.

<sup>1</sup> Effective January 1, 2023, we have made a number of changes to the composition of reporting segments to better align our financial reporting with our business strategy and operations. Our investment in the start-up capital of segregated and mutual funds, and investment-related revenue and expense were reclassified from the Corporate and Other segment to the Global WAM segment to more closely align with Global WAM’s management practices. Refinements were made to the allocations of corporate overhead and interest on surplus among segments. Prior period comparative information has been restated to reflect the changes in segment reporting.

## C RISK MANAGEMENT AND RISK FACTORS UPDATE

This section provides an update to our risk management practices and risk factors outlined in the 2022 MD&A. Text and tables in this section of the MD&A represent our disclosure on insurance, market, and liquidity risk in accordance with IFRS 7 “Financial Instruments – Disclosures” and/or IFRS 17 “Insurance Contracts”. Disclosures in accordance with IFRS 7 and/or IFRS 17 are identified by a vertical line in the left margin of each page. The identified text and tables represent an integral part of our unaudited Interim Consolidated Financial Statements.

### C1 Variable annuity and segregated fund guarantees

As described in the MD&A in our 2022 Annual Report, guarantees on variable annuity products and segregated funds may include one or more of death, maturity, income and withdrawal guarantees. Variable annuity and segregated fund guarantees are contingent and only payable upon the occurrence of the relevant event, if fund values at that time are below guarantee values. Depending on future equity market levels, liabilities on current in-force business would be due primarily in the period from 2023 to 2043.

We seek to mitigate a portion of the risks embedded in our retained (i.e. net of reinsurance) variable annuity and segregated fund guarantee business through the combination of our dynamic and macro hedging strategies (see section C3 “Publicly traded equity performance risk” below).

The table below shows selected information regarding the Company’s variable annuity and segregated fund investment-related guarantees gross and net of reinsurance.

#### Variable annuity and segregated fund guarantees, net of reinsurance

As at (\$ millions)	September 30, 2023			December 31, 2022		
	Guarantee value <sup>(1)</sup>	Fund value	Amount at risk <sup>(1),(2),(3)</sup>	Guarantee value <sup>(1)</sup>	Fund value	Amount at risk <sup>(1),(2),(3)</sup>
Guaranteed minimum income benefit	\$ 4,055	\$ 2,620	\$ 1,443	\$ 4,357	\$ 2,723	\$ 1,639
Guaranteed minimum withdrawal benefit	35,944	32,149	5,450	38,319	34,203	5,734
Guaranteed minimum accumulation benefit	19,344	19,226	231	20,035	19,945	221
Gross living benefits <sup>(4)</sup>	59,343	53,995	7,124	62,711	56,871	7,594
Gross death benefits <sup>(5)</sup>	9,570	15,448	1,738	10,465	15,779	2,156
Total gross of reinsurance	68,913	69,443	8,862	73,176	72,650	9,750
Living benefits reinsured	25,365	22,394	4,547	26,999	23,691	4,860
Death benefits reinsured	3,579	2,516	848	3,923	2,636	1,061
Total reinsured	28,944	24,910	5,395	30,922	26,327	5,921
<b>Total, net of reinsurance</b>	<b>\$ 39,969</b>	<b>\$ 44,533</b>	<b>\$ 3,467</b>	<b>\$ 42,254</b>	<b>\$ 46,323</b>	<b>\$ 3,829</b>

<sup>(1)</sup> Guarantee Value and Net Amount at Risk in respect of guaranteed minimum withdrawal business in Canada and the U.S. reflect the time value of money of these claims.

<sup>(2)</sup> Amount at risk (in-the-money amount) is the excess of guarantee values over fund values on all policies where the guarantee value exceeds the fund value. For guaranteed minimum death benefit, the amount at risk is defined as the current guaranteed minimum death benefit in excess of the current account balance and assumes that all claims are immediately payable. In practice, guaranteed death benefits are contingent and only payable upon the eventual death of policyholders if fund values remain below guarantee values. For guaranteed minimum withdrawal benefit, the amount at risk assumes that the benefit is paid as a lifetime annuity commencing at the earliest contractual income start age. These benefits are also contingent and only payable at scheduled maturity/income start dates in the future, if the policyholders are still living and have not terminated their policies and fund values remain below guarantee values. For all guarantees, the amount at risk is floored at zero at the single contract level.

<sup>(3)</sup> The amount at risk net of reinsurance at September 30, 2023 was \$3,467 million (December 31, 2022 – \$3,829 million) of which: US\$601 million (December 31, 2022 – US\$737 million) was on our U.S. business, \$2,105 million (December 31, 2022 – \$2,154 million) was on our Canadian business, US\$183 million (December 31, 2022 – US\$275 million) was on our Japan business and US\$223 million (December 31, 2022 – US\$224 million) was related to Asia (other than Japan) and our run-off reinsurance business.

<sup>(4)</sup> Where a policy includes both living and death benefits, the guarantee in excess of the living benefit is included in the death benefit category as outlined in footnote 5.

<sup>(5)</sup> Death benefits include standalone guarantees and guarantees in excess of living benefit guarantees where both death and living benefits are provided on a policy.

## C2 Caution related to sensitivities

In this document, we provide sensitivities and risk exposure measures for certain risks. These include sensitivities due to specific changes in market prices and interest rate levels projected using internal models as at a specific date, and are measured relative to a starting level reflecting the Company's assets and liabilities at that date. The risk exposures measure the impact of changing one factor at a time and assume that all other factors remain unchanged. Actual results can differ significantly from these estimates for a variety of reasons including the interaction among these factors when more than one changes; changes in liabilities from updates to non-economic assumptions, changes in business mix, effective tax rates and other market factors; and the general limitations of our internal models. For these reasons, the sensitivities should only be viewed as directional estimates of the underlying sensitivities for the respective factors based on the assumptions outlined below. Given the nature of these calculations, we cannot provide assurance that the actual impact on contractual service margin, net income attributed to shareholders, other comprehensive income attributed to shareholders, and total comprehensive income attributed to shareholders or on MLI's LICAT ratio will be as indicated.

Market movements affect LICAT capital sensitivities through the available capital, surplus allowance and required capital components of the regulatory capital framework. The LICAT available capital component is primarily affected by total comprehensive income and the CSM.

## C3 Publicly traded equity performance risk

As outlined in our 2022 Annual Report, we have net exposure to equity risk through asset and liability mismatches; our variable annuity guarantee dynamic hedging strategy is not designed to completely offset the sensitivity of insurance contract liabilities to all risks associated with the guarantees embedded in these products. The macro hedging strategy is designed to mitigate public equity risk arising from variable annuity guarantees not dynamically hedged and from other unhedged exposures in our insurance contracts (see page 60 of our 2022 Annual Report).

Changes in public equity prices may impact other items including, but not limited to, asset-based fees earned on assets under management and administration or policyholder account value, and estimated profits and amortization of deferred policy acquisition and other costs. These items are not hedged.

The tables below include the potential impacts from an immediate 10%, 20% and 30% change in market values of publicly traded equities on contractual service margin, net income attributed to shareholders, other comprehensive income attributed to shareholders, and total comprehensive income attributed to shareholders. The potential impact is shown after taking into account the impact of the change in markets on the hedge assets. While we cannot reliably estimate the amount of the change in dynamically hedged variable annuity guarantee liabilities that will not be offset by the change in the dynamic hedge assets, we make certain assumptions for the purposes of estimating the impact on net income attributed to shareholders.

This estimate assumes that the performance of the dynamic hedging program would not completely offset the gain/loss from the dynamically hedged variable annuity guarantee liabilities. It assumes that the hedge assets are based on the actual position at the period end, and that equity hedges in the dynamic program offset 95% of the hedged variable annuity liability movement that occur as a result of market changes.

It is also important to note that these estimates are illustrative, and that the dynamic and macro hedging programs may underperform these estimates, particularly during periods of high realized volatility and/or periods where both interest rates and equity market movements are unfavourable. The adoption of IFRS 17 did not change the method or assumptions used for deriving sensitivity information.

Changes in equity markets impact our available and required components of the LICAT ratio. The second set of tables shows the potential impact to MLI's LICAT ratio resulting from changes in public equity market values.

## Potential immediate impact on net income attributed to shareholders arising from changes to public equity returns<sup>(1)</sup>

As at September 30, 2023 (\$ millions)	Net income attributed to shareholders					
	-30%	-20%	-10%	+10%	+20%	+30%
<b>Underlying sensitivity</b>						
Variable annuity guarantees <sup>(2)</sup>	\$ (2,420)	\$ (1,500)	\$ (700)	\$ 590	\$ 1,100	\$ 1,520
General fund equity investments <sup>(3)</sup>	(1,280)	(820)	(390)	390	770	1,150
Total underlying sensitivity before hedging	(3,700)	(2,320)	(1,090)	980	1,870	2,670
Impact of macro and dynamic hedge assets <sup>(4)</sup>	850	520	240	(200)	(350)	(480)
Net potential impact on net income attributed to shareholders after impact of hedging and before impact of reinsurance	(2,850)	(1,800)	(850)	780	1,520	2,190
Impact of reinsurance	1,540	960	450	(390)	(730)	(1,020)
<b>Net potential impact on net income attributed to shareholders after impact of hedging and reinsurance</b>	<b>\$ (1,310)</b>	<b>\$ (840)</b>	<b>\$ (400)</b>	<b>\$ 390</b>	<b>\$ 790</b>	<b>\$ 1,170</b>
As at December 31, 2022 (\$ millions)	Net income attributed to shareholders					
	-30%	-20%	-10%	+10%	+20%	+30%
<b>Underlying sensitivity</b>						
Variable annuity guarantees <sup>(2)</sup>	\$ (2,110)	\$ (1,310)	\$ (610)	\$ 530	\$ 980	\$ 1,360
General fund equity investments <sup>(3)</sup>	(1,450)	(920)	(420)	400	780	1,170
Total underlying sensitivity before hedging	(3,560)	(2,230)	(1,030)	930	1,760	2,530
Impact of macro and dynamic hedge assets <sup>(4)</sup>	930	570	260	(220)	(400)	(540)
Net potential impact on net income attributed to shareholders after impact of hedging and before impact of reinsurance	(2,630)	(1,660)	(770)	710	1,360	1,990
Impact of reinsurance	1,170	740	350	(310)	(580)	(810)
<b>Net potential impact on net income attributed to shareholders after impact of hedging and reinsurance</b>	<b>\$ (1,460)</b>	<b>\$ (920)</b>	<b>\$ (420)</b>	<b>\$ 400</b>	<b>\$ 780</b>	<b>\$ 1,180</b>

<sup>(1)</sup> See "Caution related to sensitivities" above.

<sup>(2)</sup> For variable annuity contracts measured under VFA the impact of financial risk and changes in interest rates adjusts CSM, unless the risk mitigation option applies. The Company has elected to apply risk mitigation and therefore a portion of the impact is reported in net income attributed to shareholders instead of adjusting the CSM. If the CSM for a group of variable annuity contracts is exhausted the full impact is reported in net income attributed to shareholders.

<sup>(3)</sup> This impact for general fund equity investments includes general fund investments supporting our insurance contract liabilities, investment in seed money investments (in segregated and mutual funds made by Global WAM segment) and the impact on insurance contract liabilities related to the projected future fee income on variable universal life and other unit linked products. The impact does not include any potential impact on public equity weightings. The participating policy funds are largely self-supporting and generate no material impact on net income attributed to shareholders as a result of changes in equity markets.

<sup>(4)</sup> Includes the impact of assumed rebalancing of equity hedges in the macro and dynamic hedging program. The impact of dynamic hedge represents the impact of equity hedges offsetting 95% of the dynamically hedged variable annuity liability movement that occurs as a result of market changes, but does not include any impact in respect of other sources of hedge accounting ineffectiveness (e.g. fund tracking, realized volatility and equity, interest rate correlations different from expected among other factors).

**Potential immediate impact on contractual service margin, other comprehensive income to shareholders, total comprehensive income to shareholders and MLI's LICAT ratio from changes to public equity market values<sup>(1),(2),(3)</sup>**

<b>As at September 30, 2023</b>	-30%	-20%	-10%	+10%	+20%	+30%
Variable annuity guarantees reported in CSM	\$ (3,830)	\$ (2,390)	\$ (1,120)	\$ 980	\$ 1,840	\$ 2,600
Impact of risk mitigation - hedging <sup>(4)</sup>	1,110	680	310	(250)	(460)	(620)
Impact of risk mitigation - reinsurance <sup>(4)</sup>	1,950	1,220	570	(500)	(920)	(1,290)
VA net of risk mitigation	(770)	(490)	(240)	230	460	690
General fund equity	(730)	(500)	(260)	260	530	780
<b>Contractual service margin (\$ millions, pre-tax)</b>	<b>\$ (1,500)</b>	<b>\$ (990)</b>	<b>\$ (500)</b>	<b>\$ 490</b>	<b>\$ 990</b>	<b>\$ 1,470</b>
<b>Other comprehensive income attributed to shareholders (\$ millions, post-tax)<sup>(5)</sup></b>	<b>\$ (760)</b>	<b>\$ (500)</b>	<b>\$ (250)</b>	<b>\$ 240</b>	<b>\$ 470</b>	<b>\$ 690</b>
<b>Total comprehensive income attributed to shareholders (\$ millions, post-tax)</b>	<b>\$ (2,070)</b>	<b>\$ (1,340)</b>	<b>\$ (650)</b>	<b>\$ 630</b>	<b>\$ 1,260</b>	<b>\$ 1,860</b>
<b>MLI's LICAT ratio (change in percentage points)</b>	<b>(4)</b>	<b>(2)</b>	<b>(1)</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>As at December 31, 2022, except MLI LICAT, which is as at January 1, 2023<sup>(6)</sup></b>	<b>-30%</b>	<b>-20%</b>	<b>-10%</b>	<b>+10%</b>	<b>+20%</b>	<b>+30%</b>
Variable annuity guarantees reported in CSM	\$ (3,410)	\$ (2,140)	\$ (1,010)	\$ 890	\$ 1,670	\$ 2,360
Impact of risk mitigation - hedging <sup>(4)</sup>	1,200	740	340	(280)	(510)	(690)
Impact of risk mitigation - reinsurance <sup>(4)</sup>	1,480	930	440	(390)	(730)	(1,030)
VA net of risk mitigation	(730)	(470)	(230)	220	430	640
General fund equity	(520)	(370)	(210)	240	490	730
<b>Contractual service margin (\$ millions, pre-tax)</b>	<b>\$ (1,250)</b>	<b>\$ (840)</b>	<b>\$ (440)</b>	<b>\$ 460</b>	<b>\$ 920</b>	<b>\$ 1,370</b>
<b>Other comprehensive income attributed to shareholders (\$ millions, post-tax)<sup>(5)</sup></b>	<b>\$ (620)</b>	<b>\$ (410)</b>	<b>\$ (210)</b>	<b>\$ 210</b>	<b>\$ 400</b>	<b>\$ 600</b>
<b>Total comprehensive income attributed to shareholders (\$ millions, post-tax)</b>	<b>\$ (2,080)</b>	<b>\$ (1,330)</b>	<b>\$ (630)</b>	<b>\$ 610</b>	<b>\$ 1,180</b>	<b>\$ 1,780</b>
<b>MLI's LICAT ratio (change in percentage points)<sup>(6)</sup></b>	<b>(3)</b>	<b>(2)</b>	<b>(1)</b>	<b>1</b>	<b>2</b>	<b>3</b>

<sup>(1)</sup> See "Caution related to sensitivities" above.

<sup>(2)</sup> This estimate assumes that the performance of the dynamic hedging program would not completely offset the gain/loss from the dynamically hedged variable annuity guarantee liabilities. It assumes that the hedge assets are based on the actual position at the period end, and that equity hedges in the dynamic program offset 95% of the hedged variable annuity liability movement that occur as a result of market changes.

<sup>(3)</sup> The Office of the Superintendent of Financial Institutions ("OSFI") rules for segregated fund guarantees reflect full capital impacts of shocks over 20 quarters within a prescribed range. As such, the deterioration in equity markets could lead to further increases in capital requirements after the initial shock.

<sup>(4)</sup> For variable annuity contracts measured under VFA the impact of financial risk and changes in interest rates adjusts CSM, unless the risk mitigation option applies. The Company has elected to apply risk mitigation and therefore a portion of the impact is reported in net income attributed to shareholders instead of adjusting the CSM. If the CSM for a group of variable annuity contracts is exhausted the full impact is reported in net income attributed to shareholders.

<sup>(5)</sup> The impact of financial risk and changes to interest rates for variable annuity contracts is not expected to generate sensitivity in Other Comprehensive Income.

<sup>(6)</sup> LICAT capital sensitivity is based on the 2023 LICAT guideline that became effective January 1, 2023.

#### **C4 Interest rate and spread risk sensitivities and exposure measures**

As at September 30, 2023, we estimated the sensitivity of our net income attributed to shareholders to a 50 basis point parallel decline in interest rates to be a benefit of \$100 million, and to a 50 basis point parallel increase in interest rates to be a charge of \$100 million.

The table below includes the potential impacts from a 50 basis point parallel move in interest rates on contractual service margin, net income attributed to shareholders, other comprehensive income attributed to shareholders, and total comprehensive income attributed to shareholders. This includes a change in current government, swap and corporate rates for all maturities across all markets with no change in credit spreads between government, swap and corporate rates. Also shown separately are the potential impacts from a 50 basis point parallel move in corporate spreads and a 20 basis point parallel move in swap spreads. The impacts reflect the net impact of movements in asset values in liability and surplus segments and movements in the present value of cash flows for insurance contracts including those with cash flows that vary with the returns of underlying items where the present value is measured by stochastic modelling. The adoption of IFRS 17 did not change the method or assumptions used for deriving sensitivity information.

The disclosed interest rate sensitivities reflect the accounting designations of our financial assets and corresponding insurance contract liabilities. In most cases these assets and liabilities are designated as fair value through other comprehensive income (“FVOCI”) and as a result, impacts from changes to interest rates are largely in other comprehensive income. There are also changes in interest rates that impact the CSM for VFA contracts that relate to amounts that are not passed through to policyholders. In addition, changes in interest rates impacts net income as it relates to derivatives not in hedge accounting relationships and on VFA contracts where the CSM has been exhausted.

The disclosed interest rate sensitivities assume no hedge accounting ineffectiveness, as our hedge accounting programs are optimized for parallel movements in interest rates, leading to immaterial net income impacts under these shocks. However, the actual hedge accounting ineffectiveness is sensitive to non-parallel interest rate movements and will depend on the shape and magnitude of the interest rate movements which could lead to variations in the impact to net income attributed to shareholders.

Our sensitivities vary across all regions in which we operate, and the impacts of yield curve changes will vary depending upon the geography where the change occurs. Furthermore, the impacts from non-parallel movements may be materially different from the estimated impacts of parallel movements.

The interest rate and spread risk sensitivities are determined in isolation of each other and therefore do not reflect the combined impact of changes in government rates and credit spreads between government, swap and corporate rates occurring simultaneously. As a result, the impact of the summation of each individual sensitivity may be materially different from the impact of sensitivities to simultaneous changes in interest rate and spread risk.

The potential impacts also do not take into account other potential effects of changes in interest rate levels, for example, contractual service margin at recognition on the sale of new business or lower interest earned on future fixed income asset purchases.

The impacts do not reflect any potential effect of changing interest rates on the value of our ALDA. Rising interest rates could negatively impact the value of our ALDA (see “Critical Actuarial and Accounting Policies – Fair Value of Invested Assets”, on page 96 of our 2022 Annual Report). More information on ALDA can be found under the section C5 “Alternative long-duration asset performance risk”.

A reduction in interest rates results in a neutral impact to the LICAT ratio while a rise in interest rates results in a small improvement to the LICAT ratio. This reflects the sum of the impacts on total comprehensive income, the LICAT adjustments to earnings for the CSM and the surplus allowance.

**Potential impacts on contractual service margin, net income attributed to shareholders, other comprehensive income attributed to shareholders, and total comprehensive income attributed to shareholders of an immediate parallel change in interest rates, corporate spreads or swap spreads relative to current rates<sup>(1),(2),(3),(4)</sup>**

As at September 30, 2023 (\$ millions, post-tax except CSM)	Interest rates		Corporate spreads		Swap spreads	
	-50bp	+50bp	-50bp	+50bp	-20bp	+20bp
CSM	\$ 100	\$ (200)	\$ -	\$ (200)	\$ -	\$ -
Net income attributed to shareholders	100	(100)	-	-	100	(100)
Other comprehensive income attributed to shareholders	(400)	400	(200)	200	(100)	100
Total comprehensive income attributed to shareholders	(300)	300	(200)	200	-	-

  

As at December 31, 2022 (\$ millions, post-tax except CSM)	Interest rates <sup>(2),(3)</sup>		Corporate spreads <sup>(4)</sup>		Swap spreads <sup>(4)</sup>	
	-50bp	+50bp	-50bp	+50bp	-20bp	+20bp
CSM	\$ (100)	\$ -	\$ (100)	\$ -	\$ -	\$ -
Net income attributed to shareholders	100	(100)	-	-	100	(100)
Other comprehensive income attributed to shareholders	(300)	200	-	-	(100)	100
Total comprehensive income attributed to shareholders	(200)	100	-	-	-	-

<sup>(1)</sup> See "Caution related to sensitivities" above.

<sup>(2)</sup> Estimates include changes to the net actuarial gains/losses with respect to the Company's pension obligations as a result of changes in interest rates.

<sup>(3)</sup> Includes guaranteed insurance and annuity products, including variable annuity contracts as well as adjustable benefit products where benefits are generally adjusted as interest rates and investment returns change, a portion of which have minimum credited rate guarantees. For adjustable benefit products subject to minimum rate guarantees, the sensitivities are based on the assumption that credited rates will be floored at the minimum.

<sup>(4)</sup> The participating policy funds are largely self-supporting and generate no material impact as a result of changes in corporate and swap spreads.

Swap spreads remain at low levels, and if they were to rise, this could generate material changes to net income attributed to shareholders.

**Potential impact on MLI's LICAT ratio of an immediate parallel change in interest rates, corporate spreads or swap spreads relative to current rates<sup>(1),(2),(3),(4),(5)</sup>**

As at September 30, 2023 (change in percentage points)	Interest rates		Corporate spreads		Swap spreads	
	-50bp	+50bp	-50bp	+50bp	-20bp	+20bp
MLI's LICAT ratio	(1)	1	(3)	2	-	-

  

As at January 1, 2023 <sup>(6)</sup> (change in percentage points)	Interest rates		Corporate spreads		Swap spreads	
	-50bp	+50bp	-50bp	+50bp	-20bp	+20bp
MLI's LICAT ratio	(1)	1	(3)	3	-	-

<sup>(1)</sup> See "Caution related to sensitivities" above.

<sup>(2)</sup> In addition, estimates include changes to the net actuarial gains/losses with respect to the Company's pension obligations as a result of changes in interest rates.

<sup>(3)</sup> Includes guaranteed insurance and annuity products, including variable annuity contracts as well as adjustable benefit products where benefits are generally adjusted as interest rates and investment returns change, a portion of which have minimum credited rate guarantees. For adjustable benefit products subject to minimum rate guarantees, the sensitivities are based on the assumption that credited rates will be floored at the minimum.

<sup>(4)</sup> LICAT impacts reflect the impact of anticipated scenario switches.

<sup>(5)</sup> Under LICAT, spread movements are determined from a selection of investment grade bond indices with BBB and better bonds for each jurisdiction. For LICAT, we use the following indices: FTSE TMX Canada All Corporate Bond Index, Barclays USD Liquid Investment Grade Corporate Index, and Nomura-BPI (Japan). LICAT impacts presented for corporate spreads reflect the impact of anticipated scenario switches.

<sup>(6)</sup> LICAT capital sensitivity is based on the 2023 LICAT guideline that became effective January 1, 2023.

### LICAT Scenario Switch

When interest rates change past a certain threshold, reflecting the combined movement in risk-free rates and corporate spreads, a different prescribed interest rate stress scenario needs to be taken into account in the LICAT ratio calculation in accordance with OSFI's LICAT guideline.

The LICAT guideline specifies four stress scenarios for interest rates and prescribes the methodology to determine the most adverse scenario to apply for each LICAT geographic region<sup>1</sup> based on current market inputs and the Company's balance sheet.

<sup>1</sup> LICAT geographic locations to determine the most adverse scenario include North America, the United Kingdom, Europe, Japan, and Other Region.

With the current level of interest rates in 3Q23, the probability of a scenario switch that could materially impact our LICAT ratio is low.<sup>1</sup> Should a scenario switch be triggered in a LICAT geographic region, the full impact would be reflected immediately for non-participating products while the impact for participating products would be reflected over six quarters using a rolling average of interest rate risk capital, in line with the smoothing approach prescribed in the LICAT guideline. The LICAT interest rate, corporate spread and swap spread sensitivities presented above reflect the impact of scenario switches, if any, for each disclosed sensitivity.

The level of interest rates and corporate spreads that would trigger a switch in the scenarios is dependent on market conditions and movements in the Company's asset and liability position. The scenario switch, if triggered, could reverse in response to subsequent changes in interest rates and/or corporate spreads.

## C5 Alternative long-duration asset performance risk

The following table shows the potential impact on contractual service margin, net income attributed to shareholders, other comprehensive income attributed to shareholders, and total comprehensive income attributed to shareholders resulting from an immediate 10% change in market values of ALDA. The adoption of IFRS 17 did not change the method or assumptions used for deriving sensitivity information.

ALDA includes commercial real estate, timber and farmland real estate, infrastructure, and private equities, some of which relate to energy<sup>2</sup>.

The impacts do not reflect any future potential changes to non-fixed income return volatility. Refer to "C3 Publicly traded equity performance risk" for more details.

### Potential immediate impacts on contractual service margin, net income attributed to shareholders, other comprehensive income attributed to shareholders, and total comprehensive income attributed to shareholders from changes in ALDA market values<sup>(1)</sup>

As at (\$ millions, post-tax except CSM)	September 30, 2023		December 31, 2022	
	-10%	+10%	-10%	+10%
CSM excluding NCI	\$ (100)	\$ 100	\$ (100)	\$ 100
Net income attributed to shareholders <sup>(2)</sup>	(2,500)	2,500	(2,500)	2,500
Other comprehensive income attributed to shareholders	(100)	100	(100)	100
Total comprehensive income attributed to shareholders	(2,600)	2,600	(2,600)	2,600

<sup>(1)</sup> See "Caution related to sensitivities" above.

<sup>(2)</sup> Net income attributed to shareholders includes core earnings and the amounts excluded from core earnings.

### Potential immediate impact on MLI LICAT ratio arising from changes in ALDA market values<sup>(1)</sup>

(change in percentage points)	September 30, 2023		January 1, 2023 <sup>(2)</sup>	
	-10%	+10%	-10%	+10%
MLI's LICAT ratio	(3)	3	(3)	3

<sup>(1)</sup> See "Caution Related to Sensitivities" above.

<sup>(2)</sup> LICAT capital sensitivity is based on the 2023 LICAT guideline that became effective January 1, 2023.

## C6 Foreign exchange risk sensitivities and exposure measures

We generally match the currency of our assets with the currency of the insurance and investment contract liabilities they support, with the objective of mitigating risk of loss arising from foreign exchange rate changes. As at December 31, 2022, we did not have a material unmatched currency exposure.

<sup>1</sup> See "Caution regarding forward-looking statements" below.

<sup>2</sup> Energy includes Oil & Gas equity interests related to upstream and midstream assets, and Energy Transition private equity interests in areas supportive of the transition to lower carbon forms of energy, such as wind, solar, batteries, magnets, etc.

The following table shows the potential impact on core earnings of a 10% change in the value of the Canadian dollar relative to our other key operating currencies. Note that the impact of foreign currency exchange rates on items excluded from core earnings does not provide relevant information given the nature of these items.

**Potential impact on core earnings of changes in foreign exchange rates<sup>(1),(2)</sup>**

As at December 31, 2022 (\$ millions)	+10% strengthening	-10% weakening
10% change in the Canadian dollar relative to the U.S. dollar and the Hong Kong dollar	\$ (320)	\$ 320
10% change in the Canadian dollar relative to the Japanese yen	(40)	40

<sup>(1)</sup> This item is a non-GAAP financial measure. See “Non-GAAP and Other Financial Measures” below for more information.

<sup>(2)</sup> See “Caution Related to Sensitivities” above.

LICAT regulatory ratios are also sensitive to the fluctuations in the Canadian dollar relative to our other key operating currencies. The direction and materiality of this sensitivity varies across various capital metrics.

**C7 Credit risk exposure measures**

We use the ECL impairment allowance model in accordance with IFRS to establish and maintain allowances on our debt instruments measured at FVOCI or amortized cost. ECL allowances are measured on a probability-weighted basis, based on four macroeconomic scenarios, and incorporate past events, current market conditions, and reasonable supportable information about future economic conditions.

We measure ECL allowances using a three-stage approach. We recognize the credit losses expected to result from defaults occurring within 12 months of the reporting date for financial instruments which have not experienced a significant increase in credit risk (Stage 1). Full lifetime ECLs are recognized following a significant increase in credit risk since original recognition or having become 30 days in arrears in principal or interest payments (Stage 2) and when financial instruments are considered credit-impaired (Stage 3). Interest income on Stage 3 financial instruments is determined based on the carrying amount of the asset, net of any credit loss allowance.

For more information on ECL, refer to note 25 of our Consolidated Financial Statements for the year ended December 31, 2022.

**C8 Risk factors – strategic risk from changes in tax laws<sup>1</sup>**

As noted in “Risk Management and Risk Factors – Strategic Risk Factors” in the MD&A in our 2022 Annual Report, we outlined risk factors that could impact our financial plans and ability to implement our business strategy. The macro-economic environment can be significantly impacted by the actions of both the government sector, including central banks, and the private sector. Changes in tax laws, tax regulations, or interpretations of such laws or regulations could make some of our products less attractive to consumers, could increase our corporate taxes or cause us to change the value of our deferred tax assets and liabilities as well as our tax assumptions included in the valuation of our policy liabilities. This could have a material adverse effect on our business, results of operations and financial condition.

- In 2021, 136 of the 140 members of the Organization for Economic Co-Operation and Development (“OECD”) / G20 Inclusive Framework agreed on a two-pillar solution to address tax challenges from the digital economy, and to close the gaps in international tax systems. These include a new approach to allocating certain profits of multinational entities amongst countries and a global minimum income tax rate of 15%. On July 12, 2023, the Canadian government reaffirmed its commitment to the two-pillar solution and the target date of December 31, 2023 for implementation of the Pillar 2 global minimum tax. This would first apply to the Company’s 2024 fiscal year if enacted on this timeline. The Company is closely monitoring developments and potential impacts and, in particular, for issues unique to the insurance industry. If enacted, we expect an increase in the effective tax rate, pending further details on timing and specific implementation in both Canada and other affected countries.

<sup>1</sup> See “Caution regarding forward-looking statements” below.

- Canada's 2023 Budget statement proposed to deny financial institutions of the traditional tax deduction of dividends received on shares of Canadian corporations when such shares are held as mark-to-market property. The affected property is a small component of the investment portfolio that supports the Company's business. Should this rule be enacted as proposed, the Company would expect its tax expense on investment income to increase starting in 2024, though not significantly. The resulting lower net investment income would also reduce the value of certain in-force insurance policies and put pressure on policy pricing going forward.

## **D CRITICAL ACTUARIAL AND ACCOUNTING POLICIES**

Disclosures in accordance with IFRS 7 and/or IFRS 17 are identified by a vertical line in the left margin of each page. The identified text and tables represent an integral part of our unaudited Interim Consolidated Financial Statements.

### **D1 Critical actuarial and accounting policies**

Our significant accounting policies are described in notes 1 and 25 to our Consolidated Financial Statements for the year ended December 31, 2022. The critical actuarial policies and estimation processes relating to the determination of insurance and investment contract liabilities are described in notes 5 and 6 of our unaudited Interim Consolidated Financial Statements for the three and nine months ended September 30, 2023. The critical accounting policies and estimation processes relating to the assessment of control over other entities for consolidation, estimation of fair value of invested assets, evaluation of invested asset impairment under IAS 39, appropriate accounting for derivative financial instruments under IAS 39, determination of pension and other post-employment benefit obligations and expenses, accounting for income taxes and uncertain tax positions and valuation and impairment of goodwill and intangible assets are described starting on page 96 of our 2022 Annual Report. The critical accounting policies and estimation processes relating to the evaluation of invested asset impairment and appropriate accounting for derivative financial instruments under IFRS 9 are described starting on page 222 of our 2022 Annual Report.

### **D2 Actuarial methods and assumptions**

#### **2023 Review of Actuarial Methods and Assumptions**

A comprehensive review of actuarial methods and assumptions is performed annually. The review is designed to reduce the Company's exposure to uncertainty by ensuring assumptions for liability risks remain appropriate. This is accomplished by monitoring experience and updating assumptions that represent a best estimate of expected future experience, and margins that are appropriate for the risks assumed. While the assumptions selected represent the Company's best estimates and assessment of risk, the ongoing monitoring of experience and changes in the economic environment are likely to result in future changes to the actuarial assumptions, which could materially impact the insurance contract liabilities.

The completion of the 2023 annual review of actuarial methods and assumptions resulted in a decrease in pre-tax fulfilment cash flows of \$347 million.<sup>1</sup> These changes resulted in an increase in pre-tax net income attributed to shareholders of \$27 million (a decrease of \$14 million post-tax), an increase in pre-tax net income attributed to participating policyholders of \$58 million (\$74 million post-tax), an increase in CSM of \$116 million, and an increase in pre-tax other comprehensive income of \$146 million (\$110 million post-tax).

Since the beginning of 2020, some lines of business have seen impacts to mortality and policyholder behaviour driven by the COVID-19 pandemic. Given the long-term nature of our assumptions, our 2023 experience studies have excluded experience that was materially impacted by COVID-19 as this is not seen to be indicative of the levels of actual future claims or lapses.

<sup>1</sup> Fulfilment cash flows include an estimate of future cash flows; an adjustment to reflect the time value of money and the financial risk related to future cash flows if not included in the estimate of future cash flows; and a risk adjustment for non-financial risk. Additional information on fulfilment cash flows can be found in note 5 of our unaudited Interim Consolidated Financial Statements for the three and nine months ended September 30, 2023.

## Impact of changes in actuarial methods and assumptions on pre-tax fulfilment cash flows<sup>(1)</sup>

For the three and nine months ended September 30, 2023	
(\$ millions)	Total
Canada variable annuity product review	\$ (133)
Mortality and morbidity updates	265
Lapse and policyholder behaviour updates	98
Methodology and other updates	(577)
<b>Impact of changes in actuarial methods and assumptions, pre-tax</b>	<b>\$ (347)</b>

<sup>(1)</sup> Excludes the portion related to non-controlling interests of \$103 million.

## Impact of changes in actuarial methods and assumptions on pre-tax net income attributed to shareholders, pre-tax net income attributed to participating policyholders, OCI and CSM<sup>(1)</sup>

For the three and nine months ended September 30, 2023	
(\$ millions)	Total
<b>Portion recognized in net income (loss) attributed to:</b>	
Participating policyholders	\$ 58
Shareholders	27
	<b>85</b>
<b>Portion recognized in OCI attributed to:</b>	
Participating policyholders	-
Shareholders	146
	<b>146</b>
<b>Portion recognized in CSM</b>	<b>116</b>
<b>Impact of changes in actuarial methods and assumptions, pre-tax</b>	<b>\$ 347</b>

<sup>(1)</sup> Excludes the portion related to non-controlling interests, of which \$72 million is related to CSM.

### Canada variable annuity product review

The review of our variable annuity products in Canada resulted in a decrease in pre-tax fulfilment cash flows of \$133 million.

The decrease was driven by a reduction in investment management fees, partially offset by updates to product assumptions, including surrenders, incidence, and utilization, to reflect emerging experience.

### Mortality and morbidity updates

Mortality and morbidity updates resulted in an increase in pre-tax fulfilment cash flows of \$265 million.

The increase was driven by a strengthening of incidence rates for certain products in Vietnam to align with emerging experience and updates to mortality assumptions in our U.S. life insurance business to reflect industry trends, as well as emerging experience. This was partially offset by updates to morbidity assumptions for certain products in Japan to reflect actual experience.

### Lapse and policyholder behaviour updates

Updates to lapses and policyholder behaviour assumptions resulted in an increase in pre-tax fulfilment cash flows of \$98 million.

The increase was primarily driven by a detailed review of lapse assumptions for our universal life level cost of insurance products in Canada, which resulted in a reduction to the lapse rates to align with emerging trends.

### Methodology and other updates

Methodology and other updates resulted in a decrease in pre-tax fulfilment cash flows of \$577 million.

The decrease was driven by the impact of cost-of-guarantees for participating policyholders across all segments from annual updates related to parameters, dividend recalibration, and market movements during the year, as well as modelling refinements for certain products in Asia. This was partially offset by a modelling methodology update to project future premiums on our U.S. life insurance business.

## **Impact of changes in actuarial methods and assumptions on pre-tax fulfilment cash flows, net income attributed to shareholders, CSM and OCI by segment<sup>1</sup>**

The impact of changes in actuarial methods and assumptions in Canada resulted in a decrease in pre-tax fulfilment cash flows of \$159 million. The decrease was driven by updates to our variable annuity product assumptions, as well as by updates to our valuation models for participating products, driven by the annual dividend recalibration, partially offset by a reduction in lapse rates on our universal life level cost of insurance products to reflect emerging trends. These changes resulted in an increase in pre-tax net income attributed to shareholders of \$52 million (\$37 million post-tax), an increase in CSM of \$142 million, and an increase in pre-tax other comprehensive income of \$2 million (\$1 million post-tax).

The impact of changes in actuarial methods and assumptions in the U.S. resulted in an increase in pre-tax fulfilment cash flows of \$270 million. The increase was related to our life insurance business and primarily driven by a modelling methodology update to project future premiums, as well as updates to mortality assumptions. These changes resulted in an increase in pre-tax net income attributed to shareholders of \$134 million (\$106 million post-tax), a decrease in CSM of \$600 million, and an increase in pre-tax other comprehensive income of \$196 million (\$155 million post-tax).

The impact of changes in actuarial methods and assumptions in Asia resulted in a decrease in pre-tax fulfilment cash flows of \$457 million. The decrease largely relates to participating products, primarily driven by model refinements, dividend recalibration updates, as well as annual updates to reflect market movements during the year. This, and the updates to morbidity assumptions on certain products in Japan, were partially offset by updates to incidence rates on certain products in Vietnam. These changes resulted in a decrease in pre-tax net income attributed to shareholders of \$159 million (\$157 million post-tax), an increase in CSM of \$574 million, and a decrease in pre-tax other comprehensive income of \$53 million (\$47 million post-tax).

The impact of changes in actuarial methods and assumptions in Corporate and Other (which includes our Reinsurance businesses) resulted in a decrease in pre-tax fulfilment cash flows of \$1 million. These changes resulted in no impacts to pre-tax net income attributable to shareholders or CSM, and an increase in pre-tax other comprehensive income of \$1 million (\$1 million post-tax).

## **2022 Review of Actuarial Methods and Assumptions**

The completion of the 2022 annual review of actuarial methods and assumptions resulted in an increase in pre-tax fulfilment cash flows of \$192 million. These changes resulted in an increase in pre-tax net income attributed to shareholders of \$23 million (\$26 million post-tax), a decrease in pre-tax net income attributed to participating policyholders of \$26 million (\$18 million post-tax), a decrease in CSM of \$279 million, and an increase in pre-tax other comprehensive income of \$90 million (\$73 million post-tax).

Since the beginning of 2020, some lines of business have seen impacts to mortality and policyholder behaviour driven by the COVID-19 pandemic. Given the long-term nature of our assumptions, our 2022 experience studies have excluded experience that was materially impacted by COVID-19 as this is not seen to be indicative of the levels of actual future claims or lapses.

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<sup>1</sup> Our annual update of actuarial methods and assumptions also impacts net income attributed to participating policyholders. The total company impact can be found in the above table.

## Impact of changes in actuarial methods and assumptions on pre-tax fulfilment cash flows<sup>(1)</sup>

For the three and nine months ended September 30, 2022

(\$ millions)		Total
Long-term care triennial review	\$	118
Mortality and morbidity updates		83
Lapse and policyholder behaviour updates		234
Methodology and other updates		(243)
<b>Impact of changes in actuarial methods and assumptions, pre-tax</b>	<b>\$</b>	<b>192</b>

<sup>(1)</sup> Excludes the portion related to non-controlling interests of \$8 million.

## Impact of changes in actuarial methods and assumptions on pre-tax net income attributed to shareholders, pre-tax net income attributed to participating policyholders, OCI and CSM<sup>(1)</sup>

For the three and nine months ended September 30, 2022

(\$ millions)		Total
<b>Portion recognized in net income (loss) attributed to:</b>		
Participating policyholders	\$	(26)
Shareholders		23
		(3)
<b>Portion recognized in OCI attributed to:</b>		
Participating policyholders		-
Shareholders		90
		90
<b>Portion recognized in CSM</b>		(279)
<b>Impact of changes in actuarial methods and assumptions, pre-tax</b>	<b>\$</b>	<b>(192)</b>

<sup>(1)</sup> Excludes the portion related to non-controlling interests, of which \$nil million is related to CSM.

### Long-term care triennial review

U.S. Insurance completed a comprehensive long-term care (“LTC”) experience study. The review included all aspects of claim assumptions, as well as the progress on future premium rate increases. The impact of the LTC review was an increase in pre-tax fulfilment cash flows of \$118 million.

The experience study showed that claim costs established in our last triennial review remain appropriate in aggregate for our older blocks of business<sup>1</sup> supported by robust claims data on this mature block. Pre-tax fulfilment cash flows were increased for claim costs on our newer block of business<sup>2</sup>. This was driven by lower active life mortality<sup>3</sup> supported by Company experience and a recent industry study, as well as higher utilization of benefits, which included the impact of reflecting higher inflation in the cost-of-care up to 2022. We also reviewed and updated incidence and claim termination assumptions which, on a net basis, provided a partial offset to the increase in pre-tax fulfilment cash flows on active life mortality and utilization. In addition, some policyholders are electing to reduce their benefits in lieu of paying increased premiums which resulted in a reduction in pre-tax fulfilment cash flows.

Experience continues to support the assumptions of both future morbidity and mortality improvement, resulting in no changes to these assumptions.

<sup>1</sup> First generation policies issued prior to 2002.

<sup>2</sup> Second generation policies with an average issue date of 2007 and Group policies with an average issue date of 2003.

<sup>3</sup> The mortality rate of LTC policyholders who are currently not on claim.

As of September 30, 2022, we had received actual premium increase approvals of \$2.5 billion pre-tax (US\$1.9 billion pre-tax) on a present value basis since the last triennial review in 2019. This aligns with the full amount assumed in our pre-tax fulfilment cash flows at that time and demonstrates our continued strong track record of securing premium rate increases<sup>1</sup>. In 2022, the review of future premium increases assumed in fulfilment cash flows resulted in a net \$2.5 billion (US\$1.9 billion) decrease in pre-tax fulfilment cash flows. This reflects expected future premium increases that are due to our 2022 review of morbidity, mortality, and lapse assumptions, as well as outstanding amounts from prior state filings. Premium increases averaging approximately 30% will be sought on about one-half of the business, excluding the carryover of 2019 amounts requested. Our assumptions reflect the estimated timing and amount of state approved premium increases.

### **Mortality and morbidity updates**

Mortality and morbidity updates resulted in an increase in pre-tax fulfilment cash flows of \$83 million, driven by updates to morbidity assumptions in Vietnam to align with experience, partially offset by a detailed review of the mortality assumptions for our Canada insurance business.

### **Lapse and policyholder behaviour updates**

Updates to lapses and policyholder behaviour assumptions resulted in an increase in pre-tax fulfilment cash flows of \$234 million.

We completed a detailed review of lapse assumptions for Singapore, and increased lapse rates to align with experience on our index-linked products, which reduced projected future fee income to be received on these products.

We also increased lapse rates on Canada's term insurance products for policies approaching their renewal date, reflecting emerging experience in our study.

### **Methodology and other updates**

Other updates resulted in a decrease in pre-tax fulfilment cash flows of \$243 million, which included updates to discount rates and policyholder dividends on participating products, as well as various other modelling and projection updates.

### **Impact of changes in actuarial methods and assumptions on pre-tax fulfilment cash flows, net income attributed to shareholders, CSM and OCI by segment**

The impact of changes in actuarial methods and assumptions in Canada resulted in an increase in pre-tax fulfilment cash flows of \$22 million. The increase was driven by updates to the lapse assumptions for certain term insurance products, largely offset by updates to discount rates and policyholder dividends on participating products, as well as updates to mortality assumptions for our insurance business. These changes resulted in an increase in pre-tax net income attributed to shareholders of \$64 million (\$47 million post-tax), an increase in CSM of \$43 million, and a decrease in pre-tax other comprehensive income of \$96 million (\$71 million post-tax).

The impact of changes in actuarial methods and assumptions in the U.S. resulted in an increase in pre-tax fulfilment cash flows of \$108 million, driven by the triennial review of long-term care. These changes resulted in a decrease in pre-tax net income attributed to shareholders of \$16 million (\$12 million post-tax), a decrease in CSM of \$202 million, and an increase in pre-tax other comprehensive income of \$110 million (\$86 million post-tax).

The impact of changes in actuarial methods and assumptions in Asia resulted in an increase in pre-tax fulfilment cash flows of \$62 million. The increase was driven by updates to lapse assumptions in Singapore and morbidity updates in Vietnam, partially offset by various other modelling and projection updates. These changes resulted in a decrease in pre-tax net income attributed to shareholders of \$25 million (\$9 million post-tax), a decrease in CSM of \$120 million, and an increase in pre-tax other comprehensive income of \$76 million (\$58 million post-tax).

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<sup>1</sup> Actual experience obtaining premium increases could be materially different than what the Company has assumed, resulting in further increases or decreases in insurance contract liabilities, which could be material.

### D3 Sensitivity of earnings to changes in assumptions

The following tables present information on how reasonably possible changes in assumptions made by the Company on insurance contracts' non-economic risk variables and certain economic risk variables impact contractual service margin, net income attributed to shareholders, other comprehensive income attributed to shareholders and total comprehensive income attributed to shareholders. For non-economic risk variables, the impacts are shown separately gross and net of the impacts of reinsurance contracts held. The adoption of IFRS 17 did not change the method or assumptions used for deriving sensitivity information.

The analysis is based on a simultaneous change in assumptions across all business units and holds all other assumptions constant. In practice, experience for each assumption will frequently vary by geographic market and business, and assumption updates are made on a business/geographic specific basis. Actual results can differ materially from these estimates for a variety of reasons including the interaction among these factors when more than one changes, actual experience differing from the assumptions, changes in business mix, effective tax rates, and the general limitations of our internal models.

#### Potential impact on contractual service margin, net income attributed to shareholders, other comprehensive income attributed to shareholders, and total comprehensive income attributed to shareholders arising from changes to non-economic assumptions<sup>(1)</sup>

As at December 31, 2022 (\$ millions, post-tax except CSM)	CSM net of NCI		Net income attributed to shareholders		Other comprehensive income attributed to shareholders		Total comprehensive income attributed to shareholders	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
<b>Policy related assumptions</b>								
2% adverse change in future mortality rates <sup>(2),(3),(5)</sup>								
Portfolios where an increase in rates increases insurance contract liabilities	\$(1,400)	\$ (600)	\$ 100	\$ -	\$ 100	\$ -	\$ 200	\$ -
Portfolios where a decrease in rates increases insurance contract liabilities	-	(500)	(100)	-	100	100	-	100
5% adverse change in future morbidity rates <sup>(4),(5),(6)</sup> (incidence and termination)								
	(1,100)	(1,000)	(3,600)	(3,600)	600	600	(3,000)	(3,000)
10% change in future policy termination rates <sup>(3),(5)</sup>								
Portfolios where an increase in rates increases insurance contract liabilities	(500)	(400)	(100)	(100)	(100)	(100)	(200)	(200)
Portfolios where a decrease in rates increases insurance contract liabilities	(1,800)	(1,200)	-	(100)	400	300	400	200
5% increase in future expense levels								
	(800)	(700)	-	-	-	-	-	-

<sup>(1)</sup> The participating policy funds are largely self-supporting and experience gains or losses would generally result in changes to future dividends reducing the direct impact to the contractual service margin and shareholder income.

<sup>(2)</sup> An increase in mortality rates will generally increase insurance contract liabilities for life insurance contracts whereas a decrease in mortality rates will generally increase insurance contract liabilities for policies with longevity risk such as payout annuities.

<sup>(3)</sup> The sensitivity is measured for each direct insurance portfolio net of the impacts of any reinsurance held on the policies within that portfolio to determine if the overall insurance contract liabilities increased.

<sup>(4)</sup> No amounts related to morbidity risk are included for policies where the insurance contract liability provides only for claims costs expected over a short period, generally less than one year, such as Group Life and Health.

<sup>(5)</sup> The impacts of the sensitivities on LTC for morbidity, mortality and lapse do not assume any offsets from the Company's ability to contractually raise premium rates in such events, subject to state regulatory approval. In practice, we would plan to file for rate increases equal to the amount of deterioration resulting from the sensitivity.

<sup>(6)</sup> This includes a 5% deterioration in incidence rates and 5% deterioration in claim termination rates.

**Potential impact on contractual service margin, net income attributed to shareholders, other comprehensive income attributed to shareholders, and total comprehensive income attributed to shareholders arising from changes to non-economic assumptions on Long Term Care<sup>(1)</sup>**

As at December 31, 2022 (\$ millions, post-tax except CSM)	CSM net of NCI		Net income attributed to shareholders		Other comprehensive income attributed to shareholders		Total comprehensive income attributed to shareholders	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
<b>Policy related assumptions</b>								
2% adverse change in future mortality rates <sup>(2),(3)</sup>	\$ (400)	\$ (400)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5% adverse change in future morbidity incidence rates <sup>(2),(3)</sup>	(700)	(700)	(1,100)	(1,100)	200	200	(900)	(900)
5% adverse change in future morbidity claims termination rates <sup>(2),(3)</sup>	(700)	(700)	(1,800)	(1,800)	300	300	(1,500)	(1,500)
10% adverse change in future policy termination rates <sup>(2),(3)</sup>	(400)	(400)	-	-	100	100	100	100
5% increase in future expense levels <sup>(3)</sup>	(100)	(100)	-	-	-	-	-	-

<sup>(1)</sup> Translated from US\$ at 1.3549 for 2022.

<sup>(2)</sup> The impacts of the sensitivities on LTC for morbidity, mortality and lapse do not assume any offsets from the Company's ability to contractually raise premium rates in such events, subject to state regulatory approval. In practice, we would plan to file for rate increases equal to the amount of deterioration resulting from the sensitivities.

<sup>(3)</sup> The impact of favourable changes to all the sensitivities is relatively symmetrical.

**Potential impact on contractual service margin, net income attributed to shareholders, other comprehensive income attributed to shareholders, and total comprehensive income attributed to shareholders arising from changes to certain economic financial assumptions used in the determination of insurance contract liabilities<sup>(1)</sup>**

As at September 30, 2023 (\$ millions, post-tax except CSM)	CSM net of NCI	Net income attributed to shareholders	Other comprehensive income attributed to shareholders	Total comprehensive income attributed to shareholders
<b>Financial assumptions</b>				
10 basis point reduction in ultimate spot rate	\$ (300)	\$ -	\$ (300)	\$ (300)
50 basis point increase in interest rate volatility <sup>(2)</sup>	-	-	-	-
50 basis point increase in non-fixed income return volatility <sup>(2)</sup>	(100)	-	-	-

  

As at December 31, 2022 (\$ millions, post-tax except CSM)	CSM net of NCI	Net income attributed to shareholders	Other comprehensive income attributed to shareholders	Total comprehensive income attributed to shareholders
<b>Financial assumptions</b>				
10 basis point reduction in ultimate spot rate	\$ (300)	\$ -	\$ (300)	\$ (300)
50 basis point increase in interest rate volatility <sup>(2)</sup>	(100)	-	-	-
50 basis point increase in non-fixed income return volatility <sup>(2)</sup>	(100)	-	-	-

<sup>(1)</sup> Note that the impact of these assumptions are not linear.

<sup>(2)</sup> Used in the determination of insurance contract liabilities with financial guarantees. This includes universal Life minimum crediting rate guarantees, participating life zero dividend floor implicit guarantees, and variable annuities guarantees, where a stochastic approach is used to capture the asymmetry of the risk.

## D4 Accounting and reporting changes

Manulife adopted IFRS 17 and IFRS 9 effective for years beginning on January 1, 2023, to be applied retrospectively. See "Future Accounting and Reporting Changes" in the MD&A in our 2022 Annual Report ("2022 MD&A"). Our 2022 results have been restated for the adoption of IFRS 17, including the classification transition option, and IFRS 9. For other accounting and reporting changes during the quarter, refer to note 2 of our unaudited Interim Consolidated Financial Statements for the three and nine months ended September 30, 2023.

## E OTHER

### E1 Outstanding common shares – selected information

As at October 31, 2023, MFC had 1,812,390,809 common shares outstanding.

## E2 Legal and regulatory proceedings

We are regularly involved in legal actions, both as a defendant and as a plaintiff. Information on legal and regulatory proceedings can be found in note 13 of our unaudited Interim Consolidated Financial Statements for the three and nine months ended September 30, 2023.

## E3 Non-GAAP and other financial measures

The Company prepares its Consolidated Financial Statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. We use a number of non-GAAP and other financial measures to evaluate overall performance and to assess each of our businesses. This section includes information required by National Instrument 52-112 – *Non-GAAP and Other Financial Measures Disclosure* in respect of “specified financial measures” (as defined therein).

**Non-GAAP financial measures** include core earnings (loss); pre-tax core earnings; core earnings available to common shareholders; core earnings before income taxes, depreciation and amortization (“core EBITDA”); total expenses; core expenses; total expenditures; core expenditures; transitional net income (loss) attributed to shareholders; transitional net income (loss) attributed to shareholders before tax; transitional net income (loss) before income taxes; transitional net income (loss); common shareholders’ transitional net income; Drivers of Earnings (“DOE”) line items for net investment result, other, income tax (expense) recovery and transitional net income attributed to participating policyholders and NCI; core DOE line items for core net insurance service result, core net investment result, other core earnings, and core income tax (expense) recovery; post-tax contractual service margin (“post-tax CSM”); post-tax contractual service margin net of NCI (“post-tax CSM net of NCI”); Manulife Bank net lending assets; Manulife Bank average net lending assets; assets under management (“AUM”); assets under management and administration (“AUMA”); Global WAM managed AUMA; core revenue; adjusted book value; and net annualized fee income. In addition, non-GAAP financial measures include the following stated on a constant exchange rate (“CER”) basis: any of the foregoing non-GAAP financial measures; net income attributed to shareholders; and common shareholders’ net income.

**Non-GAAP ratios** include core return on shareholders’ equity (“core ROE”); diluted core earnings per common share (“core EPS”); transitional return on common shareholders’ equity (“transitional ROE”); transitional basic earnings per common share (“transitional basic EPS”); transitional diluted earnings per common share (“transitional diluted EPS”); financial leverage ratio; adjusted book value per common share; common share core dividend payout ratio (“dividend payout ratio”); expense efficiency ratio; expenditure efficiency ratio; core EBITDA margin; effective tax rate on core earnings; effective tax rate on transitional net income attributed to shareholders; and net annualized fee income yield on average AUMA. In addition, non-GAAP ratios include the percentage growth/decline on a CER basis in any of the above non-GAAP financial measures; net income attributed to shareholders; common shareholders’ net income; pre-tax net income attributed to shareholders; general expenses; DOE line item for net insurance service result; CSM; CSM net of NCI; impact of new insurance business; new business CSM net of NCI; basic earnings per common share (“basic EPS”); and diluted earnings per common share (“diluted EPS”).

**Other specified financial measures** include assets under administration (“AUA”); consolidated capital; embedded value (“EV”); new business value (“NBV”); new business value margin (“NBV margin”); sales; annualized premium equivalent (“APE”) sales; gross flows; net flows; average assets under management and administration (“average AUMA”); Global WAM average managed AUMA; average assets under administration; remittances; any of the foregoing specified financial measures stated on a CER basis; and percentage growth/decline in any of the foregoing specified financial measures on a CER basis. In addition, we provide an explanation below of the components of core DOE line items other than the change in expected credit loss, the items that comprise certain items excluded from core earnings, and the components of CSM movement other than the new business CSM.

Our reporting currency for the Company is Canadian dollars and U.S. dollars is the functional currency for Asia and U.S. segment results. Financial measures presented in U.S. dollars are calculated in the same manner as the Canadian dollar measures. These amounts are translated to U.S. dollars using the period end rate of exchange for financial measures such as AUMA and the CSM balance and the average rates of exchange for the respective quarter for periodic financial measures such as our income statement, core earnings and items excluded from core earnings, transitional net income measures, and line items in our CSM movement schedule and DOE. Year-to-date or full year periodic financial measures presented in U.S. dollars are calculated as the sum of the quarterly results translated to U.S. dollars. See section E5 “Quarterly Financial Information” below for the Canadian to U.S. dollar quarterly rates of exchange.

Non-GAAP financial measures and non-GAAP ratios are not standardized financial measures under GAAP and, therefore, might not be comparable to similar financial measures disclosed by other issuers. Therefore, they should not be considered in isolation or as a substitute for any other financial information prepared in accordance with GAAP.

**Core earnings (loss)** is a financial measure which we believe aids investors in better understanding the long-term earnings capacity and valuation of the business. Core earnings allows investors to focus on the Company’s operating performance by excluding the impact of market related gains or losses, changes in actuarial methods and assumptions that flow directly through income as well as a number of other items, outlined below, that we believe are material, but do not reflect the underlying earnings capacity of the business. For example, due to the long-term nature of our business, the mark-to-market movements in equity markets, interest rates including impacts on hedge accounting ineffectiveness, foreign currency exchange rates and commodity prices as well as the change in the fair value of ALDA from period-to-period can, and frequently do, have a substantial impact on the reported amounts of our assets, insurance contract liabilities and net income attributed to shareholders. These reported amounts may not be realized if markets move in the opposite direction in a subsequent period. This makes it very difficult for investors to evaluate how our businesses are performing from period-to-period and to compare our performance with other issuers.

We believe that core earnings better reflect the underlying earnings capacity and valuation of our business. We use core earnings and core EPS as key metrics in our short-term incentive plans at the total Company and operating segment level. We also base our mid- and long-term strategic priorities on core earnings.

We have updated our definition of core earnings to reflect the change in the recognition, measurement and presentation of insurance contract liabilities and financial assets and liabilities under IFRS 17 and IFRS 9, respectively, and have also replaced the nomenclature of the items included in core earnings and the net income items excluded from core earnings to conform with the nomenclature under IFRS 17 and IFRS 9.

Core earnings includes the expected return on our invested assets and any other gains (charges) from market experience are included in net income but excluded from core earnings. The expected return for fixed income assets is based on the related book yields. For ALDA and public equities, the expected return reflects our long-term view of asset class performance. These returns for ALDA and public equities vary by asset class and range from 3.25% to 11.5%, leading to an average return of between 9.0% to 9.5% on these assets as of September 30, 2023.

While core earnings is relevant to how we manage our business and offers a consistent methodology, it is not insulated from macroeconomic factors which can have a significant impact. See below for a reconciliation of core earnings to net income attributed to shareholders and income before income taxes. Net income attributed to shareholders excludes net income attributed to participating policyholders and non-controlling interests.

Any future changes to the core earnings definition referred to below, will be disclosed.

**Items included in core earnings:**

1. Expected insurance service result on in-force policies, including expected release of the risk adjustment, CSM recognized for service provided, and expected earnings from short-term products measured under the premium allocation approach (“PAA”).
2. Impacts from the initial recognition of new contracts (onerous contracts, including the impact of the associated reinsurance contracts).
3. Insurance experience gains or losses that flow directly through net income.
4. Operating and investment expenses compared with expense assumptions used in the measurement of insurance and investment contract liabilities.
5. Expected investment earnings, which is the difference between expected return on our invested assets and the associated finance income or expense from the insurance contract liabilities.
6. Net provision for ECL on FVOCI and amortized cost debt instruments.
7. Expected asset returns on surplus investments.
8. All earnings for the Global WAM segment, except for applicable net income items excluded from core earnings as noted below.
9. All earnings for the Manulife Bank business, except for applicable net income items excluded from core earnings as noted below.
10. Routine or non-material legal settlements.
11. All other items not specifically excluded.
12. Tax on the above items.
13. All tax related items except the impact of enacted or substantively enacted income tax rate changes and taxes on items excluded from core earnings.

**Net income items excluded from core earnings:**

1. Market experience gains (losses) including the items listed below:
  - Gains (charges) on general fund public equity and ALDA investments from returns being different than expected.
  - Gains (charges) on derivatives not in hedging relationships, or gains (charges) resulting from hedge accounting ineffectiveness.
  - Realized gains (charges) from the sale of FVOCI debt instruments.
  - Market related gains (charges) on onerous contracts measured using the variable fee approach (e.g. variable annuities, unit linked, participating insurance) net of the performance on any related hedging instruments.
  - Gains (charges) related to certain changes in foreign exchange rates.
2. Changes in actuarial methods and assumptions used in the measurement of insurance contract liabilities that flow directly through income.
  - The Company reviews actuarial methods and assumptions annually, and this process is designed to reduce the Company’s exposure to uncertainty by ensuring assumptions remain appropriate. This is accomplished by monitoring experience and selecting assumptions which represent a current view of expected future experience and ensuring that the risk adjustment is appropriate for the risks assumed.
  - Changes related to the ultimate spot rate within the discount curves are included in the market experience gains (losses).
3. The impact on the measurement of insurance and investment contract liabilities from changes in product features and new or changes to in-force reinsurance contracts, if material.
4. The fair value changes in long-term investment plan (“LTIP”) obligations for Global WAM investment management.

5. Goodwill impairment charges.
6. Gains or losses on acquisition and disposition of a business.
7. Material one-time only adjustments, including highly unusual / extraordinary and material legal settlements and restructuring charges, or other items that are material and exceptional in nature.
8. Tax on the above items.
9. Net income (loss) attributed to participating shareholders and non-controlling interests.
10. Impact of enacted or substantially enacted income tax rate changes.

As noted in section A1 “Implementation of IFRS 17 and IFRS 9”, our 2022 quarterly and year-to-date results are not directly comparable with 2023 results because IFRS 9 hedge accounting and expected credit loss (“ECL”) principles are applied prospectively effective January 1, 2023. Accordingly, we have presented comparative quarterly and year-to-date 2022 core earnings and our transitional net income metrics (see “Transitional net income to shareholders” paragraph below) inclusive of IFRS 9 hedge accounting and expected credit loss principles as if IFRS had allowed such principles to be implemented for 2022 (the “IFRS 9 transitional impacts”).

**Transitional net income (loss) attributed to shareholders** is a financial measure where our 2022 net income attributed to shareholders includes the effects of the IFRS 9 transitional impacts which we believe will assist investors in evaluating our operational performance because the associated adjustments are reported in our 2023 net income attributed to shareholders. **Transitional net income (loss) before income taxes, Transitional net income (loss), Transitional net income (loss) attributed to shareholders before income taxes and Common shareholders’ transitional net income (loss)** similarly include the effect of the IFRS 9 transitional impacts on our income (loss) before income taxes, net income (loss), net income (loss) attributed to shareholders before income taxes and common shareholders’ net income (loss), respectively. Transitional financial measures are temporary and will be reported for 2022 comparative periods in our quarterly and annual 2023 MD&A.

## Reconciliation of core earnings to net income attributed to shareholders

	3Q23					
(\$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	\$ 439	\$ 376	\$ 68	\$ 366	\$ (75)	\$ 1,174
Income tax (expense) recovery						
Core earnings	(62)	(109)	(93)	(59)	30	(293)
Items excluded from core earnings	(73)	15	97	11	294	344
Income tax (expense) recovery	(135)	(94)	4	(48)	324	51
<b>Net income (post-tax)</b>	<b>304</b>	<b>282</b>	<b>72</b>	<b>318</b>	<b>249</b>	<b>1,225</b>
Less: Net income (post-tax) attributed to						
Non-controlling interests ("NCI")	25	-	-	-	-	25
Participating policyholders	195	(8)	-	-	-	187
<b>Net income (loss) attributed to shareholders (post-tax)</b>	<b>84</b>	<b>290</b>	<b>72</b>	<b>318</b>	<b>249</b>	<b>1,013</b>
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	(286)	(159)	(476)	(43)	(58)	(1,022)
Changes in actuarial methods and assumptions that flow directly through income	(157)	37	106	-	-	(14)
Restructuring charge	-	-	-	-	-	-
Reinsurance transactions, tax related items and other	5	4	-	-	297	306
<b>Core earnings (post-tax)</b>	<b>\$ 522</b>	<b>\$ 408</b>	<b>\$ 442</b>	<b>\$ 361</b>	<b>\$ 10</b>	<b>\$ 1,743</b>
Income tax on core earnings (see above)	62	109	93	59	(30)	293
<b>Core earnings (pre-tax)</b>	<b>\$ 584</b>	<b>\$ 517</b>	<b>\$ 535</b>	<b>\$ 420</b>	<b>\$ (20)</b>	<b>\$ 2,036</b>

## Core earnings, CER basis and U.S. dollars

	3Q23					
(Canadian \$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Core earnings (post-tax)</b>	<b>\$ 522</b>	<b>\$ 408</b>	<b>\$ 442</b>	<b>\$ 361</b>	<b>\$ 10</b>	<b>\$ 1,743</b>
CER adjustment <sup>(1)</sup>	-	-	-	-	-	-
<b>Core earnings, CER basis (post-tax)</b>	<b>\$ 522</b>	<b>\$ 408</b>	<b>\$ 442</b>	<b>\$ 361</b>	<b>\$ 10</b>	<b>\$ 1,743</b>
Income tax on core earnings, CER basis <sup>(2)</sup>	62	109	93	59	(30)	293
<b>Core earnings, CER basis (pre-tax)</b>	<b>\$ 584</b>	<b>\$ 517</b>	<b>\$ 535</b>	<b>\$ 420</b>	<b>\$ (20)</b>	<b>\$ 2,036</b>
<b>Core earnings (U.S. dollars) – Asia and U.S. segments</b>						
<b>Core earnings (post-tax)<sup>(3)</sup>, US \$</b>	<b>\$ 390</b>		<b>\$ 329</b>			
CER adjustment US \$ <sup>(1)</sup>	-		-			
<b>Core earnings, CER basis (post-tax), US \$</b>	<b>\$ 390</b>		<b>\$ 329</b>			

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

<sup>(3)</sup> Core earnings (post-tax) in Canadian \$ is translated to US \$ using the US \$ Statement of Income exchange rate for 3Q23.

## Reconciliation of core earnings to net income attributed to shareholders

	2Q23					
(\$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	\$ 345	\$ 312	\$ 220	\$ 362	\$ 197	\$ 1,436
Income tax (expense) recovery						
Core earnings	(73)	(97)	(110)	(45)	18	(307)
Items excluded from core earnings	(18)	33	73	1	(47)	42
Income tax (expense) recovery	(91)	(64)	(37)	(44)	(29)	(265)
<b>Net income (post-tax)</b>	<b>254</b>	<b>248</b>	<b>183</b>	<b>318</b>	<b>168</b>	<b>1,171</b>
Less: Net income (post-tax) attributed to						
Non-controlling interests ("NCI")	25	-	-	1	-	26
Participating policyholders	99	21	-	-	-	120
<b>Net income (loss) attributed to shareholders (post-tax)</b>	<b>130</b>	<b>227</b>	<b>183</b>	<b>317</b>	<b>168</b>	<b>1,025</b>
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	(297)	(147)	(275)	(7)	156	(570)
Changes in actuarial methods and assumptions that flow directly through income	-	-	-	-	-	-
Restructuring charge	-	-	-	-	-	-
Reinsurance transactions, tax related items and other	(46)	-	-	4	-	(42)
<b>Core earnings (post-tax)</b>	<b>\$ 473</b>	<b>\$ 374</b>	<b>\$ 458</b>	<b>\$ 320</b>	<b>\$ 12</b>	<b>\$ 1,637</b>
Income tax on core earnings (see above)	73	97	110	45	(18)	307
<b>Core earnings (pre-tax)</b>	<b>\$ 546</b>	<b>\$ 471</b>	<b>\$ 568</b>	<b>\$ 365</b>	<b>\$ (6)</b>	<b>\$ 1,944</b>

## Core earnings, CER basis and U.S. dollars

	2Q23					
(Canadian \$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Core earnings (post-tax)</b>	<b>\$ 473</b>	<b>\$ 374</b>	<b>\$ 458</b>	<b>\$ 320</b>	<b>\$ 12</b>	<b>\$ 1,637</b>
CER adjustment <sup>(1)</sup>	(8)	-	(1)	-	-	(9)
<b>Core earnings, CER basis (post-tax)</b>	<b>\$ 465</b>	<b>\$ 374</b>	<b>\$ 457</b>	<b>\$ 320</b>	<b>\$ 12</b>	<b>\$ 1,628</b>
Income tax on core earnings, CER basis <sup>(2)</sup>	71	97	110	44	(17)	305
<b>Core earnings, CER basis (pre-tax)</b>	<b>\$ 536</b>	<b>\$ 471</b>	<b>\$ 567</b>	<b>\$ 364</b>	<b>\$ (5)</b>	<b>\$ 1,933</b>
<b>Core earnings (U.S. dollars) – Asia and U.S. segments</b>						
<b>Core earnings (post-tax)<sup>(3)</sup>, US \$</b>	<b>\$ 353</b>		<b>\$ 341</b>			
CER adjustment US \$ <sup>(1)</sup>	(6)		-			
<b>Core earnings, CER basis (post-tax), US \$</b>	<b>\$ 347</b>		<b>\$ 341</b>			

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

<sup>(3)</sup> Core earnings (post-tax) in Canadian \$ is translated to US \$ using the US \$ Statement of Income exchange rate for 2Q23.

## Reconciliation of core earnings to net income attributed to shareholders

	1Q23					
(\$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	\$ 613	\$ 423	\$ 219	\$ 345	\$ 119	\$ 1,719
Income tax (expense) recovery						
Core earnings	(68)	(85)	(86)	(45)	14	(270)
Items excluded from core earnings	(37)	(14)	53	(3)	(38)	(39)
Income tax (expense) recovery	(105)	(99)	(33)	(48)	(24)	(309)
<b>Net income (post-tax)</b>	<b>508</b>	<b>324</b>	<b>186</b>	<b>297</b>	<b>95</b>	<b>1,410</b>
Less: Net income (post-tax) attributed to						
Non-controlling interests ("NCI")	54	-	-	-	-	54
Participating policyholders	(65)	15	-	-	-	(50)
<b>Net income (loss) attributed to shareholders (post-tax)</b>	<b>519</b>	<b>309</b>	<b>186</b>	<b>297</b>	<b>95</b>	<b>1,406</b>
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	30	(44)	(166)	9	106	(65)
Changes in actuarial methods and assumptions that flow directly through income	-	-	-	-	-	-
Restructuring charge	-	-	-	-	-	-
Reinsurance transactions, tax related items and other	-	-	(33)	1	(28)	(60)
<b>Core earnings (post-tax)</b>	<b>\$ 489</b>	<b>\$ 353</b>	<b>\$ 385</b>	<b>\$ 287</b>	<b>\$ 17</b>	<b>\$ 1,531</b>
Income tax on core earnings (see above)	68	85	86	45	(14)	270
<b>Core earnings (pre-tax)</b>	<b>\$ 557</b>	<b>\$ 438</b>	<b>\$ 471</b>	<b>\$ 332</b>	<b>\$ 3</b>	<b>\$ 1,801</b>

## Core earnings, CER basis and U.S. dollars

	1Q23					
(Canadian \$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Core earnings (post-tax)</b>	<b>\$ 489</b>	<b>\$ 353</b>	<b>\$ 385</b>	<b>\$ 287</b>	<b>\$ 17</b>	<b>\$ 1,531</b>
CER adjustment <sup>(1)</sup>	(15)	-	(3)	(2)	-	(20)
<b>Core earnings, CER basis (post-tax)</b>	<b>\$ 474</b>	<b>\$ 353</b>	<b>\$ 382</b>	<b>\$ 285</b>	<b>\$ 17</b>	<b>\$ 1,511</b>
Income tax on core earnings, CER basis <sup>(2)</sup>	66	85	85	45	(14)	267
<b>Core earnings, CER basis (pre-tax)</b>	<b>\$ 540</b>	<b>\$ 438</b>	<b>\$ 467</b>	<b>\$ 330</b>	<b>\$ 3</b>	<b>\$ 1,778</b>
<b>Core earnings (U.S. dollars) – Asia and U.S. segments</b>						
<b>Core earnings (post-tax)<sup>(3)</sup>, US \$</b>	<b>\$ 361</b>		<b>\$ 285</b>			
CER adjustment US \$ <sup>(1)</sup>	(7)		-			
<b>Core earnings, CER basis (post-tax), US \$</b>	<b>\$ 354</b>		<b>\$ 285</b>			

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

<sup>(3)</sup> Core earnings (post-tax) in Canadian \$ is translated to US \$ using the US \$ Statement of Income exchange rate for 1Q23.

## Reconciliation of core earnings and transitional net income attributed to shareholders to net income attributed to shareholders

	4Q22					
(\$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	\$ 403	\$ (37)	\$ (68)	\$ 461	\$ (62)	\$ 697
Income tax (expense) recovery						
Core earnings	(82)	(81)	(96)	(47)	71	(235)
Items excluded from core earnings	(21)	67	120	(13)	308	461
Income tax (expense) recovery	(103)	(14)	24	(60)	379	226
<b>Net income (post-tax)</b>	<b>300</b>	<b>(51)</b>	<b>(44)</b>	<b>401</b>	<b>317</b>	<b>923</b>
Less: Net income (post-tax) attributed to						
Non-controlling interests	32	-	-	-	1	33
Participating policyholders	(47)	22	-	-	-	(25)
<b>Net income (loss) attributed to shareholders (post-tax)</b>	<b>315</b>	<b>(73)</b>	<b>(44)</b>	<b>401</b>	<b>316</b>	<b>915</b>
<b>IFRS 9 transitional impacts (post-tax)</b>	<b>178</b>	<b>193</b>	<b>(62)</b>	<b>-</b>	<b>4</b>	<b>313</b>
<b>Transitional net income (loss) attributed to shareholders (post-tax)</b>	<b>493</b>	<b>120</b>	<b>(106)</b>	<b>401</b>	<b>320</b>	<b>1,228</b>
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	12	(136)	(514)	45	(62)	(655)
Changes in actuarial methods and assumptions that flow directly through income	-	-	-	-	-	-
Restructuring charge	-	-	-	-	-	-
Reinsurance transactions, tax related items and other	(15)	(40)	-	82	313	340
<b>Core earnings (post-tax)</b>	<b>\$ 496</b>	<b>\$ 296</b>	<b>\$ 408</b>	<b>\$ 274</b>	<b>\$ 69</b>	<b>\$ 1,543</b>
Income tax on core earnings (see above)	82	81	96	47	(71)	235
<b>Core earnings (pre-tax)</b>	<b>\$ 578</b>	<b>\$ 377</b>	<b>\$ 504</b>	<b>\$ 321</b>	<b>\$ (2)</b>	<b>\$ 1,778</b>

## Core earnings, CER basis and U.S. dollars

	4Q22					
(Canadian \$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Core earnings (post-tax)</b>	\$ 496	\$ 296	\$ 408	\$ 274	\$ 69	\$ 1,543
CER adjustment <sup>(1)</sup>	(4)	-	(5)	(3)	(1)	(13)
<b>Core earnings, CER basis (post-tax)</b>	<b>\$ 492</b>	<b>\$ 296</b>	<b>\$ 403</b>	<b>\$ 271</b>	<b>\$ 68</b>	<b>\$ 1,530</b>
Income tax on core earnings, CER basis <sup>(2)</sup>	80	81	94	48	(71)	232
<b>Core earnings, CER basis (pre-tax)</b>	<b>\$ 572</b>	<b>\$ 377</b>	<b>\$ 497</b>	<b>\$ 319</b>	<b>\$ (3)</b>	<b>\$ 1,762</b>
<b>Core earnings (U.S. dollars) – Asia and U.S. segments</b>						
<b>Core earnings (post-tax)<sup>(3)</sup>, US \$</b>	<b>\$ 365</b>		<b>\$ 301</b>			
CER adjustment US \$ <sup>(1)</sup>	2		-			
<b>Core earnings, CER basis (post-tax), US \$</b>	<b>\$ 367</b>		<b>\$ 301</b>			

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

<sup>(3)</sup> Core earnings (post-tax) in Canadian \$ is translated to US \$ using the US \$ Statement of Income exchange rate for 4Q22.

## Reconciliation of core earnings and transitional net income attributed to shareholders to net income attributed to shareholders

(\$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	3Q22					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	\$ 266	\$ 1,029	\$ (607)	\$ 324	\$ (528)	\$ 484
Income tax (expense) recovery						
Core earnings	(54)	(94)	(83)	(51)	13	(269)
Items excluded from core earnings	11	(92)	243	14	33	209
Income tax (expense) recovery	(43)	(186)	160	(37)	46	(60)
<b>Net income (post-tax)</b>	<b>223</b>	<b>843</b>	<b>(447)</b>	<b>287</b>	<b>(482)</b>	<b>424</b>
Less: Net income (post-tax) attributed to						
Non-controlling interests	34	-	-	-	-	34
Participating policyholders	(91)	(10)	-	-	-	(101)
<b>Net income (loss) attributed to shareholders (post-tax)</b>	<b>280</b>	<b>853</b>	<b>(447)</b>	<b>287</b>	<b>(482)</b>	<b>491</b>
<b>IFRS 9 transitional impacts (post-tax)</b>	<b>(104)</b>	<b>(372)</b>	<b>761</b>	<b>-</b>	<b>1</b>	<b>286</b>
<b>Transitional net income (loss) attributed to shareholders (post-tax)</b>	<b>176</b>	<b>481</b>	<b>314</b>	<b>287</b>	<b>(481)</b>	<b>777</b>
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	(202)	43	(98)	(67)	(251)	(575)
Changes in actuarial methods and assumptions that flow directly through income	(9)	47	(12)	-	-	26
Restructuring charge	-	-	-	-	-	-
Reinsurance transactions, tax related items and other	-	-	(13)	-	-	(13)
<b>Core earnings (post-tax)</b>	<b>\$ 387</b>	<b>\$ 391</b>	<b>\$ 437</b>	<b>\$ 354</b>	<b>\$ (230)</b>	<b>\$ 1,339</b>
Income tax on core earnings (see above)	54	94	83	51	(13)	269
<b>Core earnings (pre-tax)</b>	<b>\$ 441</b>	<b>\$ 485</b>	<b>\$ 520</b>	<b>\$ 405</b>	<b>\$ (243)</b>	<b>\$ 1,608</b>

## Core earnings, CER basis and U.S. dollars

(Canadian \$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	3Q22					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Core earnings (post-tax)</b>	\$ 387	\$ 391	\$ 437	\$ 354	\$ (230)	\$ 1,339
CER adjustment <sup>(1)</sup>	6	-	11	7	(5)	19
<b>Core earnings, CER basis (post-tax)</b>	<b>\$ 393</b>	<b>\$ 391</b>	<b>\$ 448</b>	<b>\$ 361</b>	<b>\$ (235)</b>	<b>\$ 1,358</b>
Income tax on core earnings, CER basis <sup>(2)</sup>	56	94	86	51	(13)	274
<b>Core earnings, CER basis (pre-tax)</b>	<b>\$ 449</b>	<b>\$ 485</b>	<b>\$ 534</b>	<b>\$ 412</b>	<b>\$ (248)</b>	<b>\$ 1,632</b>
<b>Core earnings (U.S. dollars) – Asia and U.S. segments</b>						
<b>Core earnings (post-tax)<sup>(3)</sup>, US \$</b>	<b>\$ 296</b>		<b>\$ 335</b>			
CER adjustment US \$ <sup>(1)</sup>	(3)		-			
<b>Core earnings, CER basis (post-tax), US \$</b>	<b>\$ 293</b>		<b>\$ 335</b>			

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

<sup>(3)</sup> Core earnings (post-tax) in Canadian \$ is translated to US \$ using the US \$ Statement of Income exchange rate for 3Q22.

## Reconciliation of core earnings to net income attributed to shareholders

(\$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	YTD 2023					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	\$ 1,397	\$ 1,111	\$ 507	\$ 1,073	\$ 241	\$ 4,329
Income tax (expense) recovery						
Core earnings	(203)	(291)	(289)	(149)	62	(870)
Items excluded from core earnings	(128)	34	223	9	209	347
Income tax (expense) recovery	(331)	(257)	(66)	(140)	271	(523)
<b>Net income (post-tax)</b>	<b>1,066</b>	<b>854</b>	<b>441</b>	<b>933</b>	<b>512</b>	<b>3,806</b>
Less: Net income (post-tax) attributed to						
Non-controlling interests	104	-	-	1	-	105
Participating policyholders	229	28	-	-	-	257
<b>Net income (loss) attributed to shareholders (post-tax)</b>	<b>733</b>	<b>826</b>	<b>441</b>	<b>932</b>	<b>512</b>	<b>3,444</b>
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	(553)	(350)	(917)	(41)	204	(1,657)
Changes in actuarial methods and assumptions that flow directly through income	(157)	37	106	-	-	(14)
Restructuring charge	-	-	-	-	-	-
Reinsurance transactions, tax related items and other	(41)	4	(33)	5	269	204
<b>Core earnings (post-tax)</b>	<b>\$ 1,484</b>	<b>\$ 1,135</b>	<b>\$ 1,285</b>	<b>\$ 968</b>	<b>\$ 39</b>	<b>\$ 4,911</b>
Income tax on core earnings (see above)	203	291	289	149	(62)	870
<b>Core earnings (pre-tax)</b>	<b>\$ 1,687</b>	<b>\$ 1,426</b>	<b>\$ 1,574</b>	<b>\$ 1,117</b>	<b>\$ (23)</b>	<b>\$ 5,781</b>

## Core earnings, CER basis and U.S. dollars

(Canadian \$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	YTD 2023					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Core earnings (post-tax)</b>	<b>\$ 1,484</b>	<b>\$ 1,135</b>	<b>\$ 1,285</b>	<b>\$ 968</b>	<b>\$ 39</b>	<b>\$ 4,911</b>
CER adjustment <sup>(1)</sup>	(23)	-	(4)	(2)	-	(29)
<b>Core earnings, CER basis (post-tax)</b>	<b>\$ 1,461</b>	<b>\$ 1,135</b>	<b>\$ 1,281</b>	<b>\$ 966</b>	<b>\$ 39</b>	<b>\$ 4,882</b>
Income tax on core earnings, CER basis <sup>(2)</sup>	199	291	288	148	(61)	865
<b>Core earnings, CER basis (pre-tax)</b>	<b>\$ 1,660</b>	<b>\$ 1,426</b>	<b>\$ 1,569</b>	<b>\$ 1,114</b>	<b>\$ (22)</b>	<b>\$ 5,747</b>
<b>Core earnings (U.S. dollars) – Asia and U.S. segments</b>						
<b>Core earnings (post-tax)<sup>(3)</sup>, US \$</b>	<b>\$ 1,104</b>		<b>\$ 955</b>			
CER adjustment US \$ <sup>(1)</sup>	(13)		-			
<b>Core earnings, CER basis (post-tax), US \$</b>	<b>\$ 1,091</b>		<b>\$ 955</b>			

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

<sup>(3)</sup> Core earnings (post-tax) in Canadian \$ is translated to US \$ using the US \$ Statement of Income exchange rate for the 3 respective quarters that make up 2023 year-to-date core earnings.

## Reconciliation of core earnings and transitional net income attributed to shareholders to net income attributed to shareholders

(\$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	YTD 2022					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	\$ 508	\$ (932)	\$ (2,944)	\$ 830	\$ (1,297)	\$ (3,835)
Income tax (expense) recovery						
Core earnings	(183)	(254)	(244)	(175)	45	(811)
Items excluded from core earnings	(33)	778	916	65	18	1,744
Income tax (expense) recovery	(216)	524	672	(110)	63	933
<b>Net income (post-tax)</b>	292	(408)	(2,272)	720	(1,234)	(2,902)
Less: Net income (post-tax) attributed to						
Non-controlling interests	88	-	-	-	-	88
Participating policyholders	(164)	22	-	-	-	(142)
<b>Net income (loss) attributed to shareholders (post-tax)</b>	368	(430)	(2,272)	720	(1,234)	(2,848)
<b>IFRS 9 transitional impacts (post-tax)</b>	(214)	1,508	3,826	-	(2)	5,118
<b>Transitional net income (loss) attributed to shareholders (post-tax)</b>	154	1,078	1,554	720	(1,236)	2,270
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	(1,153)	(60)	421	(305)	(833)	(1,930)
Changes in actuarial methods and assumptions that flow directly through income	(9)	47	(12)	-	-	26
Restructuring charge	-	-	-	-	-	-
Reinsurance transactions, tax related items and other	-	-	(13)	-	(71)	(84)
<b>Core earnings (post-tax)</b>	\$ 1,316	\$ 1,091	\$ 1,158	\$ 1,025	\$ (332)	\$ 4,258
Income tax on core earnings (see above)	181	254	245	175	(45)	810
<b>Core earnings (pre-tax)</b>	\$ 1,497	\$ 1,345	\$ 1,403	\$ 1,200	\$ (377)	\$ 5,068

## Core earnings, CER basis and U.S. dollars

(Canadian \$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	YTD 2022					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Core earnings (post-tax)</b>	\$ 1,316	\$ 1,091	\$ 1,158	\$ 1,025	\$ (332)	\$ 4,258
CER adjustment <sup>(1)</sup>	19		51	30	(3)	97
<b>Core earnings, CER basis (post-tax)</b>	\$ 1,335	\$ 1,091	\$ 1,209	\$ 1,055	\$ (335)	\$ 4,355
Income tax on core earnings, CER basis <sup>(2)</sup>	184	254	256	178	(45)	827
<b>Core earnings, CER basis (pre-tax)</b>	\$ 1,519	\$ 1,345	\$ 1,465	\$ 1,233	\$ (380)	\$ 5,182
<b>Core earnings (U.S. dollars) – Asia and U.S. segments</b>						
<b>Core earnings (post-tax)<sup>(3)</sup>, US \$</b>	\$ 1,027		\$ 901			
CER adjustment US \$ <sup>(1)</sup>	(31)		-			
<b>Core earnings, CER basis (post-tax), US \$</b>	\$ 996		\$ 901			

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

<sup>(3)</sup> Core earnings (post-tax) in Canadian \$ is translated to US \$ using the US \$ Statement of Income exchange rate for the 3 respective quarters that make up 2022 year-to-date core earnings.

## Reconciliation of core earnings and transitional net income attributed to shareholders to net income attributed to shareholders

	2022					
(\$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	\$ 910	\$ (969)	\$ (3,011)	\$ 1,291	\$ (1,359)	\$ (3,138)
Income tax (expense) recovery						
Core earnings	(264)	(335)	(341)	(222)	116	(1,046)
Items excluded from core earnings	(54)	845	1,036	52	326	2,205
Income tax (expense) recovery	(318)	510	695	(170)	442	1,159
<b>Net income (post-tax)</b>	592	(459)	(2,316)	1,121	(917)	(1,979)
Less: Net income (post-tax) attributed to						
Non-controlling interests	120	-	-	-	1	121
Participating policyholders	(211)	44	-	-	-	(167)
<b>Net income (loss) attributed to shareholders (post-tax)</b>	683	(503)	(2,316)	1,121	(918)	(1,933)
<b>IFRS 9 transitional impacts (post-tax)</b>	(36)	1,701	3,764	-	2	5,431
<b>Transitional net income (loss) attributed to shareholders (post-tax)</b>	647	1,198	1,448	1,121	(916)	3,498
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	(1,141)	(196)	(93)	(260)	(895)	(2,585)
Changes in actuarial methods and assumptions that flow directly through income	(9)	47	(12)	-	-	26
Restructuring charge	-	-	-	-	-	-
Reinsurance transactions, tax related items and other	(15)	(40)	(13)	82	242	256
<b>Core earnings (post-tax)</b>	\$ 1,812	\$ 1,387	\$ 1,566	\$ 1,299	\$ (263)	\$ 5,801
Income tax on core earnings (see above)	263	335	341	222	(116)	1,045
<b>Core earnings (pre-tax)</b>	\$ 2,075	\$ 1,722	\$ 1,907	\$ 1,521	\$ (379)	\$ 6,846

## Core earnings, CER basis and U.S. dollars

	2022					
(Canadian \$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Core earnings (post-tax)</b>	\$ 1,812	\$ 1,387	\$ 1,566	\$ 1,299	\$ (263)	\$ 5,801
CER adjustment <sup>(1)</sup>	15	-	45	27	(3)	84
<b>Core earnings, CER basis (post-tax)</b>	\$ 1,827	\$ 1,387	\$ 1,611	\$ 1,326	\$ (266)	\$ 5,885
Income tax on core earnings, CER basis <sup>(2)</sup>	264	335	351	225	(116)	1,059
<b>Core earnings, CER basis (pre-tax)</b>	\$ 2,091	\$ 1,722	\$ 1,962	\$ 1,551	\$ (382)	\$ 6,944
<b>Core earnings (U.S. dollars) – Asia and U.S. segments</b>						
<b>Core earnings (post-tax)<sup>(3)</sup>, US \$</b>	\$ 1,392		\$ 1,202			
CER adjustment US \$ <sup>(1)</sup>	(29)		-			
<b>Core earnings, CER basis (post-tax), US \$</b>	\$ 1,363		\$ 1,202			

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

<sup>(3)</sup> Core earnings (post-tax) in Canadian \$ is translated to US \$ using the US \$ Statement of Income exchange rate for the 4 respective quarters that make up 2022 core earnings.

## Segment core earnings by business line or geographic source

(\$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

### Asia

(US \$ millions)	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
Hong Kong	\$ 190	\$ 161	\$ 159	\$ 153	\$ 127	\$ 510	\$ 515	\$ 668
Japan	87	81	62	76	71	230	232	308
Asia Other <sup>(1)</sup>	119	119	137	126	102	375	293	419
International High Net Worth								75
Mainland China								29
Singapore								136
Vietnam								109
Other Emerging Markets <sup>(2)</sup>								70
Regional Office	(6)	(8)	3	10	(4)	(11)	(13)	(3)
<b>Total Asia core earnings</b>	<b>\$ 390</b>	<b>\$ 353</b>	<b>\$ 361</b>	<b>\$ 365</b>	<b>\$ 296</b>	<b>\$ 1,104</b>	<b>\$ 1,027</b>	<b>\$ 1,392</b>

<sup>(1)</sup> Core earnings for Asia Other is reported by country annually, on a full year basis.

<sup>(2)</sup> Other Emerging Markets includes Indonesia, the Philippines, Malaysia, Thailand, Cambodia and Myanmar.

(US \$ millions), CER basis <sup>(1)</sup>	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
Hong Kong	\$ 190	\$ 161	\$ 159	\$ 153	\$ 127	\$ 510	\$ 515	\$ 668
Japan	87	78	57	75	68	222	205	280
Asia Other <sup>(2)</sup>	119	116	135	129	102	370	289	418
International High Net Worth								75
Mainland China								27
Singapore								140
Vietnam								108
Other Emerging Markets <sup>(3)</sup>								68
Regional Office	(6)	(8)	3	10	(4)	(11)	(13)	(3)
<b>Total Asia core earnings, CER basis</b>	<b>\$ 390</b>	<b>\$ 347</b>	<b>\$ 354</b>	<b>\$ 367</b>	<b>\$ 293</b>	<b>\$ 1,091</b>	<b>\$ 996</b>	<b>\$ 1,363</b>

<sup>(1)</sup> Core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

<sup>(2)</sup> Core earnings for Asia Other is reported by country annually, on a full year basis.

<sup>(3)</sup> Other Emerging Markets includes Indonesia, the Philippines, Malaysia, Thailand, Cambodia and Myanmar.

### Canada

(Canadian \$ millions)	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
Insurance	\$ 310	\$ 276	\$ 257	\$ 206	\$ 283	\$ 843	\$ 778	\$ 984
Annuities	48	55	53	45	57	156	193	238
Manulife Bank	50	43	43	45	51	136	120	165
<b>Total Canada core earnings</b>	<b>\$ 408</b>	<b>\$ 374</b>	<b>\$ 353</b>	<b>\$ 296</b>	<b>\$ 391</b>	<b>\$ 1,135</b>	<b>\$ 1,091</b>	<b>\$ 1,387</b>

## U.S.

(US \$ millions)	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
U.S. Insurance	\$ 283	\$ 293	\$ 257	\$ 259	\$ 291	\$ 833	\$ 757	\$ 1,016
U.S. Annuities	46	48	28	42	44	122	144	186
<b>Total U.S. core earnings</b>	<b>\$ 329</b>	<b>\$ 341</b>	<b>\$ 285</b>	<b>\$ 301</b>	<b>\$ 335</b>	<b>\$ 955</b>	<b>\$ 901</b>	<b>\$ 1,202</b>

## Global WAM by business line

(Canadian \$ millions)	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
Retirement	\$ 192	\$ 186	\$ 164	\$ 156	\$ 186	\$ 542	\$ 517	\$ 673
Retail	135	119	121	130	149	375	441	571
Institutional asset management	34	15	2	(12)	19	51	67	55
<b>Total Global WAM core earnings</b>	<b>\$ 361</b>	<b>\$ 320</b>	<b>\$ 287</b>	<b>\$ 274</b>	<b>\$ 354</b>	<b>\$ 968</b>	<b>\$ 1,025</b>	<b>\$ 1,299</b>

(Canadian \$ millions), CER basis <sup>(1)</sup>	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
Retirement	\$ 192	\$ 186	\$ 163	\$ 154	\$ 191	\$ 541	\$ 535	\$ 689
Retail	135	119	120	129	151	374	450	579
Institutional asset management	34	15	2	(12)	19	51	70	58
<b>Total Global WAM core earnings, CER basis</b>	<b>\$ 361</b>	<b>\$ 320</b>	<b>\$ 285</b>	<b>\$ 271</b>	<b>\$ 361</b>	<b>\$ 966</b>	<b>\$ 1,055</b>	<b>\$ 1,326</b>

<sup>(1)</sup> Core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

## Global WAM by geographic source

(Canadian \$ millions)	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
Asia	\$ 108	\$ 103	\$ 84	\$ 79	\$ 82	\$ 295	\$ 257	\$ 336
Canada	94	96	88	78	113	278	323	401
U.S.	159	121	115	117	159	395	445	562
<b>Total Global WAM core earnings</b>	<b>\$ 361</b>	<b>\$ 320</b>	<b>\$ 287</b>	<b>\$ 274</b>	<b>\$ 354</b>	<b>\$ 968</b>	<b>\$ 1,025</b>	<b>\$ 1,299</b>

(Canadian \$ millions), CER basis <sup>(1)</sup>	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
Asia	\$ 108	\$ 103	\$ 83	\$ 79	\$ 84	\$ 294	\$ 267	\$ 346
Canada	94	96	88	78	113	278	323	401
U.S.	159	121	114	114	164	394	465	579
<b>Total Global WAM core earnings, CER basis</b>	<b>\$ 361</b>	<b>\$ 320</b>	<b>\$ 285</b>	<b>\$ 271</b>	<b>\$ 361</b>	<b>\$ 966</b>	<b>\$ 1,055</b>	<b>\$ 1,326</b>

<sup>(1)</sup> Core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

**Core earnings available to common shareholders** is a financial measure that is used in the calculation of core ROE and core EPS. It is calculated as core earnings (post-tax) less preferred share dividends.

(\$ millions, and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
Core earnings	\$ 1,743	\$ 1,637	\$ 1,531	\$ 1,543	\$ 1,339	\$ 4,911	\$ 4,258	\$ 5,801
Less: Preferred share dividends	(54)	(98)	(52)	(97)	(51)	(204)	(163)	(260)
Core earnings available to common shareholders	1,689	1,539	1,479	1,446	1,288	4,707	4,095	5,541
CER adjustment <sup>(1)</sup>	-	(9)	(20)	(13)	19	(29)	97	84
<b>Core earnings available to common shareholders, CER basis</b>	<b>\$ 1,689</b>	<b>\$ 1,530</b>	<b>\$ 1,459</b>	<b>\$ 1,433</b>	<b>\$ 1,307</b>	<b>\$ 4,678</b>	<b>\$ 4,192</b>	<b>\$ 5,625</b>

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

**Core ROE** measures profitability using core earnings available to common shareholders as a percentage of the capital deployed to earn the core earnings. The Company calculates core ROE using average common shareholders' equity quarterly, as the average of common shareholders' equity at the start and end of the quarter, and annually, as the average of the quarterly average common shareholders' equity for the year.

(\$ millions, unless otherwise stated)	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
Core earnings available to common shareholders	\$ 1,689	\$ 1,539	\$ 1,479	\$ 1,446	\$ 1,288	\$ 4,707	\$ 4,095	\$ 5,541
<b>Annualized core earnings available to common shareholders</b>	<b>\$ 6,701</b>	<b>\$ 6,173</b>	<b>\$ 5,998</b>	<b>\$ 5,737</b>	<b>\$ 5,110</b>	<b>\$ 6,293</b>	<b>\$ 5,475</b>	<b>\$ 5,541</b>
<b>Average common shareholders' equity (see below)</b>	<b>\$ 39,897</b>	<b>\$ 39,881</b>	<b>\$ 40,465</b>	<b>\$ 40,667</b>	<b>\$ 40,260</b>	<b>\$ 40,081</b>	<b>\$ 39,412</b>	<b>\$ 39,726</b>
<b>Core ROE (annualized) (%)</b>	<b>16.8%</b>	<b>15.5%</b>	<b>14.8%</b>	<b>14.1%</b>	<b>12.7%</b>	<b>15.7%</b>	<b>13.9%</b>	<b>14.0%</b>
<b>Average common shareholders' equity</b>								
Total shareholders' and other equity	\$ 47,407	\$ 45,707	\$ 47,375	\$ 46,876	\$ 47,778	\$ 47,407	\$ 47,778	\$ 46,876
Less: Preferred shares and other equity	6,660	6,660	6,660	6,660	6,660	6,660	6,660	6,660
<b>Common shareholders' equity</b>	<b>\$ 40,747</b>	<b>\$ 39,047</b>	<b>\$ 40,715</b>	<b>\$ 40,216</b>	<b>\$ 41,118</b>	<b>\$ 40,747</b>	<b>\$ 41,118</b>	<b>\$ 40,216</b>
<b>Average common shareholders' equity</b>	<b>\$ 39,897</b>	<b>\$ 39,881</b>	<b>\$ 40,465</b>	<b>\$ 40,667</b>	<b>\$ 40,260</b>	<b>\$ 40,081</b>	<b>\$ 39,412</b>	<b>\$ 39,726</b>

**Core EPS** is equal to core earnings available to common shareholders divided by diluted weighted average common shares outstanding.

### Core earnings related to strategic priorities

The Company measures its progress on certain strategic priorities using core earnings, including core earnings from highest potential businesses. The core earnings for these businesses is calculated consistent with our definition of core earnings.

For the nine months ended September 30, (\$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period)	2023	2022
Core earnings highest potential businesses <sup>(1)</sup>	\$ 2,950	\$ 2,684
Core earnings - All other businesses	1,961	1,574
<b>Core earnings</b>	<b>4,911</b>	<b>4,258</b>
Items excluded from core earnings	(1,467)	(1,988)
<b>Net income (loss) attributed to shareholders / Transitional</b>	<b>\$ 3,444</b>	<b>\$ 2,270</b>
Less: IFRS 9 transitional impacts (post-tax)	-	5,118
<b>Net income (loss) attributed to shareholders</b>	<b>\$ 3,444</b>	<b>\$ (2,848)</b>
<b>Highest potential businesses core earnings contribution</b>	<b>60%</b>	<b>63%</b>

<sup>(1)</sup> Includes core earnings from Asia and Global WAM segments, Canada Group Benefits, and behavioural insurance products.

The **effective tax rate on core earnings** is equal to income tax on core earnings divided by pre-tax core earnings. The **effective tax rate on net income attributed to shareholders** is equal to income tax on transitional net income attributed to shareholders divided by pre-tax net income attributed to shareholders.

**Common share core dividend payout ratio** is a ratio that measures the percentage of core earnings paid to common shareholders as dividends. It is calculated as dividends per common share divided by core EPS.

	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
Per share dividend	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.33	\$ 0.33	\$ 1.10	\$ 0.99	\$ 1.32
Core EPS	\$ 0.92	\$ 0.83	\$ 0.79	\$ 0.77	\$ 0.68	\$ 2.55	\$ 2.13	\$ 2.90
<b>Common share core dividend payout ratio</b>	<b>40%</b>	44%	46%	43%	49%	<b>43%</b>	46%	46%

**Drivers of Earnings (“DOE”)** is used to identify the primary sources of gains or losses in each reporting period. It is one of the key tools we use to understand and manage our business. The DOE has replaced the Source of Earnings that was disclosed under OSFI’s Source of Earnings Disclosure (Life Insurance Companies) guideline. The DOE line items are comprised of amounts that have been included in our financial statements. The DOE shows the sources of net income (loss) attributed to shareholders and the core DOE shows the sources of core earnings and the items excluded from core earnings, reconciled to net income attributed to shareholders. We have included transitional non-GAAP financial measures for our 2022 comparative quarterly results. The elements of the core earnings view are described below:

**Net Insurance Service Result** represents the net income attributed to shareholders associated with providing insurance service to policyholders within the period. This includes lines attributed to core earnings including:

- **Expected earnings on insurance contracts** which includes the release of risk adjustment for expired non-financial risk, the CSM recognized for service provided and expected earnings on short-term PAA insurance business.
- **Impact of new insurance business** relates to income at initial recognition from new insurance contracts. Losses would occur if the group of new insurance contracts was onerous at initial recognition. If reinsurance contracts provide coverage for the direct insurance contracts, then the loss is offset by a corresponding gain on reinsurance contracts held.
- **Insurance experience gains (losses)** arise from items such as claims, persistency, and expenses, where the actual experience in the current period differs from the expected results assumed in the insurance and investment contract liabilities. Generally, this line would be driven by claims and expenses, as persistency experience relates to future service and would be offset by changes to the carrying amount of the contractual service margin unless the group is onerous, in which case the impact of persistency experience would be included in core earnings.
- **Other** represents pre-tax net income on residual items in the insurance result section.

**Net Investment Result** represents the net income attributed to shareholders associated with investment results within the period. Note that results associated with Global WAM and Manulife Bank are shown on separate DOE lines. However within the income statement, the results associated with these businesses would impact the total investment result. This section includes lines attributed to core earnings including:

- **Expected investment earnings**, which is the difference between expected asset returns and the associated finance income or expense from insurance contract liabilities, net of investment expenses.
- **Change in expected credit loss**, which is the gain or charge to net income attributed to shareholders for credit losses to bring the allowance for credit losses to a level management considers adequate for expected credit-related losses on its portfolio.
- **Expected earnings on surplus** reflects the expected investment return on surplus assets.
- **Other** represents pre-tax net income on residual items in the investment result section.

**Global WAM** is the pre-tax net income from the Global Wealth and Asset Management segment, adjusted for applicable items excluded from core earnings as noted in the core earnings (loss) section above.

**Manulife Bank** is the pre-tax net income from Manulife Bank, adjusted for applicable items excluded from core earnings as noted in the core earnings (loss) section above.

**Other** represents net income associated with items outside of the net insurance service result, net investment result, Global WAM and Manulife Bank. Other includes lines attributed to core earnings such as:

- **Non-Directly Attributable Expenses** are expenses incurred by the Company which are not directly attributable to fulfilling insurance contracts. Non-directly attributable expenses excludes non-directly attributable investment expenses as they are included in the net investment result.
- **Other** represents pre-tax net income on residual items in the Other section. Most notably this would include the cost of financing debt issued by Manulife.

Net income attributed to shareholders includes the following items excluded from core earnings:

- **Market experience gains (losses)** related to items excluded from core earnings that relate to changes in market variables.
- **Changes in actuarial methods and assumptions that flow directly through income** related to updates in the methods and assumptions used to value insurance contract liabilities.
- **Restructuring charges** includes a charge taken to reorganize operations.
- **Reinsurance transactions, tax-related items and other** include the impacts of new or changes to in-force reinsurance contracts, the impact of enacted or substantially enacted income tax rate changes and other amounts defined as items excluded from core earnings not specifically captured in the lines above.

All of the above items are discussed in more details in our definition of items excluded from core earnings.

## Drivers of Earnings ("DOE") – 3Q23

(\$ millions, pre-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

	3Q23					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result	\$ 467	\$ 366	\$ 108	\$ -	\$ 64	\$ 1,005
Net investment result	4	(14)	(45)	-	142	87
Global WAM	-	-	-	365	-	365
Manulife Bank	-	55	-	-	-	55
Other	(32)	(31)	5	1	(281)	(338)
<b>Net income (loss) before income taxes</b>	<b>439</b>	<b>376</b>	<b>68</b>	<b>366</b>	<b>(75)</b>	<b>1,174</b>
Income tax (expense) recovery	(135)	(94)	4	(48)	324	51
<b>Net income (loss)</b>	<b>304</b>	<b>282</b>	<b>72</b>	<b>318</b>	<b>249</b>	<b>1,225</b>
Less: Net income (loss) attributed to NCI	(25)	-	-	-	-	(25)
Less: Net income (loss) attributed to participating policyholders	(195)	8	-	-	-	(187)
<b>Net income (loss) attributed to shareholders (post-tax)</b>	<b>\$ 84</b>	<b>\$ 290</b>	<b>\$ 72</b>	<b>\$ 318</b>	<b>\$ 249</b>	<b>\$ 1,013</b>

## Reconciliations of DOE line items to the consolidated financial statements and DOE presentation

	3Q23					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Net insurance service result reconciliation</b>						
Total insurance service result - financial statements	\$ 467	\$ 366	\$ 108	\$ -	\$ 64	\$ 1,005
Less: Insurance service result attributed to:						
Items excluded from core earnings	(112)	11	(51)	-	(1)	(153)
NCI	15	-	-	-	-	15
Participating policyholders	177	21	-	-	-	198
<b>Core net insurance result</b>	<b>387</b>	<b>334</b>	<b>159</b>	<b>-</b>	<b>65</b>	<b>945</b>
Core net insurance result, CER adjustment <sup>(1)</sup>	-	-	-	-	-	-
<b>Core net insurance result, CER basis</b>	<b>\$ 387</b>	<b>\$ 334</b>	<b>\$ 159</b>	<b>\$ -</b>	<b>\$ 65</b>	<b>\$ 945</b>
<b>Total investment result reconciliation</b>						
Total investment result per financial statements	\$ 4	\$ 389	\$ (45)	\$ (303)	\$ 273	\$ 318
Less: Reclassify net investment result in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	(380)	-	303	-	(77)
Less: Consolidation adjustments <sup>(2)</sup>	-	-	-	-	(131)	(131)
Less: Other	-	(23)	-	-	-	(23)
<b>Net investment result</b>	<b>4</b>	<b>(14)</b>	<b>(45)</b>	<b>-</b>	<b>142</b>	<b>87</b>
Less: Net investment result attributed to:						
Items excluded from core earnings	(274)	(130)	(418)	-	(5)	(827)
NCI	17	-	-	-	-	17
Participating policyholders	28	(21)	-	-	-	7
<b>Core net investment result</b>	<b>233</b>	<b>137</b>	<b>373</b>	<b>-</b>	<b>147</b>	<b>890</b>
Core net investment result, CER adjustment <sup>(1)</sup>	-	-	-	-	-	-
<b>Core net investment result, CER basis</b>	<b>\$ 233</b>	<b>\$ 137</b>	<b>\$ 373</b>	<b>\$ -</b>	<b>\$ 147</b>	<b>\$ 890</b>
<b>Manulife Bank and Global WAM by DOE line reconciliation</b>						
Manulife Bank and Global WAM net income attributed to shareholders	\$ -	\$ 55	\$ -	\$ 365	\$ -	\$ 420
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	(11)	-	(55)	-	(66)
<b>Core earnings in Manulife Bank and Global WAM</b>	<b>-</b>	<b>66</b>	<b>-</b>	<b>420</b>	<b>-</b>	<b>486</b>
Core earnings in Manulife Bank and Global WAM, CER adjustment <sup>(1)</sup>	-	-	-	-	-	-
<b>Core earnings in Manulife Bank and Global WAM, CER basis</b>	<b>\$ -</b>	<b>\$ 66</b>	<b>\$ -</b>	<b>\$ 420</b>	<b>\$ -</b>	<b>\$ 486</b>

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

**Drivers of Earnings ("DOE") – 3Q23 (continued)**

	3Q23					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Other reconciliation</b>						
Other revenue per financial statements	\$ 26	\$ 53	\$ 31	\$ 1,709	\$ (174)	\$ 1,645
General expenses per financial statements	(52)	(128)	(29)	(703)	(129)	(1,041)
Commission related to non-insurance contracts	(3)	(14)	6	(334)	9	(336)
Interest expense per financial statements	(3)	(290)	(3)	(1)	(119)	(416)
Total financial statements values included in Other	(32)	(379)	5	671	(413)	(148)
Less: Reclassify Other in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	325	-	(670)	-	(345)
Less: Consolidation adjustments <sup>(1)</sup>	-	-	-	-	132	132
Other	-	23	-	-	-	23
<b>Other</b>	<b>(32)</b>	<b>(31)</b>	<b>5</b>	<b>1</b>	<b>(281)</b>	<b>(338)</b>
Less: Other attributed to:						
Items excluded from core earnings	5	(4)	2	-	(49)	(46)
NCI	2	-	-	1	-	3
Participating policyholders	3	(5)	-	-	-	(2)
Add: Par earnings transfer to shareholders	6	2	-	-	-	8
<b>Core Other</b>	<b>(36)</b>	<b>(20)</b>	<b>3</b>	<b>-</b>	<b>(232)</b>	<b>(285)</b>
Core Other, CER adjustment <sup>(2)</sup>	-	-	-	-	-	-
<b>Core Other, CER basis</b>	<b>\$ (36)</b>	<b>\$ (20)</b>	<b>\$ 3</b>	<b>\$ -</b>	<b>\$ (232)</b>	<b>\$ (285)</b>
<b>Income tax recovery (expense) reconciliation</b>						
Income tax recovery (expense) per financial statements	\$ (135)	\$ (94)	\$ 4	\$ (48)	\$ 324	\$ 51
Less: Income tax recovery (expense) attributed to:						
Items excluded from core earnings	(58)	16	97	12	294	361
NCI	(9)	-	-	(1)	-	(10)
Participating policyholders	(6)	(1)	-	-	-	(7)
<b>Core income tax recovery (expense)</b>	<b>(62)</b>	<b>(109)</b>	<b>(93)</b>	<b>(59)</b>	<b>30</b>	<b>(293)</b>
Core income tax recovery (expense), CER adjustment <sup>(2)</sup>	-	-	-	-	-	-
<b>Core income tax recovery (expense), CER basis</b>	<b>\$ (62)</b>	<b>\$ (109)</b>	<b>\$ (93)</b>	<b>\$ (59)</b>	<b>\$ 30</b>	<b>\$ (293)</b>
<b>Net income attributable to shareholders, CER basis<sup>(3)</sup></b>						
Net insurance service result	\$ 467	\$ 366	\$ 108	\$ -	\$ 64	\$ 1,005
Net investment result	4	(14)	(45)	-	142	87
Global WAM	-	-	-	365	-	365
Manulife Bank	-	55	-	-	-	55
Other	(32)	(31)	5	1	(281)	(338)
<b>Net income (loss) before income taxes, CER basis</b>	<b>\$ 439</b>	<b>\$ 376</b>	<b>\$ 68</b>	<b>\$ 366</b>	<b>\$ (75)</b>	<b>\$ 1,174</b>

<sup>(1)</sup> Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

<sup>(2)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(3)</sup> DOE on a CER basis adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

## Drivers of Earnings ("DOE") – 2Q23

(\$ millions, pre-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

	2Q23					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result	\$ 460	\$ 262	\$ 131	\$ -	\$ 34	\$ 887
Net investment result	(96)	12	105	-	351	372
Global WAM	-	-	-	362	-	362
Manulife Bank	-	59	-	-	-	59
Other	(19)	(21)	(16)	-	(188)	(244)
<b>Net income (loss) before income taxes</b>	<b>345</b>	<b>312</b>	<b>220</b>	<b>362</b>	<b>197</b>	<b>1,436</b>
Income tax (expense) recovery	(91)	(64)	(37)	(44)	(29)	(265)
<b>Net income (loss)</b>	<b>254</b>	<b>248</b>	<b>183</b>	<b>318</b>	<b>168</b>	<b>1,171</b>
Less: Net income (loss) attributed to NCI	(25)	-	-	(1)	-	(26)
Less: Net income (loss) attributed to participating policyholders	(99)	(21)	-	-	-	(120)
<b>Net income (loss) attributed to shareholders (post-tax)</b>	<b>\$ 130</b>	<b>\$ 227</b>	<b>\$ 183</b>	<b>\$ 317</b>	<b>\$ 168</b>	<b>\$ 1,025</b>

## Reconciliations of DOE line items to the consolidated financial statements and DOE presentation

	2Q23					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Net insurance service result reconciliation</b>						
Total insurance service result - financial statements	\$ 460	\$ 262	\$ 131	\$ -	\$ 34	\$ 887
Less: Insurance service result attributed to:						
Items excluded from core earnings	(44)	(4)	(26)	-	1	(73)
NCI	13	-	-	-	-	13
Participating policyholders	122	21	-	-	-	143
<b>Core net insurance result</b>	<b>369</b>	<b>245</b>	<b>157</b>	<b>-</b>	<b>33</b>	<b>804</b>
Core net insurance result, CER adjustment <sup>(1)</sup>	(6)	(1)	1	-	1	(5)
<b>Core net insurance result, CER basis</b>	<b>\$ 363</b>	<b>\$ 244</b>	<b>\$ 158</b>	<b>\$ -</b>	<b>\$ 34</b>	<b>\$ 799</b>
<b>Total investment result reconciliation</b>						
Total investment result per financial statements	\$ (96)	\$ 354	\$ 105	\$ (244)	\$ 478	\$ 597
Less: Reclassify net investment result in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	(342)	-	244	-	(98)
Less: Consolidation adjustments <sup>(2)</sup>	-	-	-	-	(127)	(127)
Less: Other	-	-	-	-	-	-
<b>Net investment result</b>	<b>(96)</b>	<b>12</b>	<b>105</b>	<b>-</b>	<b>351</b>	<b>372</b>
Less: Net investment result attributed to:						
Items excluded from core earnings	(318)	(184)	(319)	-	183	(638)
NCI	14	-	-	-	-	14
Participating policyholders	(7)	14	-	-	-	7
<b>Core net investment result</b>	<b>215</b>	<b>182</b>	<b>424</b>	<b>-</b>	<b>168</b>	<b>989</b>
Core net investment result, CER adjustment <sup>(1)</sup>	(6)	1	(1)	-	-	(6)
<b>Core net investment result, CER basis</b>	<b>\$ 209</b>	<b>\$ 183</b>	<b>\$ 423</b>	<b>\$ -</b>	<b>\$ 168</b>	<b>\$ 983</b>
<b>Manulife Bank and Global WAM by DOE line reconciliation</b>						
Manulife Bank and Global WAM net income attributed to shareholders	\$ -	\$ 59	\$ -	\$ 362	\$ -	\$ 421
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	-	-	(3)	-	(3)
<b>Core earnings in Manulife Bank and Global WAM</b>	<b>-</b>	<b>59</b>	<b>-</b>	<b>365</b>	<b>-</b>	<b>424</b>
Core earnings in Manulife Bank and Global WAM, CER adjustment <sup>(1)</sup>	-	-	-	(1)	-	(1)
<b>Core earnings in Manulife Bank and Global WAM, CER basis</b>	<b>\$ -</b>	<b>\$ 59</b>	<b>\$ -</b>	<b>\$ 364</b>	<b>\$ -</b>	<b>\$ 423</b>

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

**Drivers of Earnings ("DOE") – 2Q23 (continued)**

	2Q23					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Other reconciliation</b>						
Other revenue per financial statements	\$ 47	\$ 72	\$ 16	\$ 1,647	\$ (91)	\$ 1,691
General expenses per financial statements	(61)	(127)	(25)	(709)	(101)	(1,023)
Commission related to non-insurance contracts	(2)	(13)	(3)	(329)	11	(336)
Interest expense per financial statements	(3)	(236)	(4)	(5)	(133)	(381)
Total financial statements values included in Other	(19)	(304)	(16)	604	(314)	(49)
Less: Reclassify Other in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	283	-	(604)	-	(321)
Less: Consolidation adjustments <sup>(1)</sup>	-	-	-	-	126	126
Other	-	-	-	-	-	-
<b>Other</b>	(19)	(21)	(16)	-	(188)	(244)
Less: Other attributed to:						
Items excluded from core earnings	23	(1)	(3)	-	19	38
NCI	4	-	-	-	-	4
Participating policyholders	1	(3)	-	-	-	(2)
Add: Par earnings transfer to shareholders	9	2	-	-	-	11
<b>Core Other</b>	(38)	(15)	(13)	-	(207)	(273)
Core Other, CER adjustment <sup>(2)</sup>	2	-	(1)	-	-	1
<b>Core Other, CER basis</b>	\$ (36)	\$ (15)	\$ (14)	\$ -	\$ (207)	\$ (272)
<b>Income tax recovery (expense) reconciliation</b>						
Income tax recovery (expense) per financial statements	\$ (91)	\$ (64)	\$ (37)	\$ (44)	\$ (29)	\$ (265)
Less: Income tax recovery (expense) attributed to:						
Items excluded from core earnings	(4)	42	73	1	(47)	65
NCI	(6)	-	-	-	-	(6)
Participating policyholders	(8)	(9)	-	-	-	(17)
<b>Core income tax recovery (expense)</b>	(73)	(97)	(110)	(45)	18	(307)
Core income tax recovery (expense), CER adjustment <sup>(2)</sup>	2	-	-	1	(1)	2
<b>Core income tax recovery (expense), CER basis</b>	\$ (71)	\$ (97)	\$ (110)	\$ (44)	\$ 17	\$ (305)
<b>Net income attributable to shareholders, CER basis<sup>(3)</sup></b>						
Net insurance service result	\$ 452	\$ 262	\$ 131	\$ -	\$ 34	\$ 879
Net investment result	(85)	12	105	-	351	383
Global WAM	-	-	-	361	-	361
Manulife Bank	-	59	-	-	-	59
Other	(18)	(21)	(17)	-	(188)	(244)
<b>Net income (loss) before income taxes, CER basis</b>	\$ 349	\$ 312	\$ 219	\$ 361	\$ 197	\$ 1,438

<sup>(1)</sup> Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

<sup>(2)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(3)</sup> DOE on a CER basis adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

## Drivers of Earnings ("DOE") – 1Q23

(\$ millions, pre-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

	1Q23					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result	\$ 370	\$ 259	\$ 173	\$ -	\$ 47	\$ 849
Net investment result	285	117	101	-	244	747
Global WAM	-	-	-	345	-	345
Manulife Bank	-	65	-	-	-	65
Other	(42)	(18)	(55)	-	(172)	(287)
<b>Net income (loss) before income taxes</b>	<b>613</b>	<b>423</b>	<b>219</b>	<b>345</b>	<b>119</b>	<b>1,719</b>
Income tax (expense) recovery	(105)	(99)	(33)	(48)	(24)	(309)
<b>Net income (loss)</b>	<b>508</b>	<b>324</b>	<b>186</b>	<b>297</b>	<b>95</b>	<b>1,410</b>
Less: Net income (loss) attributed to NCI	(54)	-	-	-	-	(54)
Less: Net income (loss) attributed to participating policyholders	65	(15)	-	-	-	50
<b>Net income (loss) attributed to shareholders (post-tax)</b>	<b>\$ 519</b>	<b>\$ 309</b>	<b>\$ 186</b>	<b>\$ 297</b>	<b>\$ 95</b>	<b>\$ 1,406</b>

## Reconciliations of DOE line items to the consolidated financial statements and DOE presentation

	1Q23					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Net insurance service result reconciliation</b>						
Total insurance service result - financial statements	\$ 370	\$ 259	\$ 173	\$ -	\$ 47	\$ 849
Less: Insurance service result attributed to:						
Items excluded from core earnings	26	-	1	-	(1)	26
NCI	40	-	-	-	-	40
Participating policyholders	(51)	26	-	-	-	(25)
<b>Core net insurance result</b>	<b>355</b>	<b>233</b>	<b>172</b>	<b>-</b>	<b>48</b>	<b>808</b>
Core net insurance result, CER adjustment <sup>(1)</sup>	(8)	-	(2)	-	(1)	(11)
<b>Core net insurance result, CER basis</b>	<b>\$ 347</b>	<b>\$ 233</b>	<b>\$ 170</b>	<b>\$ -</b>	<b>\$ 47</b>	<b>\$ 797</b>
<b>Total investment result reconciliation</b>						
Total investment result per financial statements	\$ 285	\$ 463	\$ 101	\$ (260)	\$ 381	\$ 970
Less: Reclassify net investment result in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	(346)	-	260	-	(86)
Less: Consolidation adjustments <sup>(2)</sup>	-	-	-	-	(137)	(137)
Less: Other	-	-	-	-	-	-
<b>Net investment result</b>	<b>285</b>	<b>117</b>	<b>101</b>	<b>-</b>	<b>244</b>	<b>747</b>
Less: Net investment result attributed to:						
Items excluded from core earnings	34	(40)	(200)	-	81	(125)
NCI	24	-	-	-	-	24
Participating policyholders	3	-	-	-	-	3
<b>Core net investment result</b>	<b>224</b>	<b>157</b>	<b>301</b>	<b>-</b>	<b>163</b>	<b>845</b>
Core net investment result, CER adjustment <sup>(1)</sup>	(10)	-	(2)	-	1	(11)
<b>Core net investment result, CER basis</b>	<b>\$ 214</b>	<b>\$ 157</b>	<b>\$ 299</b>	<b>\$ -</b>	<b>\$ 164</b>	<b>\$ 834</b>
<b>Manulife Bank and Global WAM by DOE line reconciliation</b>						
Manulife Bank and Global WAM net income attributed to shareholders	\$ -	\$ 65	\$ -	\$ 345	\$ -	\$ 410
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	5	-	13	-	18
<b>Core earnings in Manulife Bank and Global WAM</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>332</b>	<b>-</b>	<b>392</b>
Core earnings in Manulife Bank and Global WAM, CER adjustment <sup>(1)</sup>	-	-	-	(2)	-	(2)
<b>Core earnings in Manulife Bank and Global WAM, CER basis</b>	<b>\$ -</b>	<b>\$ 60</b>	<b>\$ -</b>	<b>\$ 330</b>	<b>\$ -</b>	<b>\$ 390</b>

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

**Drivers of Earnings ("DOE") – 1Q23 (continued)**

	1Q23					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Other reconciliation</b>						
Other revenue per financial statements	\$ 10	\$ 72	\$ 24	\$ 1,665	\$ (80)	\$ 1,691
General expenses per financial statements	(48)	(123)	(74)	(726)	(115)	(1,086)
Commission related to non-insurance contracts	(2)	(16)	(1)	(329)	10	(338)
Interest expense per financial statements	(2)	(232)	(4)	(5)	(124)	(367)
Total financial statements values included in Other	(42)	(299)	(55)	605	(309)	(100)
Less: Reclassify Other in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	281	-	(605)	-	(324)
Less: Consolidation adjustments <sup>(1)</sup>	-	-	-	-	137	137
Other	-	-	-	-	-	-
<b>Other</b>	(42)	(18)	(55)	-	(172)	(287)
Less: Other attributed to:						
Items excluded from core earnings	(9)	(1)	(53)	-	36	(27)
NCI	-	-	-	-	-	-
Participating policyholders	(2)	(3)	-	-	-	(5)
Add: Par earnings transfer to shareholders	9	2	-	-	-	11
<b>Core Other</b>	(22)	(12)	(2)	-	(208)	(244)
Core Other, CER adjustment <sup>(2)</sup>	1	-	-	-	-	1
<b>Core Other, CER basis</b>	\$ (21)	\$ (12)	\$ (2)	\$ -	\$ (208)	\$ (243)
<b>Income tax recovery (expense) reconciliation</b>						
Income tax recovery (expense) per financial statements	\$ (105)	\$ (99)	\$ (33)	\$ (48)	\$ (24)	\$ (309)
Less: Income tax recovery (expense) attributed to:						
Items excluded from core earnings	(21)	(8)	53	(3)	(38)	(17)
NCI	(10)	-	-	-	-	(10)
Participating policyholders	(6)	(6)	-	-	-	(12)
<b>Core income tax recovery (expense)</b>	(68)	(85)	(86)	(45)	14	(270)
Core income tax recovery (expense), CER adjustment <sup>(2)</sup>	2	-	1	-	-	3
<b>Core income tax recovery (expense), CER basis</b>	\$ (66)	\$ (85)	\$ (85)	\$ (45)	\$ 14	\$ (267)
<b>Net income attributable to shareholders, CER basis<sup>(3)</sup></b>						
Net insurance service result	\$ 362	\$ 259	\$ 171	\$ -	\$ 47	\$ 839
Net investment result	276	117	100	-	244	737
Global WAM	-	-	-	342	-	342
Manulife Bank	-	65	-	-	-	65
Other	(41)	(18)	(53)	-	(173)	(285)
<b>Net income (loss) before income taxes, CER basis</b>	\$ 597	\$ 423	\$ 218	\$ 342	\$ 118	\$ 1,698

<sup>(1)</sup> Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

<sup>(2)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(3)</sup> DOE on a CER basis adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

## Drivers of Earnings ("DOE") – 4Q22

(\$ millions, pre-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

	4Q22					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result	\$ 485	\$ 301	\$ 126	\$ -	\$ 49	\$ 961
Transitional net investment result	169	(69)	(259)	-	62	(97)
Global WAM	-	-	-	461	-	461
Manulife Bank	-	72	-	-	-	72
Other	(39)	(27)	(15)	-	(167)	(248)
<b>Transitional net income (loss) before income taxes</b>	<b>615</b>	<b>277</b>	<b>(148)</b>	<b>461</b>	<b>(56)</b>	<b>1,149</b>
Transitional income tax (expense) recovery	(122)	(135)	42	(60)	377	102
<b>Transitional net income (loss)</b>	<b>493</b>	<b>142</b>	<b>(106)</b>	<b>401</b>	<b>321</b>	<b>1,251</b>
Less: Transitional net income (loss) attributed to NCI	(34)	-	-	-	(1)	(35)
Less: Transitional net income (loss) attributed to participating policyholders	34	(22)	-	-	-	12
<b>Transitional net income (loss) attributed to shareholders (post-tax)</b>	<b>\$ 493</b>	<b>\$ 120</b>	<b>\$ (106)</b>	<b>\$ 401</b>	<b>\$ 320</b>	<b>\$ 1,228</b>

## Reconciliations of DOE line items to the consolidated financial statements and DOE presentation

	4Q22					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Net insurance service result reconciliation</b>						
Total insurance service result - financial statements	\$ 485	\$ 301	\$ 126	\$ -	\$ 49	\$ 961
Less: Insurance service result attributed to:						
Items excluded from core earnings	69	1	10	-	(1)	79
NCI	18	-	-	-	-	18
Participating policyholders	15	84	-	-	-	99
<b>Core net insurance result</b>	<b>383</b>	<b>216</b>	<b>116</b>	<b>-</b>	<b>50</b>	<b>765</b>
Core net insurance result, CER adjustment <sup>(1)</sup>	(2)	-	(2)	-	(2)	(6)
<b>Core net insurance result, CER basis</b>	<b>\$ 381</b>	<b>\$ 216</b>	<b>\$ 114</b>	<b>\$ -</b>	<b>\$ 48</b>	<b>\$ 759</b>
<b>Transitional net investment result reconciliation</b>						
Total investment result per financial statements	\$ (45)	\$ (60)	\$ (179)	\$ (149)	\$ 157	\$ (276)
IFRS 9 transitional impacts	214	312	(80)	-	7	453
Total including transitional impacts	169	252	(259)	(149)	164	177
Less: Reclassify net investment result in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	(324)	-	149	-	(175)
Less: Consolidation adjustments <sup>(2)</sup>	-	-	-	-	(102)	(102)
Less: Other	-	3	-	-	-	3
<b>Transitional net investment result</b>	<b>169</b>	<b>(69)</b>	<b>(259)</b>	<b>-</b>	<b>62</b>	<b>(97)</b>
Less: Transitional net investment result attributed to:						
Items excluded from core earnings	(54)	(189)	(662)	-	(75)	(980)
NCI	31	-	-	-	-	31
Participating policyholders	(15)	(2)	-	-	-	(17)
<b>Core net investment result</b>	<b>207</b>	<b>122</b>	<b>403</b>	<b>-</b>	<b>137</b>	<b>869</b>
Core net investment result, CER adjustment <sup>(1)</sup>	(3)	-	(5)	-	-	(8)
<b>Core net investment result, CER basis</b>	<b>\$ 204</b>	<b>\$ 122</b>	<b>\$ 398</b>	<b>\$ -</b>	<b>\$ 137</b>	<b>\$ 861</b>
<b>Manulife Bank and Global WAM by DOE line reconciliation</b>						
Manulife Bank and Global WAM net income attributed to shareholders	\$ -	\$ 72	\$ -	\$ 461	\$ -	\$ 533
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	5	-	140	-	145
<b>Core earnings in Manulife Bank and Global WAM</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>321</b>	<b>-</b>	<b>388</b>
Core earnings in Manulife Bank and Global WAM, CER adjustment <sup>(1)</sup>	-	-	-	(2)	-	(2)
<b>Core earnings in Manulife Bank and Global WAM, CER basis</b>	<b>\$ -</b>	<b>\$ 67</b>	<b>\$ -</b>	<b>\$ 319</b>	<b>\$ -</b>	<b>\$ 386</b>

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

**Drivers of Earnings ("DOE") – 4Q22 (continued)**

4Q22

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Other reconciliation</b>						
Other revenue per financial statements	\$ 15	\$ 67	\$ 17	\$ 1,646	\$ (74)	\$ 1,671
General expenses per financial statements	(42)	(135)	(29)	(715)	(81)	(1,002)
Commission related to non-insurance contracts	(3)	(14)	2	(316)	11	(320)
Interest expense per financial statements	(8)	(196)	(4)	(5)	(124)	(337)
Total financial statements values included in Other	(38)	(278)	(14)	610	(268)	12
Less: Reclassify Other in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	252	-	(610)	-	(358)
Less: Consolidation adjustments <sup>(1)</sup>	-	-	-	-	101	101
Other	(1)	(1)	(1)	-	-	(3)
<b>Other</b>	<b>(39)</b>	<b>(27)</b>	<b>(15)</b>	<b>-</b>	<b>(167)</b>	<b>(248)</b>
Less: Other attributed to:						
Items excluded from core earnings	-	-	-	-	22	22
NCI	-	-	-	-	-	-
Participating policyholders	(7)	(1)	-	-	-	(8)
Add: Par earnings transfer to shareholders	20	(2)	-	-	-	18
<b>Core Other</b>	<b>(12)</b>	<b>(28)</b>	<b>(15)</b>	<b>-</b>	<b>(189)</b>	<b>(244)</b>
Core Other, CER adjustment <sup>(2)</sup>	(1)	-	-	-	1	-
<b>Core Other, CER basis</b>	<b>\$ (13)</b>	<b>\$ (28)</b>	<b>\$ (15)</b>	<b>\$ -</b>	<b>\$ (188)</b>	<b>\$ (244)</b>
<b>Income tax recovery (expense) reconciliation</b>						
Income tax recovery (expense) per financial statements	\$ (102)	\$ (14)	\$ 23	\$ (60)	\$ 379	\$ 226
IFRS 9 transitional impacts	(20)	(121)	19	-	(2)	(124)
<b>Transitional income tax recovery (expense)</b>	<b>(122)</b>	<b>(135)</b>	<b>42</b>	<b>(60)</b>	<b>377</b>	<b>102</b>
Less: Transitional income tax recovery (expense) attributed to:						
Items excluded from core earnings	(18)	6	138	(13)	306	419
NCI	(13)	-	-	-	-	(13)
Participating policyholders	(9)	(60)	-	-	-	(69)
<b>Core income tax recovery (expense)</b>	<b>(82)</b>	<b>(81)</b>	<b>(96)</b>	<b>(47)</b>	<b>71</b>	<b>(235)</b>
Core income tax recovery (expense), CER adjustment <sup>(2)</sup>	2	-	2	(1)	-	3
<b>Core income tax recovery (expense), CER basis</b>	<b>\$ (80)</b>	<b>\$ (81)</b>	<b>\$ (94)</b>	<b>\$ (48)</b>	<b>\$ 71</b>	<b>\$ (232)</b>
Net income (loss) attributed to NCI	\$ 32	\$ -	\$ -	\$ -	\$ 1	\$ 33
IFRS 9 transitional impacts	2	-	-	-	-	2
Transitional net income (loss) to NCI	\$ 34	\$ -	\$ -	\$ -	\$ 1	\$ 35
Net income (loss) attributed to participating policyholders	\$ (47)	\$ 22	\$ -	\$ -	\$ -	\$ (25)
IFRS 9 transitional impacts	13	-	-	-	-	13
Transitional net income (loss) to participating policyholders	\$ (34)	\$ 22	\$ -	\$ -	\$ -	\$ (12)
<b>Transitional net income attributable to shareholders, CER basis<sup>(3)</sup></b>						
Net insurance service result	\$ 483	\$ 301	\$ 125	\$ -	\$ 48	\$ 957
Net investment result	165	(69)	(256)	-	62	(98)
Global WAM	-	-	-	454	-	454
Manulife Bank	-	72	-	-	-	72
Other	(40)	(27)	(16)	-	(168)	(251)
<b>Transitional net income (loss) before income taxes, CER basis</b>	<b>\$ 608</b>	<b>\$ 277</b>	<b>\$ (147)</b>	<b>\$ 454</b>	<b>\$ (58)</b>	<b>\$ 1,134</b>

<sup>(1)</sup> Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

<sup>(2)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(3)</sup> DOE on a CER basis adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

## Drivers of Earnings ("DOE") – 3Q22

(\$ millions, pre-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

	3Q22					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result	\$ 296	\$ 319	\$ 40	\$ -	\$ (206)	\$ 449
Transitional net investment result	(99)	260	334	-	(125)	370
Global WAM	-	-	-	324	-	324
Manulife Bank	-	66	-	-	-	66
Other	(47)	(23)	(16)	-	(197)	(283)
<b>Transitional net income (loss) before income taxes</b>	<b>150</b>	<b>622</b>	<b>358</b>	<b>324</b>	<b>(528)</b>	<b>926</b>
Transitional income tax (expense) recovery	(20)	(151)	(44)	(37)	47	(205)
<b>Transitional net income (loss)</b>	<b>130</b>	<b>471</b>	<b>314</b>	<b>287</b>	<b>(481)</b>	<b>721</b>
Less: Transitional net income (loss) attributed to NCI	(33)	-	-	-	-	(33)
Less: Transitional net income (loss) attributed to participating policyholders	79	10	-	-	-	89
<b>Transitional net income (loss) attributed to shareholders (post-tax)</b>	<b>\$ 176</b>	<b>\$ 481</b>	<b>\$ 314</b>	<b>\$ 287</b>	<b>\$ (481)</b>	<b>\$ 777</b>

## Reconciliations of DOE line items to the consolidated financial statements and DOE presentation

	3Q22					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Net insurance service result reconciliation</b>						
Total insurance service result - financial statements	\$ 296	\$ 319	\$ 40	\$ -	\$ (206)	\$ 449
Less: Insurance service result attributed to:						
Items excluded from core earnings	(13)	28	(12)	-	-	3
NCI	20	-	-	-	-	20
Participating policyholders	(56)	-	-	-	-	(56)
<b>Core net insurance result</b>	<b>345</b>	<b>291</b>	<b>52</b>	<b>-</b>	<b>(206)</b>	<b>482</b>
Core net insurance result, CER adjustment <sup>(1)</sup>	5	1	1	-	(5)	2
<b>Core net insurance result, CER basis</b>	<b>\$ 350</b>	<b>\$ 292</b>	<b>\$ 53</b>	<b>\$ -</b>	<b>\$ (211)</b>	<b>\$ 484</b>
<b>Transitional net investment result reconciliation</b>						
Total investment result per financial statements	\$ 17	\$ 968	\$ (631)	\$ (292)	\$ (19)	\$ 43
IFRS 9 transitional impacts	(116)	(406)	965	-	(1)	442
Total including transitional impacts	(99)	562	334	(292)	(20)	485
Less: Reclassify net investment result in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	(299)	-	292	-	(7)
Less: Consolidation adjustments <sup>(2)</sup>	-	-	-	-	(105)	(105)
Less: Other	-	(3)	-	-	-	(3)
<b>Transitional net investment result</b>	<b>(99)</b>	<b>260</b>	<b>334</b>	<b>-</b>	<b>(125)</b>	<b>370</b>
Less: Transitional net investment result attributed to:						
Items excluded from core earnings	(262)	131	(135)	-	(200)	(466)
NCI	15	-	-	-	-	15
Participating policyholders	(5)	(16)	-	-	-	(21)
<b>Core net investment result</b>	<b>153</b>	<b>145</b>	<b>469</b>	<b>-</b>	<b>75</b>	<b>842</b>
Core net investment result, CER adjustment <sup>(1)</sup>	3	(1)	13	-	-	15
<b>Core net investment result, CER basis</b>	<b>\$ 156</b>	<b>\$ 144</b>	<b>\$ 482</b>	<b>\$ -</b>	<b>\$ 75</b>	<b>\$ 857</b>
<b>Manulife Bank and Global WAM by DOE line reconciliation</b>						
Manulife Bank and Global WAM net income attributed to shareholders	\$ -	\$ 66	\$ -	\$ 324	\$ -	\$ 390
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	(4)	-	(81)	-	(85)
<b>Core earnings in Manulife Bank and Global WAM</b>	<b>-</b>	<b>70</b>	<b>-</b>	<b>405</b>	<b>-</b>	<b>475</b>
Core earnings in Manulife Bank and Global WAM, CER adjustment <sup>(1)</sup>	-	-	-	7	-	7
<b>Core earnings in Manulife Bank and Global WAM, CER basis</b>	<b>\$ -</b>	<b>\$ 70</b>	<b>\$ -</b>	<b>\$ 412</b>	<b>\$ -</b>	<b>\$ 482</b>

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

**Drivers of Earnings ("DOE") – 3Q22 (continued)**

3Q22

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Other reconciliation</b>						
Other revenue per financial statements	\$ 47	\$ 62	\$ 51	\$ 1,555	\$ (168)	\$ 1,547
General expenses per financial statements	(89)	(126)	(65)	(618)	(16)	(914)
Commission related to non-insurance contracts	(4)	(12)	1	(319)	2	(332)
Interest expense per financial statements	(1)	(182)	(3)	(2)	(121)	(309)
Total financial statements values included in Other	(47)	(258)	(16)	616	(303)	(8)
Less: Reclassify Other in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	233	-	(616)	-	(383)
Less: Consolidation adjustments <sup>(1)</sup>	-	-	-	-	106	106
Other	-	2	-	-	-	2
<b>Other</b>	<b>(47)</b>	<b>(23)</b>	<b>(16)</b>	<b>-</b>	<b>(197)</b>	<b>(283)</b>
Less: Other attributed to:						
Items excluded from core earnings	16	-	(15)	-	(85)	(84)
NCI	1	-	-	-	-	1
Participating policyholders	2	-	-	-	-	2
Add: Par earnings transfer to shareholders	9	2	-	-	-	11
<b>Core Other</b>	<b>(57)</b>	<b>(21)</b>	<b>(1)</b>	<b>-</b>	<b>(112)</b>	<b>(191)</b>
Core Other, CER adjustment <sup>(2)</sup>	-	-	-	-	-	-
<b>Core Other, CER basis</b>	<b>\$ (57)</b>	<b>\$ (21)</b>	<b>\$ (1)</b>	<b>\$ -</b>	<b>\$ (112)</b>	<b>\$ (191)</b>
<b>Income tax recovery (expense) reconciliation</b>						
Income tax recovery (expense) per financial statements	\$ (43)	\$ (186)	\$ 160	\$ (37)	\$ 46	\$ (60)
IFRS 9 transitional impacts	23	35	(204)	-	1	(145)
<b>Transitional income tax recovery (expense)</b>	<b>(20)</b>	<b>(151)</b>	<b>(44)</b>	<b>(37)</b>	<b>47</b>	<b>(205)</b>
Less: Transitional income tax recovery (expense) attributed to:						
Items excluded from core earnings	47	(65)	39	14	34	69
NCI	(3)	-	-	-	-	(3)
Participating policyholders	(10)	8	-	-	-	(2)
<b>Core income tax recovery (expense)</b>	<b>(54)</b>	<b>(94)</b>	<b>(83)</b>	<b>(51)</b>	<b>13</b>	<b>(269)</b>
Core income tax recovery (expense), CER adjustment <sup>(2)</sup>	(2)	-	(3)	-	-	(5)
<b>Core income tax recovery (expense), CER basis</b>	<b>\$ (56)</b>	<b>\$ (94)</b>	<b>\$ (86)</b>	<b>\$ (51)</b>	<b>\$ 13</b>	<b>\$ (274)</b>
Net income (loss) attributed to NCI	\$ 34	\$ -	\$ -	\$ -	\$ -	\$ 34
IFRS 9 transitional impacts	(1)	-	-	-	-	(1)
<b>Transitional net income (loss) to NCI</b>	<b>\$ 33</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 33</b>
Net income (loss) attributed to participating policyholders	\$ (91)	\$ (10)	\$ -	\$ -	\$ -	\$ (101)
IFRS 9 transitional impacts	12	-	-	-	-	12
<b>Transitional net income (loss) to participating policyholders</b>	<b>\$ (79)</b>	<b>\$ (10)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (89)</b>
<b>Transitional net income attributable to shareholders, CER basis<sup>(3)</sup></b>						
Net insurance service result	\$ 297	\$ 319	\$ 41	\$ -	\$ (211)	\$ 446
Net investment result	(96)	260	343	-	(125)	382
Global WAM	-	-	-	331	-	331
Manulife Bank	-	66	-	-	-	66
Other	(46)	(23)	(17)	-	(197)	(283)
<b>Transitional net income (loss) before income taxes, CER basis</b>	<b>\$ 155</b>	<b>\$ 622</b>	<b>\$ 367</b>	<b>\$ 331</b>	<b>\$ (533)</b>	<b>\$ 942</b>

<sup>(1)</sup> Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

<sup>(2)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(3)</sup> DOE on a CER basis adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

## Drivers of Earnings ("DOE") – YTD 2023

(\$ millions, pre-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

	YTD 2023					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result	\$ 1,297	\$ 887	\$ 412	\$ -	\$ 145	\$ 2,741
Net investment result	193	115	161	-	737	1,206
Global WAM	-	-	-	1,072	-	1,072
Manulife Bank	-	179	-	-	-	179
Other	(93)	(70)	(66)	1	(641)	(869)
<b>Net income (loss) before income taxes</b>	<b>1,397</b>	<b>1,111</b>	<b>507</b>	<b>1,073</b>	<b>241</b>	<b>4,329</b>
Income tax (expense) recovery	(331)	(257)	(66)	(140)	271	(523)
<b>Net income (loss)</b>	<b>1,066</b>	<b>854</b>	<b>441</b>	<b>933</b>	<b>512</b>	<b>3,806</b>
Less: Net income (loss) attributed to NCI	(104)	-	-	(1)	-	(105)
Less: Net income (loss) attributed to participating policyholders	(229)	(28)	-	-	-	(257)
<b>Net income (loss) attributed to shareholders (post-tax)</b>	<b>\$ 733</b>	<b>\$ 826</b>	<b>\$ 441</b>	<b>\$ 932</b>	<b>\$ 512</b>	<b>\$ 3,444</b>

## Reconciliations of DOE line items to the consolidated financial statements and DOE presentation

	YTD 2023					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Net insurance service result reconciliation</b>						
Total insurance service result - financial statements	\$ 1,297	\$ 887	\$ 412	\$ -	\$ 145	\$ 2,741
Less: Insurance service result attributed to:						
Items excluded from core earnings	(130)	7	(76)	-	(1)	(200)
NCI	68	-	-	-	-	68
Participating policyholders	248	68	-	-	-	316
<b>Core net insurance result</b>	<b>1,111</b>	<b>812</b>	<b>488</b>	<b>-</b>	<b>146</b>	<b>2,557</b>
Core net insurance result, CER adjustment <sup>(1)</sup>	(14)	(1)	(1)	-	-	(16)
<b>Core net insurance result, CER basis</b>	<b>\$ 1,097</b>	<b>\$ 811</b>	<b>\$ 487</b>	<b>\$ -</b>	<b>\$ 146</b>	<b>\$ 2,541</b>
<b>Total investment result reconciliation</b>						
Total investment result per financial statements	\$ 193	\$ 1,206	\$ 161	\$ (807)	\$ 1,132	\$ 1,885
Less: Reclassify net investment result in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	(1,068)	-	807	-	(261)
Less: Consolidation adjustments <sup>(2)</sup>	-	-	-	-	(395)	(395)
Less: Other	-	(23)	-	-	-	(23)
<b>Net investment result</b>	<b>193</b>	<b>115</b>	<b>161</b>	<b>-</b>	<b>737</b>	<b>1,206</b>
Less: Net investment result attributed to:						
Items excluded from core earnings	(558)	(354)	(937)	-	259	(1,590)
NCI	55	-	-	-	-	55
Participating policyholders	24	(7)	-	-	-	17
<b>Core net investment result</b>	<b>672</b>	<b>476</b>	<b>1,098</b>	<b>-</b>	<b>478</b>	<b>2,724</b>
Core net investment result, CER adjustment <sup>(1)</sup>	(16)	1	(3)	-	1	(17)
<b>Core net investment result, CER basis</b>	<b>\$ 656</b>	<b>\$ 477</b>	<b>\$ 1,095</b>	<b>\$ -</b>	<b>\$ 479</b>	<b>\$ 2,707</b>
<b>Manulife Bank and Global WAM by DOE line reconciliation</b>						
Manulife Bank and Global WAM net income attributed to shareholders	\$ -	\$ 179	\$ -	\$ 1,072	\$ -	\$ 1,251
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	(6)	-	(45)	-	(51)
<b>Core earnings in Manulife Bank and Global WAM</b>	<b>-</b>	<b>185</b>	<b>-</b>	<b>1,117</b>	<b>-</b>	<b>1,302</b>
Core earnings in Manulife Bank and Global WAM, CER adjustment <sup>(1)</sup>	-	-	-	(3)	-	(3)
<b>Core earnings in Manulife Bank and Global WAM, CER basis</b>	<b>\$ -</b>	<b>\$ 185</b>	<b>\$ -</b>	<b>\$ 1,114</b>	<b>\$ -</b>	<b>\$ 1,299</b>

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

**Drivers of Earnings ("DOE") – YTD 2023 (continued)**

	YTD 2023					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Other reconciliation</b>						
Other revenue per financial statements	\$ 83	\$ 197	\$ 71	\$ 5,021	\$ (345)	\$ 5,027
General expenses per financial statements	(161)	(378)	(128)	(2,138)	(345)	(3,150)
Commission related to non-insurance contracts	(7)	(43)	2	(992)	30	(1,010)
Interest expense per financial statements	(8)	(758)	(11)	(11)	(376)	(1,164)
Total financial statements values included in Other	(93)	(982)	(66)	1,880	(1,036)	(297)
Less: Reclassify Other in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	889	-	(1,879)	-	(990)
Less: Consolidation adjustments <sup>(1)</sup>	-	-	-	-	395	395
Other	-	23	-	-	-	23
<b>Other</b>	<b>(93)</b>	<b>(70)</b>	<b>(66)</b>	<b>1</b>	<b>(641)</b>	<b>(869)</b>
Less: Other attributed to:						
Items excluded from core earnings	19	(6)	(54)	-	6	(35)
NCI	6	-	-	1	-	7
Participating policyholders	2	(11)	-	-	-	(9)
Add: Par earnings transfer to shareholders	24	6	-	-	-	30
<b>Core Other</b>	<b>(96)</b>	<b>(47)</b>	<b>(12)</b>	<b>-</b>	<b>(647)</b>	<b>(802)</b>
Core Other, CER adjustment <sup>(2)</sup>	3	-	(1)	-	-	2
<b>Core Other, CER basis</b>	<b>\$ (93)</b>	<b>\$ (47)</b>	<b>\$ (13)</b>	<b>\$ -</b>	<b>\$ (647)</b>	<b>\$ (800)</b>
<b>Income tax recovery (expense) reconciliation</b>						
Income tax recovery (expense) per financial statements	\$ (331)	\$ (257)	\$ (66)	\$ (140)	\$ 271	\$ (523)
Less: Income tax recovery (expense) attributed to:						
Items excluded from core earnings	(83)	50	223	10	209	409
NCI	(25)	-	-	(1)	-	(26)
Participating policyholders	(20)	(16)	-	-	-	(36)
<b>Core income tax recovery (expense)</b>	<b>(203)</b>	<b>(291)</b>	<b>(289)</b>	<b>(149)</b>	<b>62</b>	<b>(870)</b>
Core income tax recovery (expense), CER adjustment <sup>(2)</sup>	4	-	1	1	(1)	5
<b>Core income tax recovery (expense), CER basis</b>	<b>\$ (199)</b>	<b>\$ (291)</b>	<b>\$ (288)</b>	<b>\$ (148)</b>	<b>\$ 61</b>	<b>\$ (865)</b>
<b>Net income attributable to shareholders, CER basis<sup>(3)</sup></b>						
Net insurance service result	\$ 1,281	\$ 887	\$ 410	\$ -	\$ 145	\$ 2,723
Net investment result	195	115	160	-	737	1,207
Global WAM	-	-	-	1,068	-	1,068
Manulife Bank	-	179	-	-	-	179
Other	(91)	(70)	(65)	1	(642)	(867)
<b>Net income (loss) before income taxes, CER basis</b>	<b>\$ 1,385</b>	<b>\$ 1,111</b>	<b>\$ 505</b>	<b>\$ 1,069</b>	<b>\$ 240</b>	<b>\$ 4,310</b>

<sup>(1)</sup> Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

<sup>(2)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(3)</sup> DOE on a CER basis adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

## Drivers of Earnings ("DOE") – YTD 2022

(\$ millions, pre-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

	YTD 2022					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result	\$ 1,069	\$ 889	\$ 407	\$ -	\$ (166)	\$ 2,199
Transitional net investment result	(653)	449	1,531	-	(454)	873
Global WAM	-	-	-	830	-	830
Manulife Bank	-	143	-	-	-	143
Other	(236)	(58)	(37)	-	(680)	(1,011)
<b>Transitional net income (loss) before income taxes</b>	<b>180</b>	<b>1,423</b>	<b>1,901</b>	<b>830</b>	<b>(1,300)</b>	<b>3,034</b>
Transitional income tax (expense) recovery	(115)	(323)	(347)	(110)	64	(831)
<b>Transitional net income (loss)</b>	<b>65</b>	<b>1,100</b>	<b>1,554</b>	<b>720</b>	<b>(1,236)</b>	<b>2,203</b>
Less: Transitional net income (loss) attributed to NCI	(80)	-	-	-	-	(80)
Less: Transitional net income (loss) attributed to participating policyholders	169	(22)	-	-	-	147
<b>Transitional net income (loss) attributed to shareholders (post-tax)</b>	<b>\$ 154</b>	<b>\$ 1,078</b>	<b>\$ 1,554</b>	<b>\$ 720</b>	<b>\$ (1,236)</b>	<b>\$ 2,270</b>

## Reconciliations of DOE line items to the consolidated financial statements and DOE presentation

	YTD 2022					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Net insurance service result reconciliation</b>						
Total insurance service result - financial statements	\$ 1,069	\$ 889	\$ 407	\$ -	\$ (166)	\$ 2,199
Less: Insurance service result attributed to:						
Items excluded from core earnings	(103)	27	169	-	(1)	92
NCI	52	-	-	-	-	52
Participating policyholders	(88)	48	-	-	-	(40)
<b>Core net insurance result</b>	<b>1,208</b>	<b>814</b>	<b>238</b>	<b>-</b>	<b>(165)</b>	<b>2,095</b>
Core net insurance result, CER adjustment <sup>(1)</sup>	20	-	11	-	(2)	29
<b>Core net insurance result, CER basis</b>	<b>\$ 1,228</b>	<b>\$ 814</b>	<b>\$ 249</b>	<b>\$ -</b>	<b>\$ (167)</b>	<b>\$ 2,124</b>
<b>Transitional net investment result reconciliation</b>						
Total investment result per financial statements	\$ (325)	\$ (1,240)	\$ (3,314)	\$ (1,051)	\$ (163)	\$ (6,093)
IFRS 9 transitional impacts	(328)	2,355	4,845	-	(3)	6,869
Total including transitional impacts	(653)	1,115	1,531	(1,051)	(166)	776
Less: Reclassify net investment result in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	(653)	-	1,051	-	398
Less: Consolidation adjustments <sup>(2)</sup>	-	-	-	-	(288)	(288)
Less: Other	-	(13)	-	-	-	(13)
<b>Transitional net investment result</b>	<b>(653)</b>	<b>449</b>	<b>1,531</b>	<b>-</b>	<b>(454)</b>	<b>873</b>
Less: Transitional net investment result attributed to:						
Items excluded from core earnings	(1,104)	58	346	-	(642)	(1,342)
NCI	20	-	-	-	-	20
Participating policyholders	(39)	(29)	-	-	-	(68)
<b>Core net investment result</b>	<b>470</b>	<b>420</b>	<b>1,185</b>	<b>-</b>	<b>188</b>	<b>2,263</b>
Core net investment result, CER adjustment <sup>(1)</sup>	2	-	52	-	(1)	53
<b>Core net investment result, CER basis</b>	<b>\$ 472</b>	<b>\$ 420</b>	<b>\$ 1,237</b>	<b>\$ -</b>	<b>\$ 187</b>	<b>\$ 2,316</b>
<b>Manulife Bank and Global WAM by DOE line reconciliation</b>						
Manulife Bank and Global WAM net income attributed to shareholders	\$ -	\$ 143	\$ -	\$ 830	\$ -	\$ 973
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	(20)	-	(370)	-	(390)
<b>Core earnings in Manulife Bank and Global WAM</b>	<b>-</b>	<b>163</b>	<b>-</b>	<b>1,200</b>	<b>-</b>	<b>1,363</b>
Core earnings in Manulife Bank and Global WAM, CER adjustment <sup>(1)</sup>	-	-	-	33	-	33
<b>Core earnings in Manulife Bank and Global WAM, CER basis</b>	<b>\$ -</b>	<b>\$ 163</b>	<b>\$ -</b>	<b>\$ 1,233</b>	<b>\$ -</b>	<b>\$ 1,396</b>

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

**Drivers of Earnings ("DOE") – YTD 2022 (continued)**

YTD 2022

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Other reconciliation</b>						
Other revenue per financial statements	\$ 41	\$ 195	\$ 84	\$ 4,745	\$ (550)	\$ 4,515
General expenses per financial statements	(261)	(383)	(111)	(1,868)	(106)	(2,729)
Commission related to non-insurance contracts	(12)	(41)	2	(994)	32	(1,013)
Interest expense per financial statements	(4)	(352)	(12)	(2)	(344)	(714)
Total financial statements values included in Other	(236)	(581)	(37)	1,881	(968)	59
Less: Reclassify Other in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	510	-	(1,881)	-	(1,371)
Less: Consolidation adjustments <sup>(1)</sup>	-	-	-	-	288	288
Other	-	13	-	-	-	13
<b>Other</b>	(236)	(58)	(37)	-	(680)	(1,011)
Less: Other attributed to:						
Items excluded from core earnings	(29)	-	(17)	-	(280)	(326)
NCI	7	-	-	-	-	7
Participating policyholders	(7)	-	-	-	-	(7)
Add: Par earnings transfer to shareholders	26	6	-	-	-	32
<b>Core Other</b>	(181)	(52)	(20)	-	(400)	(653)
Core Other, CER adjustment <sup>(2)</sup>	-	-	(1)	-	-	(1)
<b>Core Other, CER basis</b>	\$ (181)	\$ (52)	\$ (21)	\$ -	\$ (400)	\$ (654)
<b>Income tax recovery (expense) reconciliation</b>						
Income tax recovery (expense) per financial statements	\$ (216)	\$ 524	\$ 672	\$ (110)	\$ 63	\$ 933
IFRS 9 transitional impacts	101	(847)	(1,019)	-	1	(1,764)
<b>Transitional income tax recovery (expense)</b>	(115)	(323)	(347)	(110)	64	(831)
Less: Transitional income tax recovery (expense) attributed to:						
Items excluded from core earnings	72	(77)	(102)	65	19	(23)
NCI	1	-	-	-	-	1
Participating policyholders	(7)	8	-	-	-	1
<b>Core income tax recovery (expense)</b>	(181)	(254)	(245)	(175)	45	(810)
Core income tax recovery (expense), CER adjustment <sup>(2)</sup>	(3)	-	(11)	(3)	-	(17)
<b>Core income tax recovery (expense), CER basis</b>	\$ (184)	\$ (254)	\$ (256)	\$ (178)	\$ 45	\$ (827)
Net income (loss) attributed to NCI	\$ 88	\$ -	\$ -	\$ -	\$ -	\$ 88
IFRS 9 transitional impacts	(8)	-	-	-	-	(8)
<b>Transitional net income (loss) to NCI</b>	\$ 80	\$ -	\$ -	\$ -	\$ -	\$ 80
Net income (loss) attributed to participating policyholders	\$ (164)	\$ 22	\$ -	\$ -	\$ -	\$ (142)
IFRS 9 transitional impacts	(5)	-	-	-	-	(5)
<b>Transitional net income (loss) to participating policyholders</b>	\$ (169)	\$ 22	\$ -	\$ -	\$ -	\$ (147)
<b>Transitional net income attributable to shareholders, CER basis<sup>(3)</sup></b>						
Net insurance service result	\$ 1,076	\$ 889	\$ 427	\$ -	\$ (168)	\$ 2,224
Net investment result	(632)	449	1,610	-	(453)	974
Global WAM	-	-	-	863	-	863
Manulife Bank	-	143	-	-	-	143
Other	(238)	(58)	(39)	-	(680)	(1,015)
<b>Transitional net income (loss) before income taxes, CER basis</b>	\$ 206	\$ 1,423	\$ 1,998	\$ 863	\$ (1,301)	\$ 3,189

<sup>(1)</sup> Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

<sup>(2)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(3)</sup> DOE on a CER basis adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

## Drivers of Earnings ("DOE") – 2022

(\$ millions, pre-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

	2022					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result	\$ 1,554	\$ 1,190	\$ 533	\$ -	\$ (117)	\$ 3,160
Transitional net investment result	(484)	380	1,272	-	(392)	776
Global WAM	-	-	-	1,291	-	1,291
Manulife Bank	-	215	-	-	-	215
Other	(275)	(85)	(52)	-	(847)	(1,259)
<b>Transitional net income (loss) before income taxes</b>	<b>795</b>	<b>1,700</b>	<b>1,753</b>	<b>1,291</b>	<b>(1,356)</b>	<b>4,183</b>
Transitional income tax (expense) recovery	(237)	(458)	(305)	(170)	441	(729)
<b>Transitional net income (loss)</b>	<b>558</b>	<b>1,242</b>	<b>1,448</b>	<b>1,121</b>	<b>(915)</b>	<b>3,454</b>
Less: Transitional net income (loss) attributed to NCI	(114)	-	-	-	(1)	(115)
Less: Transitional net income (loss) attributed to participating policyholders	203	(44)	-	-	-	159
<b>Transitional net income (loss) attributed to shareholders (post-tax)</b>	<b>\$ 647</b>	<b>\$ 1,198</b>	<b>\$ 1,448</b>	<b>\$ 1,121</b>	<b>\$ (916)</b>	<b>\$ 3,498</b>

## Reconciliations of DOE line items to the consolidated financial statements and DOE presentation

	2022					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Net insurance service result reconciliation</b>						
Total insurance service result - financial statements	\$ 1,554	\$ 1,190	\$ 533	\$ -	\$ (117)	\$ 3,160
Less: Insurance service result attributed to:						
Items excluded from core earnings	(34)	28	179	-	(2)	171
NCI	70	-	-	-	-	70
Participating policyholders	(73)	132	-	-	-	59
<b>Core net insurance result</b>	<b>\$ 1,591</b>	<b>\$ 1,030</b>	<b>\$ 354</b>	<b>\$ -</b>	<b>\$ (115)</b>	<b>\$ 2,860</b>
Core net insurance result, CER adjustment <sup>(1)</sup>	18	-	9	-	(3)	24
<b>Core net insurance result, CER basis</b>	<b>\$ 1,609</b>	<b>\$ 1,030</b>	<b>\$ 363</b>	<b>\$ -</b>	<b>\$ (118)</b>	<b>\$ 2,884</b>
<b>Transitional net investment result reconciliation</b>						
Total investment result per financial statements	\$ (370)	\$(1,300)	\$(3,493)	\$(1,200)	\$ (6)	\$(6,369)
IFRS 9 transitional impacts	(114)	2,667	4,765	-	4	7,322
Total including transitional impacts	(484)	1,367	1,272	(1,200)	(2)	953
Less: Reclassify net investment result in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	(977)	-	1,200	-	223
Less: Consolidation adjustments <sup>(2)</sup>	-	-	-	-	(390)	(390)
Less: Other	-	(10)	-	-	-	(10)
<b>Transitional net investment result</b>	<b>\$ (484)</b>	<b>\$ 380</b>	<b>\$ 1,272</b>	<b>\$ -</b>	<b>\$ (392)</b>	<b>\$ 776</b>
Less: Transitional net investment result attributed to:						
Items excluded from core earnings	(1,158)	(131)	(316)	-	(717)	(2,322)
NCI	51	-	-	-	-	51
Participating policyholders	(54)	(31)	-	-	-	(85)
<b>Core net investment result</b>	<b>677</b>	<b>542</b>	<b>1,588</b>	<b>-</b>	<b>325</b>	<b>3,132</b>
Core net investment result, CER adjustment <sup>(1)</sup>	(1)	-	48	-	(1)	46
<b>Core net investment result, CER basis</b>	<b>\$ 676</b>	<b>\$ 542</b>	<b>\$ 1,636</b>	<b>\$ -</b>	<b>\$ 324</b>	<b>\$ 3,178</b>
<b>Manulife Bank and Global WAM by DOE line reconciliation</b>						
Manulife Bank and Global WAM net income attributed to shareholders	\$ -	\$ 215	\$ -	\$ 1,291	\$ -	\$ 1,506
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	(15)	-	(230)	-	(245)
<b>Core earnings in Manulife Bank and Global WAM</b>	<b>\$ -</b>	<b>\$ 230</b>	<b>\$ -</b>	<b>\$ 1,521</b>	<b>\$ -</b>	<b>\$ 1,751</b>
Core earnings in Manulife Bank and Global WAM, CER adjustment <sup>(1)</sup>	-	-	-	30	-	30
<b>Core earnings in Manulife Bank and Global WAM, CER basis</b>	<b>\$ -</b>	<b>\$ 230</b>	<b>\$ -</b>	<b>\$ 1,551</b>	<b>\$ -</b>	<b>\$ 1,781</b>

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

**Drivers of Earnings ("DOE") – 2022 (continued)**

2022

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
<b>Other reconciliation</b>						
Other revenue per financial statements	\$ 56	\$ 262	\$ 101	\$ 6,391	\$ (624)	\$ 6,186
General expenses per financial statements	(303)	(518)	(140)	(2,583)	(187)	(3,731)
Commission related to non-insurance contracts	(15)	(55)	4	(1,310)	43	(1,333)
Interest expense per financial statements	(12)	(548)	(16)	(7)	(468)	(1,051)
Total financial statements values included in Other	(274)	(859)	(51)	2,491	(1,236)	71
Less: Reclassify Other in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	762	-	(2,491)	-	(1,729)
Less: Consolidation adjustments <sup>(1)</sup>	-	-	-	-	389	389
Other	(1)	12	(1)	-	-	10
<b>Other</b>	<b>(275)</b>	<b>(85)</b>	<b>(52)</b>	<b>-</b>	<b>(847)</b>	<b>(1,259)</b>
Less: Other attributed to:						
Items excluded from core earnings	(29)	-	(17)	-	(258)	(304)
NCI	7	-	-	-	-	7
Participating policyholders	(14)	(1)	-	-	-	(15)
Add: Par earnings transfer to shareholders	46	4	-	-	-	50
<b>Core Other</b>	<b>(193)</b>	<b>(80)</b>	<b>(35)</b>	<b>-</b>	<b>(589)</b>	<b>(897)</b>
Core Other, CER adjustment <sup>(2)</sup>	(1)	-	(2)	-	1	(2)
<b>Core Other, CER basis</b>	<b>\$ (194)</b>	<b>\$ (80)</b>	<b>\$ (37)</b>	<b>\$ -</b>	<b>\$ (588)</b>	<b>\$ (899)</b>
<b>Income tax recovery (expense) reconciliation</b>						
Income tax recovery (expense) per financial statements	\$ (318)	\$ 510	\$ 695	\$ (170)	\$ 442	\$ 1,159
IFRS 9 transitional impacts	81	(968)	(1,000)	-	(1)	(1,888)
<b>Transitional income tax recovery (expense)</b>	<b>(237)</b>	<b>(458)</b>	<b>(305)</b>	<b>(170)</b>	<b>441</b>	<b>(729)</b>
Less: Transitional income tax recovery (expense) attributed to:						
Items excluded from core earnings	54	(71)	36	52	325	396
NCI	(12)	-	-	-	-	(12)
Participating policyholders	(16)	(52)	-	-	-	(68)
<b>Core income tax recovery (expense)</b>	<b>(263)</b>	<b>(335)</b>	<b>(341)</b>	<b>(222)</b>	<b>116</b>	<b>(1,045)</b>
Core income tax recovery (expense), CER adjustment <sup>(2)</sup>	(1)	-	(10)	(3)	-	(14)
<b>Core income tax recovery (expense), CER basis</b>	<b>\$ (264)</b>	<b>\$ (335)</b>	<b>\$ (351)</b>	<b>\$ (225)</b>	<b>\$ 116</b>	<b>\$ (1,059)</b>
Net income (loss) attributed to NCI	\$ 120	\$ -	\$ -	\$ -	\$ 1	\$ 121
IFRS 9 transitional impacts	(6)	-	-	-	-	(6)
<b>Transitional net income (loss) to NCI</b>	<b>\$ 114</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 115</b>
Net income (loss) attributed to participating policyholders	\$ (211)	\$ 44	\$ -	\$ -	\$ -	\$ (167)
IFRS 9 transitional impacts	8	-	-	-	-	8
<b>Transitional net income (loss) to participating policyholders</b>	<b>\$ (203)</b>	<b>\$ 44</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (159)</b>
<b>Transitional net income attributable to shareholders, CER basis<sup>(3)</sup></b>						
Net insurance service result	\$ 1,559	\$ 1,190	\$ 551	\$ -	\$ (120)	\$ 3,180
Net investment result	(467)	380	1,354	-	(391)	876
Global WAM	-	-	-	1,317	-	1,317
Manulife Bank	-	215	-	-	-	215
Other	(278)	(85)	(55)	-	(847)	(1,265)
<b>Transitional net income (loss) before income taxes, CER basis</b>	<b>\$ 814</b>	<b>\$ 1,700</b>	<b>\$ 1,850</b>	<b>\$ 1,317</b>	<b>\$ (1,358)</b>	<b>\$ 4,323</b>

<sup>(1)</sup> Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

<sup>(2)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(3)</sup> DOE on a CER basis adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

**The contractual service margin (“CSM”)** is a liability that represents future unearned profits on insurance contracts written. It is a component of our insurance and reinsurance contract liabilities on our Statement of Financial Position. Organic and inorganic changes in CSM include amounts attributable to participating shareholders and non-controlling interests. **CSM growth** is the percentage change in the CSM net of NCI compared with a prior period on a constant exchange rate basis.

Changes in CSM that are classified as organic include the following impacts:

- **Impact of new business** is the impact on CSM from insurance contracts initially recognized in the period and includes acquisition expense related gains (losses) which impact the CSM in the period. It excludes the impact on CSM from entering into new in-force reinsurance contracts which would generally be considered a management action.
- **Expected movement related to finance income or expenses** includes interest accreted on the CSM during the period and the expected change in the CSM on VFA contracts if returns are as expected.
- **CSM recognized for service provided** is the portion of the CSM that is recognized in net income for service provided in the period.
- **Insurance experience gains (losses) and other** is primarily the change in the CSM balance from experience variances that relate to future periods. This includes persistency experience and changes in future period cash flows caused by other current period experience.

Changes in CSM that are classified as inorganic include:

- **Changes in actuarial methods and assumptions that adjust the CSM;**
- **Effect of movement in exchange rates** over the reporting period;
- **Impact of markets;** and
- **Reinsurance transactions, tax-related and other items** that reflects the impact related to future cash flows from items such as gains or losses on disposition of a business, the impact of enacted or substantially enacted income tax rate changes, material one-time only adjustments that are exceptional in nature and other amounts not specifically captured in the previous inorganic items.

**Post-tax CSM** is used in the definition of financial leverage ratio and consolidated capital and is calculated as the CSM adjusted for the marginal income tax rate in the jurisdictions that report a CSM balance. **Post-tax CSM net of NCI** is used in the adjusted book value per share calculation and is calculated as the CSM excluding non-controlling interests adjusted for the marginal income tax rate in the jurisdictions that report this balance.

**New Business CSM** is the impact of new business defined above, excluding CSM attributable to non-controlling interests. **New business CSM growth** is the percentage change in the New Business CSM net of NCI compared with a prior period on a constant exchange rate basis.

## CSM and post-tax CSM information

(\$ millions and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

As at (\$ millions)	Sept 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022
CSM	\$ 18,149	\$ 18,103	\$ 18,200	\$ 17,977	\$ 17,798
Less: CSM for NCI	(780)	(680)	(733)	(694)	(712)
<b>CSM, net of NCI</b>	<b>\$ 17,369</b>	<b>\$ 17,423</b>	<b>\$ 17,467</b>	<b>\$ 17,283</b>	<b>\$ 17,086</b>
CER adjustment <sup>(1)</sup>	(41)	165	(324)	(288)	(273)
<b>CSM, net of NCI, CER basis</b>	<b>\$ 17,328</b>	<b>\$ 17,588</b>	<b>\$ 17,143</b>	<b>\$ 16,995</b>	<b>\$ 16,813</b>
<b>CSM by segment</b>					
Asia	\$ 10,030	\$ 9,630	\$ 9,678	\$ 9,420	\$ 9,309
Asia NCI	780	680	733	694	712
Canada	3,662	3,656	3,659	3,675	3,558
U.S.	3,651	4,106	4,080	4,136	4,185
Corporate and Other	26	31	50	52	34
<b>CSM</b>	<b>\$ 18,149</b>	<b>\$ 18,103</b>	<b>\$ 18,200</b>	<b>\$ 17,977</b>	<b>\$ 17,798</b>
<b>CSM, CER adjustment<sup>(1)</sup></b>					
Asia	\$ (3)	\$ 110	\$ (287)	\$ (246)	\$ (173)
Asia NCI	(1)	10	(44)	(34)	(30)
Canada	-	-	-	-	-
U.S.	(38)	55	(37)	(42)	(100)
Corporate and Other	-	-	-	-	-
<b>Total</b>	<b>\$ (42)</b>	<b>\$ 175</b>	<b>\$ (368)</b>	<b>\$ (322)</b>	<b>\$ (303)</b>
<b>CSM, CER basis</b>					
Asia	\$ 10,027	\$ 9,740	\$ 9,391	\$ 9,174	\$ 9,136
Asia NCI	779	690	689	660	682
Canada	3,662	3,656	3,659	3,675	3,558
U.S.	3,613	4,161	4,043	4,094	4,085
Corporate and Other	26	31	50	52	34
<b>Total CSM, CER basis</b>	<b>\$ 18,107</b>	<b>\$ 18,278</b>	<b>\$ 17,832</b>	<b>\$ 17,655</b>	<b>\$ 17,495</b>
<b>Post-tax CSM</b>					
CSM	\$ 18,149	\$ 18,103	\$ 18,200	\$ 17,977	\$ 17,798
Marginal tax rate on CSM	(2,474)	(2,645)	(2,724)	(2,726)	(2,632)
<b>Post-tax CSM</b>	<b>\$ 15,675</b>	<b>\$ 15,458</b>	<b>\$ 15,476</b>	<b>\$ 15,251</b>	<b>\$ 15,166</b>
CSM, net of NCI	\$ 17,369	\$ 17,423	\$ 17,467	\$ 17,283	\$ 17,086
Marginal tax rate on CSM net of NCI	(2,377)	(2,546)	(2,617)	(2,624)	(2,526)
<b>Post-tax CSM net of NCI</b>	<b>\$ 14,992</b>	<b>\$ 14,877</b>	<b>\$ 14,850</b>	<b>\$ 14,659</b>	<b>\$ 14,560</b>

<sup>(1)</sup> The impact of reflecting CSM and CSM net of NCI using the foreign exchange rates for the Statement of Financial Position in effect for 3Q23.

## New business CSM detail, CER basis

(\$ millions pre-tax, and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
<b>New business CSM, net of NCI</b>								
Hong Kong	\$ 167	\$ 191	\$ 119	\$ 110	\$ 127	\$ 477	\$ 327	\$ 437
Japan	29	19	36	28	37	84	112	140
Asia Other	206	222	146	186	176	574	546	732
International High Net Worth								197
Mainland China								12
Singapore								189
Vietnam								305
Other Emerging Markets								29
Asia	402	432	301	324	340	1,135	985	1,309
Canada	51	57	46	47	44	154	152	199
U.S.	54	103	95	71	86	252	316	387
Total new business CSM net of NCI	507	592	442	442	470	1,541	1,453	1,895
Asia NCI	46	38	19	-	2	103	20	20
Total impact of new insurance business in CSM	\$ 553	\$ 630	\$ 461	\$ 442	\$ 472	\$ 1,644	\$ 1,473	\$ 1,915
<b>New business CSM, net of NCI, CER adjustment<sup>(1), (2)</sup></b>								
Hong Kong	\$ -	\$ -	\$ (1)	\$ (2)	\$ 3	\$ (1)	\$ 15	\$ 13
Japan	-	(1)	(3)	(1)	(1)	(4)	(9)	(10)
Asia Other	-	(3)	(4)	1	5	(7)	16	17
International High Net Worth								4
Mainland China								-
Singapore								10
Vietnam								3
Other Emerging Markets								-
Asia	-	(4)	(8)	(2)	7	(12)	22	20
Canada	-	-	-	-	-	-	-	-
U.S.	-	(1)	-	(1)	3	(1)	15	14
Total new business CSM net of NCI	-	(5)	(8)	(3)	10	(13)	37	34
Asia NCI	-	(1)	(2)	-	-	(3)	(1)	(1)
Total impact of new insurance business in CSM	\$ -	\$ (6)	\$ (10)	\$ (3)	\$ 10	\$ (16)	\$ 36	\$ 33
<b>New business CSM net of NCI, CER basis</b>								
Hong Kong	\$ 167	\$ 191	\$ 118	\$ 108	\$ 130	\$ 476	\$ 342	\$ 450
Japan	29	18	33	27	36	80	103	130
Asia Other	206	219	142	187	181	567	562	749
International High Net Worth								201
Mainland China								12
Singapore								199
Vietnam								308
Other Emerging Markets								29
Asia	402	428	293	322	347	1,123	1,007	1,329
Canada	51	57	46	47	44	154	152	199
U.S.	54	102	95	70	89	251	331	401
Total new business CSM net of NCI, CER basis	507	587	434	439	480	1,528	1,490	1,929
Asia NCI, CER basis	46	37	17	-	2	100	19	19
<b>Total impact of new insurance business in CSM, CER basis</b>	<b>\$ 553</b>	<b>\$ 624</b>	<b>\$ 451</b>	<b>\$ 439</b>	<b>\$ 482</b>	<b>\$ 1,628</b>	<b>\$ 1,509</b>	<b>\$ 1,948</b>

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> New business CSM for Asia Other is reported by country annually, on a full year basis. Other Emerging Markets within Asia Other include Indonesia, the Philippines, Malaysia, Thailand, Cambodia and Myanmar.

The Company also uses financial performance measures that are prepared on a **constant exchange rate basis**, which exclude the impact of currency fluctuations (from local currency to Canadian dollars at a total Company level and from local currency to U.S. dollars in Asia). Such financial measures may be stated on a constant exchange rate basis or the percentage growth/decline in the financial measure on a constant exchange rate basis, using the income statement and balance sheet exchange rates effective for the third quarter of 2023.

Information supporting constant exchange rate basis for GAAP and non-GAAP financial measures is presented below and throughout this section.

**Basic EPS and diluted EPS, CER basis** is equal to common shareholders' net income on a CER basis divided by the weighted average common shares outstanding and diluted weighted common shares outstanding, respectively.

**General expenses, CER basis**

(\$ millions, and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
General expenses	\$ 1,042	\$ 1,022	\$ 1,086	\$ 1,002	\$ 914	\$ 3,150	\$ 2,729	\$ 3,731
CER adjustment <sup>(1)</sup>	-	-	(7)	(5)	16	(7)	70	66
<b>General expenses, CER basis</b>	<b>\$ 1,042</b>	<b>\$ 1,022</b>	<b>\$ 1,079</b>	<b>\$ 997</b>	<b>\$ 930</b>	<b>\$ 3,143</b>	<b>\$ 2,799</b>	<b>\$ 3,797</b>

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

## Net income financial measures on a CER basis

(\$ Canadian millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
<b>Net income (loss) attributed to shareholders:</b>								
Asia	\$ 84	\$ 130	\$ 519	\$ 315	\$ 280	\$ 733	\$ 368	\$ 683
Canada	290	227	309	(73)	853	826	(430)	(503)
U.S.	72	183	186	(44)	(447)	441	(2,272)	(2,316)
Global WAM	318	317	297	401	287	932	720	1,121
Corporate and Other	249	168	95	316	(482)	512	(1,234)	(918)
<b>Total net income (loss) attributed to shareholders</b>	<b>1,013</b>	<b>1,025</b>	<b>1,406</b>	<b>915</b>	<b>491</b>	<b>3,444</b>	<b>(2,848)</b>	<b>(1,933)</b>
Preferred share dividends and other equity distributions	(54)	(98)	(52)	(97)	(51)	(204)	(163)	(260)
<b>Common shareholders' net income (loss)</b>	<b>\$ 959</b>	<b>\$ 927</b>	<b>\$ 1,354</b>	<b>\$ 818</b>	<b>\$ 440</b>	<b>\$ 3,240</b>	<b>\$ (3,011)</b>	<b>\$ (2,193)</b>
<b>CER adjustment<sup>(1)</sup></b>								
Asia	\$ -	\$ 8	\$ (7)	\$ 14	\$ 51	\$ 1	\$ 233	\$ 247
Canada	-	-	(2)	(1)	17	(2)	64	63
U.S.	-	(1)	(3)	(3)	(8)	(4)	(120)	(123)
Global WAM	-	(1)	(3)	(6)	5	(4)	12	6
Corporate and Other	-	(8)	(2)	(8)	(15)	(10)	(58)	(66)
<b>Total net income (loss) attributed to shareholders</b>	<b>-</b>	<b>(2)</b>	<b>(17)</b>	<b>(4)</b>	<b>50</b>	<b>(19)</b>	<b>131</b>	<b>127</b>
Preferred share dividends and other equity distributions	-	-	-	-	-	-	-	-
<b>Common shareholders' net income (loss)</b>	<b>\$ -</b>	<b>\$ (2)</b>	<b>\$ (17)</b>	<b>\$ (4)</b>	<b>\$ 50</b>	<b>\$ (19)</b>	<b>\$ 131</b>	<b>\$ 127</b>
<b>Net income (loss) attributed to shareholders, CER basis</b>								
Asia	\$ 84	\$ 138	\$ 512	\$ 329	\$ 331	\$ 734	\$ 601	\$ 930
Canada	290	227	307	(74)	870	824	(366)	(440)
U.S.	72	182	183	(47)	(455)	437	(2,392)	(2,439)
Global WAM	318	316	294	395	292	928	732	1,127
Corporate and Other	249	160	93	308	(497)	502	(1,292)	(984)
<b>Total net income (loss) attributed to shareholders, CER basis</b>	<b>1,013</b>	<b>1,023</b>	<b>1,389</b>	<b>911</b>	<b>541</b>	<b>3,425</b>	<b>(2,717)</b>	<b>(1,806)</b>
Preferred share dividends and other equity distributions, CER basis	(54)	(98)	(52)	(97)	(51)	(204)	(163)	(260)
<b>Common shareholders' net income (loss), CER basis</b>	<b>\$ 959</b>	<b>\$ 925</b>	<b>\$ 1,337</b>	<b>\$ 814</b>	<b>\$ 490</b>	<b>\$ 3,221</b>	<b>\$ (2,880)</b>	<b>\$ (2,066)</b>
<b>Asia net income attributed to shareholders, U.S. dollars</b>								
Asia net income (loss) attributed to shareholders, US \$ <sup>(2)</sup>	\$ 63	\$ 96	\$ 384	\$ 231	\$ 216	\$ 543	\$ 285	\$ 516
CER adjustment, US \$ <sup>(1)</sup>	-	7	(2)	16	31	5	164	180
<b>Asia net income (loss) attributed to shareholders, U.S. \$, CER basis<sup>(1)</sup></b>	<b>\$ 63</b>	<b>\$ 103</b>	<b>\$ 382</b>	<b>\$ 247</b>	<b>\$ 247</b>	<b>\$ 548</b>	<b>\$ 449</b>	<b>\$ 696</b>
<b>Net income (loss) attributed to shareholders (pre-tax)</b>								
Net income (loss) attributed to shareholders (post-tax)	\$ 1,013	\$ 1,025	\$ 1,406	\$ 915	\$ 491	\$ 3,444	\$ (2,848)	\$ (1,933)
Tax on net income attributed to shareholders	(67)	242	287	(307)	59	462	(934)	(1,241)
<b>Net income (loss) attributed to shareholders (pre-tax)</b>	<b>946</b>	<b>1,267</b>	<b>1,693</b>	<b>608</b>	<b>550</b>	<b>3,906</b>	<b>(3,782)</b>	<b>(3,174)</b>
CER adjustment <sup>(1)</sup>	-	7	(21)	(8)	(9)	(14)	(82)	(90)
<b>Net income (loss) attributed to shareholders (pre-tax), CER basis</b>	<b>\$ 946</b>	<b>\$ 1,274</b>	<b>\$ 1,672</b>	<b>\$ 600</b>	<b>\$ 541</b>	<b>\$ 3,892</b>	<b>\$ (3,864)</b>	<b>\$ (3,264)</b>

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Asia net income attributed to shareholders (post-tax) in Canadian dollars is translated to U.S. dollars using the U.S. dollar Statement of Income rate for the reporting period.

## Transitional net income financial measures on a CER basis

(\$ Canadian millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

	Quarterly Results				YTD	Full Year
	4Q22	3Q22	2Q22	1Q22	Results	Results
					2022	2022
<b>Transitional net income (loss) attributed to shareholders:</b>						
Asia	\$ 493	\$ 176	\$ (227)	\$ 205	\$ 154	\$ 647
Canada	120	481	271	326	1,078	1,198
U.S.	(106)	314	355	885	1,554	1,448
Global WAM	401	287	150	283	720	1,121
Corporate and Other	320	(481)	(381)	(374)	(1,236)	(916)
<b>Total transitional net income (loss) attributed to shareholders</b>	<b>1,228</b>	<b>777</b>	<b>168</b>	<b>1,325</b>	<b>2,270</b>	<b>3,498</b>
Preferred share dividends and other equity distributions	(97)	(51)	(60)	(52)	(163)	(260)
<b>Common shareholders' transitional net income (loss)</b>	<b>\$ 1,131</b>	<b>\$ 726</b>	<b>\$ 108</b>	<b>\$ 1,273</b>	<b>\$ 2,107</b>	<b>\$ 3,238</b>
<b>CER adjustment<sup>(1)</sup></b>						
Asia	\$ 12	\$ 25	\$ 31	\$ 59	\$ 115	\$ 127
Canada	(2)	12	6	9	27	25
U.S.	(2)	12	(5)	46	53	51
Global WAM	(6)	5	1	6	12	6
Corporate and Other	(8)	(16)	(18)	(24)	(58)	(66)
<b>Total CER adjustment - transitional net income attributed to shareholders</b>	<b>(6)</b>	<b>38</b>	<b>15</b>	<b>96</b>	<b>149</b>	<b>143</b>
Preferred share dividends and other equity distributions	-	-	-	-	-	-
<b>Common shareholders' transitional net income (loss)</b>	<b>\$ (6)</b>	<b>\$ 38</b>	<b>\$ 15</b>	<b>\$ 96</b>	<b>\$ 149</b>	<b>\$ 143</b>
<b>Transitional net income (loss) attributed to shareholders, CER basis</b>						
Asia	\$ 505	\$ 201	\$ (196)	\$ 264	\$ 269	\$ 774
Canada	118	493	277	335	1,105	1,223
U.S.	(108)	326	350	931	1,607	1,499
Global WAM	395	292	151	289	732	1,127
Corporate and Other	312	(497)	(399)	(398)	(1,294)	(982)
<b>Total transitional net income (loss) attributed to shareholders, CER basis</b>	<b>1,222</b>	<b>815</b>	<b>183</b>	<b>1,421</b>	<b>2,419</b>	<b>3,641</b>
Preferred share dividends and other equity distributions, CER basis	(97)	(51)	(60)	(52)	(163)	(260)
<b>Common shareholders' net income (loss), CER basis</b>	<b>\$ 1,125</b>	<b>\$ 764</b>	<b>\$ 123</b>	<b>\$ 1,369</b>	<b>\$ 2,256</b>	<b>\$ 3,381</b>
<b>Asia transitional net income attributed to shareholders, U.S. dollars</b>						
Asia transitional net income (loss) attributed to shareholders, US \$( <sup>2</sup> )	\$ 363	\$ 134	\$ (177)	\$ 161	\$ 118	\$ 481
CER adjustment, US \$( <sup>1</sup> )	14	17	31	36	84	98
<b>Asia transitional net income (loss) attributed to shareholders, U.S. \$, CER basis<sup>(1)</sup></b>	<b>\$ 377</b>	<b>\$ 151</b>	<b>\$ (146)</b>	<b>\$ 197</b>	<b>\$ 202</b>	<b>\$ 579</b>
<b>Transitional net income (loss) attributed to shareholders (pre-tax)</b>						
Transitional net income (loss) attributed to shareholders (post-tax)	\$ 1,228	\$ 777	\$ 168	\$ 1,325	\$ 2,270	\$ 3,498
Tax on transitional net income attributed to shareholders	(184)	200	230	403	833	649
<b>Transitional net income (loss) attributed to shareholders (pre-tax)</b>	<b>1,044</b>	<b>977</b>	<b>398</b>	<b>1,728</b>	<b>3,103</b>	<b>4,147</b>
CER adjustment <sup>(1)</sup>	(13)	20	49	95	164	151
<b>Transitional net income (loss) attributed to shareholders (pre-tax), CER basis</b>	<b>\$ 1,031</b>	<b>\$ 997</b>	<b>\$ 447</b>	<b>\$ 1,823</b>	<b>\$ 3,267</b>	<b>\$ 4,298</b>

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Asia transitional net income attributed to shareholders (post-tax) in Canadian dollars is translated to U.S. dollars using the U.S. dollar Statement of Income rate for the reporting period.

**Transitional ROE** measures profitability in 2022 using common shareholders' transitional net income (loss) as a percentage of capital deployed to earn that income. The Company calculates transitional ROE using average common shareholders' equity quarterly, as the average of common shareholders' equity at the start and end of the quarter, and annually, as the average of the quarterly average common shareholders' equity for the year. Transitional ROE is a temporary measure and will be reported for 2022 comparative periods in our quarterly and annual 2023 MD&A.

(\$ millions, unless otherwise stated)	Quarterly Results				YTD Results	Full Year Results
	4Q22	3Q22	2Q22	1Q22	2022	2022
<b>Total transitional net income (loss) attributed to shareholders</b>	\$ 1,228	\$ 777	\$ 168	\$ 1,325	\$ 2,270	\$ 3,498
Preferred share dividends and other equity distributions	(97)	(51)	(60)	(52)	(163)	(260)
<b>Common shareholders transitional net income (loss)</b>	\$ 1,131	\$ 726	\$ 108	\$ 1,273	\$ 2,107	\$ 3,238
<b>Annualized common shareholders transitional net income (loss)</b>	\$ 4,487	\$ 2,876	\$ 437	\$ 5,163	\$ 2,817	\$ 3,238
<b>Average common shareholders' equity (see below)</b>	\$ 40,667	\$ 40,260	\$ 39,095	\$ 38,881	\$ 39,412	\$ 39,726
<b>Transitional ROE (annualized) (%)</b>	11.0%	7.1%	1.1%	13.3%	7.2%	8.2%

**Transitional basic EPS and transitional diluted EPS** is equal to transitional common shareholders' net income divided by the weighted average common shares outstanding and diluted weighted common shares outstanding, respectively. **Transitional basic EPS and transitional diluted EPS, CER basis** is equal to transitional common shareholders' net income on a CER basis divided by the weighted average common shares outstanding and diluted weighted common shares outstanding, respectively. Each of these EPS measures are temporary and will be reported for 2022 comparative periods in our quarterly and annual 2023 MD&A.

**AUMA** is a financial measure of the size of the Company. It is comprised of AUM and AUA. AUM includes assets of the General Account, consisting of total invested assets and segregated funds net assets, and external client assets for which we provide investment management services, consisting of mutual fund, institutional asset management and other fund net assets. AUA are assets for which we provide administrative services only. Assets under management and administration is a common industry metric for wealth and asset management businesses.

Our Global WAM business also manages assets on behalf of other segments of the Company. **Global WAM-managed AUMA** is a financial measure equal to the sum of Global WAM's AUMA and assets managed by Global WAM on behalf of other segments. It is an important measure of the assets managed by Global WAM.

## AUM and AUMA reconciliations

(Canadian \$ in millions, and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

As at	CAD \$						US \$ <sup>(4)</sup>	
	September 30, 2023						September 30, 2023	
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
<b>Total invested assets</b>								
Manulife Bank net lending assets	\$ -	\$ 25,123	\$ -	\$ -	\$ -	\$ 25,123	\$ -	\$ -
Derivative reclassification <sup>(1)</sup>	-	-	-	-	8,141	8,141	-	-
Invested assets excluding above items	135,820	78,377	128,790	6,723	15,762	365,472	100,438	95,259
<b>Total</b>	<b>135,820</b>	<b>103,500</b>	<b>128,790</b>	<b>6,723</b>	<b>23,903</b>	<b>398,736</b>	<b>100,438</b>	<b>95,259</b>
<b>Segregated funds net assets</b>								
Segregated funds net assets - Institutional	-	-	-	3,477	-	3,477	-	-
Segregated funds net assets - Other <sup>(2)</sup>	23,769	34,448	64,796	230,469	(47)	353,435	17,587	47,926
<b>Total</b>	<b>23,769</b>	<b>34,448</b>	<b>64,796</b>	<b>233,946</b>	<b>(47)</b>	<b>356,912</b>	<b>17,587</b>	<b>47,926</b>
<b>AUM per financial statements</b>	<b>159,589</b>	<b>137,948</b>	<b>193,586</b>	<b>240,669</b>	<b>23,856</b>	<b>755,648</b>	<b>118,025</b>	<b>143,185</b>
Mutual funds	-	-	-	266,069	-	266,069	-	-
Institutional asset management <sup>(3)</sup>	-	-	-	111,754	-	111,754	-	-
Other funds	-	-	-	14,359	-	14,359	-	-
<b>Total AUM</b>	<b>159,589</b>	<b>137,948</b>	<b>193,586</b>	<b>632,851</b>	<b>23,856</b>	<b>1,147,830</b>	<b>118,025</b>	<b>143,185</b>
Assets under administration	-	-	-	173,897	-	173,897	-	-
<b>Total AUMA</b>	<b>\$ 159,589</b>	<b>\$ 137,948</b>	<b>\$ 193,586</b>	<b>\$ 806,748</b>	<b>\$ 23,856</b>	<b>\$ 1,321,727</b>	<b>\$ 118,025</b>	<b>\$ 143,185</b>
<b>Total AUMA, US \$<sup>(4)</sup></b>						<b>\$ 977,609</b>		
Total AUMA	\$ 159,589	\$ 137,948	\$ 193,586	\$ 806,748	\$ 23,856	\$ 1,321,727		
CER adjustment <sup>(5)</sup>	-	-	-	-	-	-		
<b>Total AUMA, CER basis</b>	<b>\$ 159,589</b>	<b>\$ 137,948</b>	<b>\$ 193,586</b>	<b>\$ 806,748</b>	<b>\$ 23,856</b>	<b>\$ 1,321,727</b>		
<b>Global WAM Managed AUMA</b>								
Global WAM AUMA				\$ 806,748				
AUM managed by Global WAM for Manulife's other segments				201,407				
<b>Total</b>				<b>\$ 1,008,155</b>				

<sup>(1)</sup> Corporate and Other consolidation adjustment related to net derivative assets reclassified from total invested assets to other lines on the Statement of Financial Position.

<sup>(2)</sup> Corporate and Other segregated funds net assets represent elimination of amounts held by the Company.

<sup>(3)</sup> Institutional asset management excludes Institutional segregated funds net assets.

<sup>(4)</sup> US \$ AUMA is calculated as total AUMA in Canadian \$ divided by the US \$ exchange rate in effect at the end of the quarter.

<sup>(5)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

## AUM and AUMA reconciliations

(Canadian \$ in millions, and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

As at	CAD \$						US \$ <sup>(4)</sup>	
	June 30, 2023						June 30, 2023	
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
<b>Total invested assets</b>								
Manulife Bank net lending assets	\$ -	\$ 25,003	\$ -	\$ -	\$ -	\$ 25,003	\$ -	\$ -
Derivative reclassification <sup>(1)</sup>	-	-	-	-	3,895	3,895	-	-
Invested assets excluding above items	135,208	83,026	132,133	5,464	18,699	374,530	102,166	99,855
<b>Total</b>	<b>135,208</b>	<b>108,029</b>	<b>132,133</b>	<b>5,464</b>	<b>22,594</b>	<b>403,428</b>	<b>102,166</b>	<b>99,855</b>
<b>Segregated funds net assets</b>								
Segregated funds net assets - Institutional	-	-	-	3,564	-	3,564	-	-
Segregated funds net assets - Other <sup>(2)</sup>	24,052	35,993	67,303	235,113	(44)	362,417	18,182	50,862
<b>Total</b>	<b>24,052</b>	<b>35,993</b>	<b>67,303</b>	<b>238,677</b>	<b>(44)</b>	<b>365,981</b>	<b>18,182</b>	<b>50,862</b>
<b>AUM per financial statements</b>	<b>159,260</b>	<b>144,022</b>	<b>199,436</b>	<b>244,141</b>	<b>22,550</b>	<b>769,409</b>	<b>120,348</b>	<b>150,717</b>
Mutual funds	-	-	-	267,835	-	267,835	-	-
Institutional asset management <sup>(3)</sup>	-	-	-	112,491	-	112,491	-	-
Other funds	-	-	-	14,674	-	14,674	-	-
<b>Total AUM</b>	<b>159,260</b>	<b>144,022</b>	<b>199,436</b>	<b>639,141</b>	<b>22,550</b>	<b>1,164,409</b>	<b>120,348</b>	<b>150,717</b>
Assets under administration	-	-	-	180,430	-	180,430	-	-
<b>Total AUMA</b>	<b>\$ 159,260</b>	<b>\$ 144,022</b>	<b>\$ 199,436</b>	<b>\$ 819,571</b>	<b>\$ 22,550</b>	<b>\$ 1,344,839</b>	<b>\$ 120,348</b>	<b>\$ 150,717</b>
<b>Total AUMA, US \$<sup>(4)</sup></b>						<b>\$ 1,016,277</b>		
Total AUMA	\$ 159,260	\$ 144,022	\$ 199,436	\$ 819,571	\$ 22,550	\$ 1,344,839		
CER adjustment <sup>(5)</sup>	2,017	-	4,317	11,961	-	18,295		
<b>Total AUMA, CER basis</b>	<b>\$ 161,277</b>	<b>\$ 144,022</b>	<b>\$ 203,753</b>	<b>\$ 831,532</b>	<b>\$ 22,550</b>	<b>\$ 1,363,134</b>		
<b>Global WAM Managed AUMA</b>								
Global WAM AUMA				\$ 819,571				
AUM managed by Global WAM for Manulife's other segments				203,825				
<b>Total</b>				<b>\$ 1,023,396</b>				

Note: For footnotes (1) to (5), refer to the "AUM and AUMA reconciliation" table as at September 30, 2023 above.

As at	CAD \$						US \$(4)	
	March 31, 2023						March 31, 2023	
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
<b>Total invested assets</b>								
Manulife Bank net lending assets	\$ -	\$ 24,747	\$ -	\$ -	\$ -	\$ 24,747	\$ -	\$ -
Derivative reclassification(1)	-	-	-	-	3,488	3,488	-	-
Invested assets excluding above items	138,029	82,733	136,454	5,565	21,460	384,241	102,014	100,827
<b>Total</b>	<b>138,029</b>	<b>107,480</b>	<b>136,454</b>	<b>5,565</b>	<b>24,948</b>	<b>412,476</b>	<b>102,014</b>	<b>100,827</b>
<b>Segregated funds net assets</b>								
Segregated funds net assets - Institutional	-	-	-	3,718	-	3,718	-	-
Segregated funds net assets - Other(2)	24,203	36,374	67,935	231,860	(46)	360,326	17,893	50,197
<b>Total</b>	<b>24,203</b>	<b>36,374</b>	<b>67,935</b>	<b>235,578</b>	<b>(46)</b>	<b>364,044</b>	<b>17,893</b>	<b>50,197</b>
<b>AUM per financial statements</b>	<b>162,232</b>	<b>143,854</b>	<b>204,389</b>	<b>241,143</b>	<b>24,902</b>	<b>776,520</b>	<b>119,907</b>	<b>151,024</b>
Mutual funds	-	-	-	267,767	-	267,767	-	-
Institutional asset management(3)	-	-	-	113,781	-	113,781	-	-
Other funds	-	-	-	14,302	-	14,302	-	-
<b>Total AUM</b>	<b>162,232</b>	<b>143,854</b>	<b>204,389</b>	<b>636,993</b>	<b>24,902</b>	<b>1,172,370</b>	<b>119,907</b>	<b>151,024</b>
Assets under administration	-	-	-	177,510	-	177,510	-	-
<b>Total AUMA</b>	<b>\$ 162,232</b>	<b>\$ 143,854</b>	<b>\$ 204,389</b>	<b>\$ 814,503</b>	<b>\$ 24,902</b>	<b>\$ 1,349,880</b>	<b>\$ 119,907</b>	<b>\$ 151,024</b>
<b>Total AUMA, US \$(4)</b>						<b>\$ 997,399</b>		
Total AUMA	\$ 162,232	\$ 143,854	\$ 204,389	\$ 814,503	\$ 24,902	\$ 1,349,880		
CER adjustment(5)	(4,734)	-	(224)	(4,006)	-	(8,964)		
<b>Total AUMA, CER basis</b>	<b>\$ 157,498</b>	<b>\$ 143,854</b>	<b>\$ 204,165</b>	<b>\$ 810,497</b>	<b>\$ 24,902</b>	<b>\$ 1,340,916</b>		
<b>Global WAM Managed AUMA</b>								
Global WAM AUMA				\$ 814,503				
AUM managed by Global WAM for Manulife's other segments				208,013				
<b>Total</b>				<b>\$ 1,022,516</b>				

Note: For footnotes (1) to (5), refer to the "AUM and AUMA reconciliation" table as at September 30, 2023 above.

As at	CAD \$						US \$(4)	
	December 31, 2022						December 31, 2022	
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
<b>Total invested assets</b>								
Manulife Bank net lending assets	\$ -	\$ 24,779	\$ -	\$ -	\$ -	\$ 24,779	\$ -	\$ -
Derivative reclassification(1)	-	-	-	-	5,701	5,701	-	-
Invested assets excluding above items	132,808	82,150	133,635	5,752	15,317	369,662	98,007	98,628
<b>Total</b>	132,808	106,929	133,635	5,752	21,018	400,142	98,007	98,628
<b>Segregated funds net assets</b>								
Segregated funds net assets - Institutional	-	-	-	3,719	-	3,719	-	-
Segregated funds net assets - Other(2)	23,227	35,695	65,490	220,471	(40)	344,843	17,138	48,333
<b>Total</b>	23,227	35,695	65,490	224,190	(40)	348,562	17,138	48,333
<b>AUM per financial statements</b>	156,035	142,624	199,125	229,942	20,978	748,704	115,145	146,961
Mutual funds	-	-	-	258,273	-	258,273	-	-
Institutional asset management(3)	-	-	-	109,740	-	109,740	-	-
Other funds	-	-	-	13,617	-	13,617	-	-
<b>Total AUM</b>	156,035	142,624	199,125	611,572	20,978	1,130,334	115,145	146,961
Assets under administration	-	-	-	170,768	-	170,768	-	-
<b>Total AUMA</b>	\$ 156,035	\$ 142,624	\$ 199,125	\$ 782,340	\$ 20,978	\$ 1,301,102	\$ 115,145	\$ 146,961
<b>Total AUMA, US \$(4)</b>						\$ 960,259		
Total AUMA	\$ 156,035	\$ 142,624	\$ 199,125	\$ 782,340	\$ 20,978	\$ 1,301,102		
CER adjustment(5)	(4,507)	-	(468)	(4,247)	-	(9,222)		
<b>Total AUMA, CER basis</b>	\$ 151,528	\$ 142,624	\$ 198,657	\$ 778,093	\$ 20,978	\$ 1,291,880		
<b>Global WAM Managed AUMA</b>								
Global WAM AUMA				\$ 782,340				
AUM managed by Global WAM for Manulife's other segments				201,920				
<b>Total</b>				\$ 984,260				

Note: For footnotes (1) to (5), refer to the "AUM and AUMA reconciliation" table as at September 30, 2023 above.

As at	CAD \$						US \$(4)	
	September 30, 2022						September 30, 2022	
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
<b>Total invested assets</b>								
Manulife Bank net lending assets	\$ -	\$ 24,779	\$ -	\$ -	\$ -	\$ 24,779	\$ -	\$ -
Derivative reclassification(1)	-	-	-	-	5,880	5,880	-	-
Invested assets excluding above items	127,624	81,682	133,567	5,586	17,465	365,924	92,876	97,206
<b>Total</b>	127,624	106,461	133,567	5,586	23,345	396,583	92,876	97,206
<b>Segregated funds net assets</b>								
Segregated funds net assets - Institutional	-	-	-	4,118	-	4,118	-	-
Segregated funds net assets - Other(2)	22,033	34,773	63,996	210,351	(26)	331,127	16,042	46,575
<b>Total</b>	22,033	34,773	63,996	214,469	(26)	335,245	16,042	46,575
<b>AUM per financial statements</b>	149,657	141,234	197,563	220,055	23,319	731,828	108,918	143,781
Mutual funds	-	-	-	249,591	-	249,591	-	-
Institutional asset management(3)	-	-	-	100,474	-	100,474	-	-
Other funds	-	-	-	12,910	-	12,910	-	-
<b>Total AUM</b>	149,657	141,234	197,563	583,030	23,319	1,094,803	108,918	143,781
Assets under administration	-	-	-	168,316	-	168,316	-	-
<b>Total AUMA</b>	\$ 149,657	\$ 141,234	\$ 197,563	\$ 751,346	\$ 23,319	\$ 1,263,119	\$ 108,918	\$ 143,781
<b>Total AUMA, US \$(4)</b>						\$ 932,226		
Total AUMA	\$ 149,657	\$ 141,234	\$ 197,563	\$ 751,346	\$ 23,319	\$ 1,263,119		
CER adjustment(5)	(2,495)	-	(3,164)	(9,329)	-	(14,988)		
<b>Total AUMA, CER basis</b>	\$ 147,162	\$ 141,234	\$ 194,399	\$ 742,017	\$ 23,319	\$ 1,248,131		
<b>Global WAM Managed AUMA</b>								
Global WAM AUMA				\$ 751,346				
AUM managed by Global WAM for Manulife's other segments				199,285				
<b>Total</b>				\$ 950,631				

Note: For footnotes (1) to (5), refer to the "AUM and AUMA reconciliation" table as at September 30, 2023 above.

## Global WAM AUMA and managed AUMA by business line and geographic source

(\$ millions, and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

As at	Sept 30, 2023	June 30, 2023	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022
<b>Global WAM AUMA by business line</b>					
Retirement	\$ 410,432	\$ 419,380	\$ 413,769	\$ 395,108	\$ 380,292
Retail	278,372	281,814	281,198	271,351	264,029
Institutional asset management	117,943	118,377	119,536	115,881	107,025
<b>Total</b>	<b>\$ 806,747</b>	<b>\$ 819,571</b>	<b>\$ 814,503</b>	<b>\$ 782,340</b>	<b>\$ 751,346</b>
<b>Global WAM AUMA by business line, CER basis<sup>(1)</sup></b>					
Retirement	\$ 410,432	\$ 426,424	\$ 413,389	\$ 394,403	\$ 375,472
Retail	278,372	285,478	279,737	269,784	260,843
Institutional asset management	117,943	119,630	117,370	113,906	105,702
<b>Total</b>	<b>\$ 806,747</b>	<b>\$ 831,532</b>	<b>\$ 810,496</b>	<b>\$ 778,093</b>	<b>\$ 742,017</b>
<b>Global WAM AUMA by geographic source</b>					
Asia	\$ 113,642	\$ 112,283	\$ 115,819	\$ 110,724	\$ 97,941
Canada	219,518	226,087	223,045	213,802	205,042
U.S.	473,587	481,201	475,639	457,814	448,363
<b>Total</b>	<b>\$ 806,747</b>	<b>\$ 819,571</b>	<b>\$ 814,503</b>	<b>\$ 782,340</b>	<b>\$ 751,346</b>
<b>Global WAM AUMA by geographic source, CER basis<sup>(1)</sup></b>					
Asia	\$ 113,642	\$ 113,792	\$ 112,289	\$ 107,471	\$ 95,799
Canada	219,518	226,087	223,045	213,802	205,042
U.S.	473,587	491,653	475,162	456,820	441,176
<b>Total</b>	<b>\$ 806,747</b>	<b>\$ 831,532</b>	<b>\$ 810,496</b>	<b>\$ 778,093</b>	<b>\$ 742,017</b>
<b>Global WAM Managed AUMA by business line</b>					
Retirement	\$ 410,432	\$ 419,380	\$ 413,769	\$ 395,108	\$ 380,292
Retail	351,384	357,539	358,098	346,200	338,181
Institutional asset management	246,339	246,477	250,649	242,952	232,158
<b>Total</b>	<b>\$ 1,008,155</b>	<b>\$ 1,023,396</b>	<b>\$ 1,022,516</b>	<b>\$ 984,260</b>	<b>\$ 950,631</b>
<b>Global WAM Managed AUMA by business line, CER basis<sup>(1)</sup></b>					
Retirement	\$ 410,432	\$ 426,424	\$ 413,389	\$ 394,403	\$ 375,472
Retail	351,384	362,210	356,599	344,528	334,260
Institutional asset management	246,339	250,076	248,372	240,742	229,144
<b>Total</b>	<b>\$ 1,008,155</b>	<b>\$ 1,038,710</b>	<b>\$ 1,018,360</b>	<b>\$ 979,673</b>	<b>\$ 938,876</b>
<b>Global WAM Managed AUMA by geographic source</b>					
Asia	\$ 188,098	\$ 185,198	\$ 191,720	\$ 183,893	\$ 169,985
Canada	266,935	274,957	272,101	261,756	252,669
U.S.	553,122	563,241	558,695	538,611	527,977
<b>Total</b>	<b>\$ 1,008,155</b>	<b>\$ 1,023,396</b>	<b>\$ 1,022,516</b>	<b>\$ 984,260</b>	<b>\$ 950,631</b>
<b>Global WAM Managed AUMA by geographic source, CER basis<sup>(1)</sup></b>					
Asia	\$ 188,098	\$ 188,297	\$ 188,123	\$ 180,477	\$ 166,694
Canada	266,935	274,957	272,101	261,756	252,669
U.S.	553,122	575,456	558,136	537,440	519,513
<b>Total</b>	<b>\$ 1,008,155</b>	<b>\$ 1,038,710</b>	<b>\$ 1,018,360</b>	<b>\$ 979,673</b>	<b>\$ 938,876</b>

<sup>(1)</sup> AUMA adjusted to reflect the foreign exchange rates for the Statement of Financial Position in effect for 3Q23.

**Average assets under management and administration (“average AUMA”)** is the average of Global WAM’s AUMA during the reporting period. It is a measure used in analyzing and explaining fee income and earnings of our Global WAM segment. It is calculated as the average of the opening balance of AUMA and the ending balance of AUMA using daily balances where available and month-end or quarter-end averages when daily averages are unavailable. Similarly, Global WAM **average managed AUMA and average AUA** are the average of Global WAM’s managed AUMA and AUA, respectively, and are calculated in a manner consistent with average AUMA.

**Manulife Bank net lending assets** is a financial measure equal to the sum of Manulife Bank's loans and mortgages, net of allowances. **Manulife Bank average net lending assets** is a financial measure which is calculated as the quarter-end average of the opening and the ending balance of net lending assets. Both of these financial measures are a measure of the size of Manulife Bank's portfolio of loans and mortgages and are used to analyze and explain its earnings.

As at (\$ millions)	Sept 30, 2023	June 30, 2023	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022
Mortgages	\$ 51,012	\$ 51,459	\$ 52,128	\$ 51,765	\$ 51,445
Less: Mortgages not held by Manulife Bank	28,402	29,088	30,087	29,767	29,607
Total mortgages held by Manulife Bank	22,610	22,371	22,041	21,998	21,838
Loans to Bank clients	2,513	2,632	2,706	2,781	2,799
<b>Manulife Bank net lending assets</b>	<b>\$ 25,123</b>	<b>\$ 25,003</b>	<b>\$ 24,747</b>	<b>\$ 24,779</b>	<b>\$ 24,637</b>
<b>Manulife Bank average net lending assets</b>					
Beginning of period	\$ 25,003	\$ 24,747	\$ 24,779	\$ 24,637	\$ 24,500
End of period	25,123	25,003	24,747	24,779	24,637
<b>Manulife Bank average net lending assets by quarter</b>	<b>\$ 25,063</b>	<b>\$ 24,875</b>	<b>\$ 24,763</b>	<b>\$ 24,708</b>	<b>\$ 24,569</b>
<b>Manulife Bank average net lending assets – Year-to-date</b>	<b>\$ 24,951</b>				<b>\$ 24,042</b>
<b>Manulife Bank average net lending assets – full year</b>				<b>\$ 24,113</b>	

**Financial leverage ratio** is a debt-to-equity ratio. With the adoption of IFRS 17 on January 1, 2023, the calculation of financial leverage ratio was updated to include the CSM on a post-tax basis, and prior period comparatives were updated. The ratio is calculated as the sum of long-term debt, capital instruments and preferred shares and other equity instruments divided by the sum of long-term debt, capital instruments, equity and post-tax CSM.

**Adjusted book value** is the sum of common shareholders' equity and post-tax CSM net of NCI. It is an important measure for monitoring growth and measuring insurance businesses' value. **Adjusted book value per common share** is calculated by dividing adjusted book value by the number of common shares outstanding at the end of the period.

As at (\$ millions)	Sept 30, 2023	June 30, 2023	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022
Common shareholders' equity	\$ 40,747	\$ 39,047	\$ 40,715	\$ 40,216	\$ 41,118
Post tax CSM, net of NCI	14,992	14,877	14,850	14,659	14,560
<b>Adjusted book value</b>	<b>\$ 55,739</b>	<b>\$ 53,924</b>	<b>\$ 55,565</b>	<b>\$ 54,875</b>	<b>\$ 55,678</b>

**Consolidated capital** serves as a foundation of our capital management activities at the MFC level. Consolidated capital is calculated as the sum of: (i) total equity excluding accumulated other comprehensive income ("AOCI") on cash flow hedges; (ii) post-tax CSM; and (iii) certain other capital instruments that qualify as regulatory capital. For regulatory reporting purposes under the LICAT framework, the numbers are further adjusted for various additions or deductions to capital as mandated by the guidelines defined by OSFI.

As at (\$ millions)	Sept 30, 2023	June 30, 2023	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022
Total equity	\$ 49,035	\$ 47,156	\$ 48,751	\$ 48,226	\$ 49,180
Less: AOCI gain/(loss) on cash flow hedges	47	-	(38)	8	(18)
Total equity excluding AOCI on cash flow hedges	48,988	47,156	48,789	48,218	49,198
Post-tax CSM	15,675	15,458	15,476	15,251	15,166
Qualifying capital instruments	6,702	6,662	7,317	6,122	7,118
<b>Consolidated capital</b>	<b>\$ 71,365</b>	<b>\$ 69,276</b>	<b>\$ 71,582</b>	<b>\$ 69,591</b>	<b>\$ 71,482</b>

**Core EBITDA** is a financial measure which Manulife uses to better understand the long-term earnings capacity and valuation of our Global WAM business on a basis more comparable to how the profitability of global asset managers is generally measured. Core EBITDA presents core earnings before the impact of interest, taxes, depreciation, and amortization. Core EBITDA excludes certain acquisition expenses related to insurance contracts in our retirement businesses which are deferred and amortized over the expected lifetime of the customer relationship. Core EBITDA was selected as a key performance indicator for our Global WAM business, as EBITDA is widely used among asset management peers, and core earnings is a primary profitability metric for the Company overall.

## Reconciliation of Global WAM core earnings to core EBITDA and Global WAM core EBITDA by business line and geographic source

(\$ millions, pre-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
<b>Global WAM core earnings (post-tax)</b>	<b>\$ 361</b>	\$ 320	\$ 287	\$ 274	\$ 354	<b>\$ 968</b>	\$ 1,025	\$ 1,299
Addback taxes, acquisition costs, other expenses and deferred sales commissions								
Core income tax (expense) recovery (see above)	59	45	45	47	51	149	175	222
Amortization of deferred acquisition costs and other depreciation	41	40	40	43	36	121	111	154
Amortization of deferred sales commissions	19	19	21	25	24	59	73	98
<b>Core EBITDA</b>	<b>\$ 480</b>	\$ 424	\$ 393	\$ 389	\$ 465	<b>\$ 1,297</b>	\$ 1,384	\$ 1,773
CER adjustment <sup>(1)</sup>	-	-	(3)	(3)	8	(3)	38	35
<b>Core EBITDA, CER basis</b>	<b>\$ 480</b>	\$ 424	\$ 390	\$ 386	\$ 473	<b>\$ 1,294</b>	\$ 1,422	\$ 1,808
<b>Core EBITDA by business line</b>								
Retirement	\$ 242	\$ 233	\$ 217	\$ 211	\$ 232	\$ 692	\$ 672	\$ 883
Retail	190	168	171	181	207	529	615	796
Institutional Asset Management	48	23	5	(3)	26	76	97	94
<b>Total</b>	<b>\$ 480</b>	\$ 424	\$ 393	\$ 389	\$ 465	<b>\$ 1,297</b>	\$ 1,384	\$ 1,773
<b>Core EBITDA by geographic source</b>								
Asia	\$ 132	\$ 125	\$ 113	\$ 108	\$ 117	\$ 370	\$ 347	\$ 455
Canada	146	148	136	129	168	430	488	617
U.S.	202	151	144	152	180	497	549	701
<b>Total</b>	<b>\$ 480</b>	\$ 424	\$ 393	\$ 389	\$ 465	<b>\$ 1,297</b>	\$ 1,384	\$ 1,773
<b>Core EBITDA by business line, CER basis<sup>(2)</sup></b>								
Retirement	\$ 242	\$ 233	\$ 216	\$ 209	\$ 236	\$ 691	\$ 694	\$ 903
Retail	190	167	170	180	209	527	627	807
Institutional Asset Management	48	24	4	(3)	28	76	101	98
<b>Total, CER basis</b>	<b>\$ 480</b>	\$ 424	\$ 390	\$ 386	\$ 473	<b>\$ 1,294</b>	\$ 1,422	\$ 1,808
<b>Core EBITDA by geographic source, CER basis<sup>(2)</sup></b>								
Asia	\$ 132	\$ 125	\$ 111	\$ 107	\$ 121	\$ 368	\$ 360	\$ 467
Canada	146	148	136	129	168	430	488	617
U.S.	202	151	143	150	184	496	574	724
<b>Total, CER basis</b>	<b>\$ 480</b>	\$ 424	\$ 390	\$ 386	\$ 473	<b>\$ 1,294</b>	\$ 1,422	\$ 1,808

<sup>(1)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

<sup>(2)</sup> Core EBITDA adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 3Q23.

**Core EBITDA margin** is a financial measure which Manulife uses to better understand the long-term profitability of our Global WAM business on a more comparable basis to how profitability of global asset managers are measured. Core EBITDA margin presents core earnings before the impact of interest, taxes, depreciation, and amortization divided by core revenue from these businesses. **Core revenue** is used to calculate our core EBITDA margin, and is equal to the sum of pre-tax other revenue and investment income in Global WAM included in core EBITDA, and it excludes such items as revenue related to integration and acquisitions and market experience gains (losses). Core EBITDA margin was selected as a key performance indicator for our Global WAM business, as EBITDA margin is widely used among asset management peers, and core earnings is a primary profitability metric for the Company overall.

(\$ millions, unless otherwise stated)	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
<b>Core EBITDA margin</b>								
Core EBITDA	\$ 480	\$ 424	\$ 393	\$ 389	\$ 465	\$ 1,297	\$ 1,384	\$ 1,773
Core revenue	\$ 1,783	\$ 1,722	\$ 1,756	\$ 1,646	\$ 1,610	\$ 5,261	\$ 4,870	\$ 6,516
<b>Core EBITDA margin</b>	<b>26.9%</b>	24.6%	22.4%	23.6%	28.9%	<b>24.7%</b>	28.4%	27.2%
<b>Global WAM core revenue</b>								
Other revenue per financial statements	\$ 1,645	\$ 1,691	\$ 1,691	\$ 1,671	\$ 1,547	\$ 5,027	\$ 4,515	\$ 6,186
Less: Other revenue in segments other than Global WAM	(64)	44	26	26	(9)	6	(231)	(205)
<b>Other revenue in Global WAM (fee income)</b>	<b>\$ 1,709</b>	\$ 1,647	\$ 1,665	\$ 1,645	\$ 1,556	<b>\$ 5,021</b>	\$ 4,746	\$ 6,391
Investment income per financial statements	\$ 4,028	\$ 4,135	\$ 3,520	\$ 4,271	\$ 3,832	\$ 11,683	\$ 10,933	\$ 15,204
Realized and unrealized gains (losses) on assets supporting insurance and investment contract liabilities per financial statements	(2,430)	950	1,944	(2,453)	(1,112)	464	(11,193)	(13,646)
Total investment income	1,598	5,085	5,464	1,818	2,720	12,147	(260)	1,558
Less: Investment income in segments other than Global WAM	1,578	5,010	5,357	1,672	2,748	11,945	(13)	1,659
Investment income in Global WAM	\$ 20	\$ 75	\$ 107	\$ 146	\$ (28)	\$ 202	\$ (247)	\$ (101)
Total other revenue and investment income in Global WAM	\$ 1,729	\$ 1,722	\$ 1,772	\$ 1,791	\$ 1,528	\$ 5,223	\$ 4,499	\$ 6,290
Less: Total revenue reported in items excluded from core earnings								
Market experience gains (losses)	(54)	7	12	55	(82)	(35)	(371)	(316)
Revenue related to integration and acquisitions	-	(7)	4	90	-	(3)	-	90
<b>Global WAM core revenue</b>	<b>\$ 1,783</b>	\$ 1,722	\$ 1,756	\$ 1,646	\$ 1,610	<b>\$ 5,261</b>	\$ 4,870	\$ 6,516

### Expense measures

With the adoption of IFRS 17, we have replaced core general expenses with two new measures: core expenses and core expenditures. Under IFRS 17, expenses previously reported in general expenses are now reported as:

1. General expenses that flow directly through income;
2. Directly attributable maintenance expenses, which are reported in insurance service expenses and flow directly through income;
3. Directly attributable acquisition expenses for contracts measured using the PAA method which are reported in insurance service expenses, and flow directly through income; and
4. Directly attributable acquisition expenses that are capitalized into the CSM.

**Total expenses** include items 1 to 3 above and **total expenditures** include items 1 to 4 above.

**Core expenses** is used to calculate our expense efficiency ratio and is equal to total expenses that are included in core earnings and excludes such items as material legal provisions for settlements, restructuring charges and expenses related to integration and acquisitions.

(\$ millions, and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
<b>Core expenses</b>								
General expenses - Statements of Income	\$ 1,042	\$ 1,022	\$ 1,086	\$ 1,002	\$ 914	\$ 3,150	\$ 2,729	\$ 3,731
Directly attributable acquisition expense for contracts measured using the PAA method <sup>(1)</sup>	37	35	33	15	17	105	43	58
Directly attributable maintenance expense <sup>(1)</sup>	544	550	546	577	497	1,640	1,462	2,039
<b>Total expenses</b>	<b>1,623</b>	<b>1,607</b>	<b>1,665</b>	<b>1,594</b>	<b>1,428</b>	<b>4,895</b>	<b>4,234</b>	<b>5,828</b>
Less: General expenses included in items excluded from core earnings								
Restructuring charge	-	-	-	-	-	-	-	-
Integration and acquisition	-	-	-	18	-	-	8	26
Legal provisions and Other expenses	1	9	60	-	39	70	40	40
<b>Total</b>	<b>1</b>	<b>9</b>	<b>60</b>	<b>18</b>	<b>39</b>	<b>70</b>	<b>48</b>	<b>66</b>
<b>Core expenses</b>	<b>\$ 1,622</b>	<b>\$ 1,598</b>	<b>\$ 1,605</b>	<b>\$ 1,576</b>	<b>\$ 1,389</b>	<b>\$ 4,825</b>	<b>\$ 4,186</b>	<b>\$ 5,762</b>
CER adjustment <sup>(2)</sup>	-	(5)	(17)	(9)	20	(22)	81	72
<b>Core expenses, CER basis</b>	<b>\$ 1,622</b>	<b>\$ 1,593</b>	<b>\$ 1,588</b>	<b>\$ 1,567</b>	<b>\$ 1,409</b>	<b>\$ 4,803</b>	<b>\$ 4,267</b>	<b>\$ 5,834</b>
Total expenses	\$ 1,623	\$ 1,607	\$ 1,665	\$ 1,594	\$ 1,428	\$ 4,895	\$ 4,234	\$ 5,828
CER adjustment <sup>(2)</sup>	-	(6)	(16)	(9)	21	(22)	82	73
<b>Total expenses, CER basis</b>	<b>\$ 1,623</b>	<b>\$ 1,601</b>	<b>\$ 1,649</b>	<b>\$ 1,585</b>	<b>\$ 1,449</b>	<b>\$ 4,873</b>	<b>\$ 4,316</b>	<b>\$ 5,901</b>

<sup>(1)</sup> Expenses are components of insurance service expenses on the Statements of Income that flow directly through income.

<sup>(2)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

**Core expenditures** is used to calculate our expenditure efficiency ratio and is equal to total expenditures excluding such items as material legal provisions for settlements, restructuring charges and expenses related to integration and acquisitions. Total expenditures is equal to the sum of total expenses and costs that are directly attributable to the acquisition of new business that are capitalized into the CSM.

(\$ millions, and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
<b>Core expenditures</b>								
Total expenses	\$ 1,623	\$ 1,607	\$ 1,665	\$ 1,594	\$ 1,428	\$ 4,895	\$ 4,234	\$ 5,828
Directly attributable acquisition expenses capitalized through the CSM <sup>(1)</sup>	489	501	507	532	467	1,497	1,377	1,909
<b>Total expenditures</b>	<b>2,112</b>	<b>2,108</b>	<b>2,172</b>	<b>2,126</b>	<b>1,895</b>	<b>6,392</b>	<b>5,611</b>	<b>7,737</b>
Less: General expenses included in items excluded from core earnings (see core expenses reconciliation above)	1	9	60	18	39	70	48	66
<b>Core expenditures</b>	<b>\$ 2,111</b>	<b>\$ 2,099</b>	<b>\$ 2,112</b>	<b>\$ 2,108</b>	<b>\$ 1,856</b>	<b>\$ 6,322</b>	<b>\$ 5,563</b>	<b>\$ 7,671</b>
CER adjustment <sup>(2)</sup>	-	(13)	(30)	(16)	26	(43)	89	73
<b>Core expenditures, CER basis</b>	<b>\$ 2,111</b>	<b>\$ 2,086</b>	<b>\$ 2,082</b>	<b>\$ 2,092</b>	<b>\$ 1,882</b>	<b>\$ 6,279</b>	<b>\$ 5,652</b>	<b>\$ 7,744</b>
Total expenditures	\$ 2,112	\$ 2,108	\$ 2,172	\$ 2,126	\$ 1,895	\$ 6,392	\$ 5,611	\$ 7,737
CER adjustment <sup>(2)</sup>	-	(14)	(29)	(16)	28	(43)	90	74
<b>Total expenditures, CER basis</b>	<b>\$ 2,112</b>	<b>\$ 2,094</b>	<b>\$ 2,143</b>	<b>\$ 2,110</b>	<b>\$ 1,923</b>	<b>\$ 6,349</b>	<b>\$ 5,701</b>	<b>\$ 7,811</b>

<sup>(1)</sup> Expenses are components of insurance service expenses on the Statements of Income and are then capitalized to CSM.

<sup>(2)</sup> The impact of updating foreign exchange rates to that which was used in 3Q23.

**Expense efficiency ratio** is a financial measure which Manulife uses to measure progress towards our target to be more efficient. It is defined as core expenses divided by the sum of core earnings before income taxes (“pre-tax core earnings”) and core expenses.

**Expenditure efficiency ratio** is a financial measure which Manulife uses to measure progress towards our target to be more efficient. It is defined as core expenditures divided by the sum of core earnings before income taxes (“pre-tax core earnings”) and core expenditures.

**Embedded value (“EV”)** is a measure of the present value of shareholders’ interests in the expected future distributable earnings on in-force business reflected in the Consolidated Statements of Financial Position of Manulife, excluding any value associated with future new business. EV is calculated as the sum of the adjusted net worth and the value of in-force business calculated as at December 31. The adjusted net worth is the IFRS shareholders’ equity adjusted for goodwill and intangible assets, fair value of surplus assets, the fair value of debt, preferred shares, and other equity, and local statutory balance sheet, regulatory reserve, and capital for our Asian businesses. The value of in-force business in Canada and the U.S. is the present value of expected future IFRS earnings, on an IFRS 4 basis, on in-force business less the present value of the cost of holding capital to support the in-force business under the LICAT framework. The value of in-force business in Asia reflects local statutory earnings and capital requirements. The value of in-force business excludes Global WAM, Bank or P&C Reinsurance businesses.

**Net annualized fee income yield on average AUMA (“Net fee income yield”)** is a financial measure that represents the net annualized fee income from Global WAM channels over average AUMA. This measure provides information on Global WAM’s adjusted return generated from managing AUMA.

**Net annualized fee income** is a financial measure that represents Global WAM income before income taxes, adjusted to exclude items unrelated to net fee income, including general expenses, investment income, non-AUMA related net benefits and claims, and net premium taxes. It also excludes the components of Global WAM net fee income from managing assets on behalf of other segments. This measure is annualized based on the number of days in the year divided by the number of days in the reporting period.

### Reconciliation of income before income taxes to net fee income yield

(\$ millions, unless otherwise stated)	Quarterly Results					YTD Results		Full Year Results
	3Q23	2Q23	1Q23	4Q22	3Q22	2023	2022	2022
<b>Income before income taxes</b>	\$ 1,174	\$ 1,436	\$ 1,719	\$ 697	\$ 484	\$ 4,329	\$ (3,835)	\$ (3,138)
Less: Income before income taxes for segments other than Global WAM	808	1,074	1,374	236	160	3,256	(4,665)	(4,429)
Global WAM income before income taxes	366	362	345	461	324	1,073	830	1,291
Items unrelated to net fee income	717	674	676	527	658	2,067	2,126	2,653
Global WAM net fee income	1,083	1,036	1,021	988	982	3,140	2,956	3,944
Less: Net fee income from other segments	171	142	136	134	136	449	413	547
Global WAM net fee income excluding net fee income from other segments	912	894	885	854	846	2,691	2,543	3,397
<b>Net annualized fee income</b>	\$ 3,618	\$ 3,584	\$ 3,589	\$ 3,388	\$ 3,356	\$ 3,597	\$ 3,400	\$ 3,397
Average Assets under Management and Administration	\$ 813,157	\$ 814,945	\$ 804,455	\$ 779,642	\$ 773,575	\$ 812,341	\$ 787,876	\$ 790,268
<b>Net fee income yield (bps)</b>	<b>44.5</b>	44.0	44.6	43.5	43.4	<b>44.3</b>	43.2	43.0

**New business value (“NBV”)** is the change in embedded value as a result of sales in the reporting period. The definition of NBV has changed for periods beginning after 2022 as follows:

- adopting IFRS 17 in the calculation of expected future distributable earnings in Canada, and international high net worth business, which was reclassified to the Asia segment in 2023; and
- changing the basis for calculating expected future distributable earnings in the U.S. from IFRS to local capital requirements.

NBV for periods beginning after December 31, 2022 is calculated as the present value of shareholders' interests in expected future distributable earnings in accordance with IFRS 17, after the cost of capital calculated under the LICAT framework in Canada and the local capital requirements in the U.S. and Asia, on actual new business sold in the period using assumptions that are consistent with the assumptions used in the calculation of embedded value.

NBV for periods prior to January 1, 2023 is calculated as the present value of shareholders' interests in expected future distributable earnings in accordance with IFRS 4 "Insurance Contracts", after the cost of capital calculated under the LICAT framework in Canada and the U.S. and the local capital requirements in Asia, on actual new business sold in the period using assumptions that are consistent with the assumptions used in the calculation of embedded value.

NBV excludes businesses with immaterial insurance risks, such as the Company's Global WAM, Manulife Bank and the P&C Reinsurance businesses. NBV is a useful metric to evaluate the value created by the Company's new business franchise.

**New business value margin ("NBV margin")** is calculated as NBV divided by APE sales excluding non-controlling interests. APE sales are calculated as 100% of regular premiums and deposits sales and 10% of single premiums and deposits sales. NBV margin is a useful metric to help understand the profitability of our new business.

**Sales are measured according to product type:**

For individual insurance, sales include 100% of new annualized premiums and 10% of both excess and single premiums. For individual insurance, new annualized premiums reflect the annualized premium expected in the first year of a policy that requires premium payments for more than one year. Single premium is the lump sum premium from the sale of a single premium product, e.g. travel insurance. Sales are reported gross before the impact of reinsurance.

For group insurance, sales include new annualized premiums and administrative services only premium equivalents on new cases, as well as the addition of new coverages and amendments to contracts, excluding rate increases.

Insurance-based wealth accumulation product sales include all new deposits into variable and fixed annuity contracts. As we discontinued sales of new variable annuity contracts in the U.S. in 1Q13, subsequent deposits into existing U.S. variable annuity contracts are not reported as sales. Asia variable annuity deposits are included in APE sales.

**APE sales** are comprised of 100% of regular premiums and deposits and 10% of excess and single premiums and deposits for both insurance and insurance-based wealth accumulation products.

**Gross flows** is a new business measure presented for our Global WAM business and includes all deposits into mutual funds, group pension/retirement savings products, private wealth and institutional asset management products. Gross flows is a common industry metric for WAM businesses as it provides a measure of how successful the businesses are at attracting assets.

**Net flows** is presented for our Global WAM business and includes gross flows less redemptions for mutual funds, group pension/retirement savings products, private wealth and institutional asset management products. In addition, net flows include the net flows of exchange traded funds and non-proprietary product sold by Manulife Securities. Net flows is a common industry metric for WAM businesses as it provides a measure of how successful the businesses are at attracting and retaining assets. When net flows are positive, they are referred to as net inflows. Conversely, negative net flows are referred to as net outflows.

**Remittances** is defined as the cash remitted or available for distribution to the Manulife Group from operating subsidiaries and excess capital generated by standalone Canadian operations. It is one of the key metrics used by management to evaluate our financial flexibility.

## **E4 Caution regarding forward-looking statements**

From time to time, MFC makes written and/or oral forward-looking statements, including in this document. In addition, our representatives may make forward-looking statements orally to analysts, investors, the media and others. All such statements are made pursuant to the “safe harbour” provisions of Canadian provincial securities laws and the U.S. Private Securities Litigation Reform Act of 1995.

The forward-looking statements in this document include, but are not limited to, statements with respect to the impact of changes in tax laws, the estimated timing and amount of state approved future premium increases on our U.S. LTC business, the probability and impact of LICAT scenario switches and also relate to, among other things, our objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and can generally be identified by the use of words such as “may”, “will”, “could”, “should”, “would”, “likely”, “suspect”, “outlook”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “forecast”, “objective”, “seek”, “aim”, “continue”, “goal”, “restore”, “embark” and “endeavour” (or the negative thereof) and words and expressions of similar import, and include statements concerning possible or assumed future results. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements and they should not be interpreted as confirming market or analysts’ expectations in any way.

Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from expectations include but are not limited to: general business and economic conditions (including but not limited to the performance, volatility and correlation of equity markets, interest rates, credit and swap spreads, inflation rates, currency rates, investment losses and defaults, market liquidity and creditworthiness of guarantors, reinsurers and counterparties); the ongoing prevalence of COVID-19, including any variants, as well as actions that have been, or may be taken by governmental authorities in response to COVID-19, including the impacts of any variants; changes in laws and regulations; changes in accounting standards applicable in any of the territories in which we operate; changes in regulatory capital requirements; our ability to obtain premium rate increases on in-force policies; our ability to execute strategic plans and changes to strategic plans; downgrades in our financial strength or credit ratings; our ability to maintain our reputation; impairments of goodwill or intangible assets or the establishment of provisions against future tax assets; the accuracy of estimates relating to morbidity, mortality and policyholder behaviour; the accuracy of other estimates used in applying accounting policies, actuarial methods and embedded value methods; our ability to implement effective hedging strategies and unforeseen consequences arising from such strategies; our ability to source appropriate assets to back our long-dated liabilities; level of competition and consolidation; our ability to market and distribute products through current and future distribution channels; unforeseen liabilities or asset impairments arising from acquisitions and dispositions of businesses; the realization of losses arising from the sale of investments classified as fair value through other comprehensive income; our liquidity, including the availability of financing to satisfy existing financial liabilities on expected maturity dates when required; obligations to pledge additional collateral; the availability of letters of credit to provide capital management flexibility; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; the availability, affordability and adequacy of reinsurance; legal and regulatory proceedings, including tax audits, tax litigation or similar proceedings; our ability to adapt products and services to the changing market; our ability to attract and retain key executives, employees and agents; the appropriate use and interpretation of complex models or deficiencies in models used; political, legal, operational and other risks associated with our non-North American operations; geopolitical uncertainty, including international conflicts; acquisitions and our ability to complete acquisitions including the availability of equity and debt financing for this purpose; the disruption of or changes to key elements of the Company’s or public infrastructure systems; environmental concerns, including climate change; our ability to protect our intellectual property and exposure to claims of infringement; and our inability to withdraw cash from subsidiaries.

Additional information about material risk factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in this document under “Risk Management and Risk Factors Update” and “Critical Actuarial and Accounting Policies”, under “Risk Management and Risk Factors” and “Critical Actuarial and Accounting Policies” in the Management’s Discussion and Analysis in our most recent annual report and, in the “Risk Management” note to the consolidated financial statements in our most recent annual and interim reports and elsewhere in our filings with Canadian and U.S. securities regulators.

The forward-looking statements in this document are, unless otherwise indicated, stated as of the date hereof and are presented for the purpose of assisting investors and others in understanding our financial position and results of operations, our future operations, as well as our objectives and strategic priorities, and may not be appropriate for other purposes. We do not undertake to update any forward-looking statements, except as required by law.

## E5 Quarterly financial information

The following table provides summary information related to our eight most recently completed quarters. With the adoption of IFRS 17 and IFRS 9 on January 1, 2023, we have provided quarterly 2023 and restated quarterly 2022 information based on the new standard. See section A1 “Implementation of IFRS 17 and IFRS 9” for additional information. Information has not been restated prior to January 1, 2022 and as a result, quarterly 2021 information is based on what was reported in those quarters.

As at and for the three months ended <sup>(1)</sup> (\$ millions, except per share amounts or otherwise stated, unaudited)	Sept 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021
<b>Revenue</b>								
Insurance revenue	\$ 6,412	\$ 5,580	\$ 5,763	\$ 6,128	\$ 5,560	\$ 5,732	\$ 5,698	
Net investment income	1,265	4,819	5,153	1,440	2,439	(2,454)	(1,088)	
Other revenue	1,645	1,691	1,691	1,671	1,547	1,446	1,522	
<b>Total revenue</b>	<b>\$ 9,322</b>	<b>\$ 12,090</b>	<b>\$ 12,607</b>	<b>\$ 9,239</b>	<b>\$ 9,546</b>	<b>\$ 4,724</b>	<b>\$ 6,132</b>	
Income (loss) before income taxes	\$ 1,174	\$ 1,436	\$ 1,719	\$ 697	\$ 484	\$ (2,656)	\$ (1,663)	
Income tax (expense) recovery	51	(265)	(309)	226	(60)	553	440	
<b>Net income (loss)</b>	<b>\$ 1,225</b>	<b>\$ 1,171</b>	<b>\$ 1,410</b>	<b>\$ 923</b>	<b>\$ 424</b>	<b>\$ (2,103)</b>	<b>\$ (1,223)</b>	
<b>Net income (loss) attributed to shareholders</b>	<b>\$ 1,013</b>	<b>\$ 1,025</b>	<b>\$ 1,406</b>	<b>\$ 915</b>	<b>\$ 491</b>	<b>\$ (2,119)</b>	<b>\$ (1,220)</b>	
<b>Basic earnings (loss) per common share</b>	<b>\$ 0.53</b>	<b>\$ 0.50</b>	<b>\$ 0.73</b>	<b>\$ 0.43</b>	<b>\$ 0.23</b>	<b>\$ (1.13)</b>	<b>\$ (0.66)</b>	
<b>Diluted earnings (loss) per common share</b>	<b>\$ 0.52</b>	<b>\$ 0.50</b>	<b>\$ 0.73</b>	<b>\$ 0.43</b>	<b>\$ 0.23</b>	<b>\$ (1.13)</b>	<b>\$ (0.66)</b>	
<b>Segregated funds deposits</b>	<b>\$ 10,172</b>	<b>\$ 10,147</b>	<b>\$ 11,479</b>	<b>\$ 10,165</b>	<b>\$ 9,841</b>	<b>\$ 10,094</b>	<b>\$ 12,328</b>	
<b>Total assets (in billions)</b>	<b>\$ 836</b>	<b>\$ 851</b>	<b>\$ 862</b>	<b>\$ 834</b>	<b>\$ 818</b>	<b>\$ 810</b>	<b>\$ 865</b>	
<b>Revenue</b>								
Life, health and property and casualty insurance net premium income								\$ 9,159
Annuities and pensions net premium income								901
Total net premium income								10,060
Investment income								4,350
Realized and unrealized gains and losses on assets supporting insurance and investment contract liabilities								4,460
Other revenue								2,741
<b>Total revenue</b>								<b>\$ 21,611</b>
Income (loss) before income taxes								\$ 2,481
Income tax (expense) recovery								(430)
<b>Net income (loss)</b>								<b>\$ 2,051</b>
<b>Net income (loss) attributed to shareholders</b>								<b>\$ 2,084</b>
<b>Basic earnings (loss) per common share</b>								<b>\$ 1.04</b>
<b>Diluted earnings (loss) per common share</b>								<b>\$ 1.03</b>
<b>Segregated funds deposits</b>								<b>\$ 10,920</b>
<b>Total assets (in billions)</b>								<b>\$ 918</b>
<b>Weighted average common shares (in millions)</b>	<b>1,826</b>	<b>1,842</b>	<b>1,858</b>	<b>1,878</b>	<b>1,902</b>	<b>1,921</b>	<b>1,938</b>	<b>1,943</b>
<b>Diluted weighted average common shares (in millions)</b>	<b>1,829</b>	<b>1,846</b>	<b>1,862</b>	<b>1,881</b>	<b>1,904</b>	<b>1,924</b>	<b>1,942</b>	<b>1,946</b>
<b>Dividends per common share</b>	<b>\$ 0.365</b>	<b>\$ 0.365</b>	<b>\$ 0.365</b>	<b>\$ 0.330</b>	<b>\$ 0.330</b>	<b>\$ 0.330</b>	<b>\$ 0.330</b>	<b>\$ 0.330</b>
<b>CDN\$ to US\$1 - Statement of Financial Position</b>	<b>1.3520</b>	<b>1.3233</b>	<b>1.3534</b>	<b>1.3549</b>	<b>1.3740</b>	<b>1.2900</b>	<b>1.2496</b>	<b>1.2678</b>
<b>CDN\$ to US\$1 - Statement of Income</b>	<b>1.3411</b>	<b>1.3430</b>	<b>1.3524</b>	<b>1.3575</b>	<b>1.3057</b>	<b>1.2765</b>	<b>1.2663</b>	<b>1.2601</b>

<sup>(1)</sup> 2021 quarterly results are not restated for IFRS 17 and IFRS 9.

## E6 Revenue

Revenue (\$ millions, unaudited)	Quarterly Results			YTD Results	
	3Q23	2Q23	3Q22	2023	2022
Insurance revenue	\$ 6,412	\$ 5,580	\$ 5,560	\$ 17,755	\$ 16,990
Net investment income	1,265	4,819	2,439	11,237	(1,103)
Other revenue	1,645	1,691	1,547	5,027	4,515
<b>Total revenue</b>	<b>\$ 9,322</b>	<b>\$ 12,090</b>	<b>\$ 9,546</b>	<b>\$ 34,019</b>	<b>\$ 20,402</b>
Asia	\$ 1,547	\$ 3,594	\$ 1,872	\$ 8,424	\$ 5,061
Canada	2,643	3,139	3,599	9,327	4,651
U.S.	3,478	3,422	2,854	10,756	7,234
Global Wealth and Asset Management	1,382	1,431	1,270	4,264	3,737
Corporate and Other	272	504	(49)	1,248	(281)
<b>Total revenue</b>	<b>\$ 9,322</b>	<b>\$ 12,090</b>	<b>\$ 9,546</b>	<b>\$ 34,019</b>	<b>\$ 20,402</b>

Total revenue was \$9.3 billion in 3Q23 compared with \$9.5 billion in 3Q22 due to a decrease in net investment income partially offset by higher insurance revenue.

- Asia total revenue was \$1.5 billion in 3Q23 compared with \$1.9 billion in 3Q22. The decrease was primarily driven by a decrease in net investment income due to net realized and unrealized losses on derivatives and bonds in 3Q23 compared with gains in 3Q22 partially offset by lower net realized and unrealized losses on public equities in 3Q23.
- Canada total revenue was \$2.6 billion in 3Q23 compared with \$3.6 billion in 3Q22. The decrease was primarily due to lower net investment income as a result of net realized and unrealized losses on derivatives and bonds in 3Q23 compared with gains in 3Q22. This was partially offset by higher insurance revenue due to business growth.
- U.S. total revenue was \$3.5 billion in 3Q23 compared with \$2.9 billion in 3Q22. The increase was primarily driven by higher insurance revenue and lower net realized and unrealized losses on derivatives, with losses in both years as a result of changes in interest rates, partially offset by lower investment income from ALDA.
- Global WAM total revenue was \$1.4 billion in 3Q23 compared with \$1.3 billion in 3Q22. The increase was mainly due to higher fee income from growth in average AUMA and higher performance fees in Institutional Asset Management.
- Corporate and Other total revenue was \$0.3 billion in 3Q23 compared with \$nil in 3Q22. The increase was primarily driven by net realized gains on the sale of FVOCI debt instruments in 3Q23 compared with realized losses in 3Q22 and higher yields on debt instruments.

On a year-to-date basis total revenue was \$35.0 billion in 2023 compared with \$20.4 billion for the same period in 2022.

- Asia year-to-date total revenue was \$8.4 billion in 2023 compared with \$5.1 billion in 2022. The year-to-date increase was primarily driven by net realized and unrealized public equity gains in 2023 compared with losses in 2022, and lower net realized and unrealized losses on derivatives in 2023 partially offset by lower net realized and unrealized gains on bonds in 2023 compared with 2022.
- Canada year-to-date total revenue was \$9.3 billion in 2023 compared with \$4.7 billion in 2022. The year-to-date increase was primarily due to higher net investment income driven by lower net realized and unrealized losses on derivatives, and net unrealized gains from public equities in 2023 compared with losses in 2022, and higher insurance revenue due to business growth.
- U.S. year-to-date total revenue was \$10.8 billion in 2023 compared with \$7.2 billion in 2022. The year-to-date increase was primarily driven by net realized and unrealized losses on derivatives in 2022, partially offset by lower investment income.

- Global WAM year-to-date total revenue was \$4.3 billion in 2023 compared with \$3.7 billion in 2022. The year-to-date increase was due mainly to higher losses from seed money investments in 2022 and the favourable impact of a weaker Canadian dollar compared with the U.S. dollar.
- Corporate and Other year-to-date total revenue was \$1.2 billion in 2023 compared with a loss of \$0.3 billion in 2022. The year-to-date increase was primarily due to similar reasons noted above and a more favourable impact of markets on public equities and other assets.

## **E7 Other**

No changes were made in our internal control over financial reporting during the nine months ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting except that, in connection with the adoption of IFRS 17 and IFRS 9, the Company made significant updates and modifications to existing internal controls and implemented a number of new internal controls. These changes include controls over new and existing systems, including technological systems, and controls that were implemented or modified in our actuarial and accounting processes to address the risks associated with the newly adopted accounting standards.

As in prior quarters, MFC's Audit Committee has reviewed this MD&A and the unaudited interim financial report and MFC's Board of Directors approved this MD&A prior to its release.