UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40-F

(Check One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☑ **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2024 **Commission file number 1-14942**

MANULIFE FINANCIAL CORPORATION

(Exact name of Registrant as specified in its charter)

Canada
(Province or other jurisdiction of incorporation or organization)
6311
(Primary Standard Industrial Classification Code Number (if applicable))
Not applicable
(I.R.S. Employer Identification Number (if applicable))
200 Bloor Street East, Toronto, Ontario, Canada M4W 1E5 (416) 926-3000
(Address and telephone number of Registrant's principal executive offices)
James D. Gallagher, Manulife Financial Corporation, 200 Berkeley Street, Boston, MA 02116, (617) 663-3000
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares	**MFC**	**New York Stock Exchange**

Securities registered or to be registered pursuant to Section 12(g) of the Act. **None**
Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. **4.150% Senior Notes due 2026, 2.484% Senior Notes due 2027, 3.703% Senior Notes due 2032, 5.375% Senior Notes due 2046, and 4.061% Subordinated Notes due 2032**

40-F 3

The Public Company Accounting Oversight Board (United States) ID number for the Canadian firm of Ernst & Young LLP is 1263.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

40-F 4

Principal Documents

The following documents, filed as exhibits 99.1, 99.2, and 99.3 hereto, are hereby incorporated by reference into this Annual Report:

(a) Consolidated Financial Statements for the fiscal year ended December 31, 2024;

(b) Management's Discussion and Analysis for the fiscal year ended December 31, 2024; and

(c) Annual Information Form dated February 19, 2025 for the fiscal year ended December 31, 2024.

40-F 5

Certifications and Disclosure Regarding Controls and Procedures.

(a)Certifications. The Certificates required by Rule 13a-14(a) and (b) are set forth in Exhibits 99.4, 99.5, 99.6 and 99.7 to this Annual Report on Form 40-F.

(b)Disclosure Controls and Procedures. The conclusions of the principal executive and principal financial officers of Manulife Financial Corporation (the "Company") regarding the effectiveness of the Company's disclosure controls and procedures as at December 31, 2024 are set forth under the heading "Controls and Procedures – Disclosure Controls and Procedures" in the Company's Management's Discussion and Analysis for the fiscal year ended December 31, 2024, filed as Exhibit 99.2 to this Annual Report on Form 40-F.

(c)Management's Annual Report on Internal Control over Financial Reporting. Management's report on the Company's internal control over financial reporting is set forth under the heading "Controls and Procedures – Management's Report on Internal Control over Financial Reporting" in the Company's Management's Discussion and Analysis for the fiscal year ended December 31, 2024, filed as Exhibit 99.2 to this Annual Report on Form 40-F.

(d)Attestation Report of the Registered Public Accounting Firm. Ernst & Young LLP's attestation report on management's assessment of internal control over financial reporting is set forth under the heading "Report of Independent Registered Public Accounting Firm to the Shareholders and Board of Directors of Manulife Financial Corporation – Opinion on Internal Control Over Financial Reporting" in the Company's Consolidated Financial Statements for the fiscal year ended December 31, 2024, filed as Exhibit 99.1 to this Annual Report on Form 40-F.

(e)Changes in Internal Control over Financial Reporting. Information regarding any changes in the Company's internal control over financial reporting is set forth under the heading "Controls and Procedures – Changes in Internal Control over Financial Reporting" in the Company's Management's Discussion and Analysis for the fiscal year ended December 31, 2024, filed as Exhibit 99.2 to this Annual Report on Form 40-F.

Audit Committee Financial Expert.

Information regarding audit committee financial experts is set forth under the heading "Audit Committee" in the Company's Annual Information Form ("AIF") dated February 19, 2025 for the fiscal year ended December 31, 2024, filed as Exhibit 99.3 to this Annual Report on Form 40-F.

Code of Business Conduct and Ethics.

The Company has adopted a Code of Business Conduct and Ethics ("Code") that applies to all directors, officers and employees of the Company and that qualifies as a "code of ethics" as that term is defined in Form 40-F. The Code is filed as Exhibit 99.10 to this Annual Report on Form 40-F.

The Code is posted on the corporate governance section of our website and is available for viewing at: https://www.manulife.com/content/dam/corporate/global/en/documents/corporate-governance/MFC_COBC_EN.pdf. Any amendments to the Code will be posted at our website at such internet address.

In 2024, the Company made certain amendments to its Code, in addition to making administrative updates to the Code, including:

•The obligation to report foreign interference in response to the new OSFI Integrity & Security Guideline;
•Additional guidance on culture and conduct and treating customers fairly;
•Revisions to language on unfair business practices related to illegal insurance rebating; and
•Enhanced guidance on shared business entertainment, external directorships and the use of artificial intelligence.

There were no waivers, including implied waivers, from any provision of the Code during 2024.

Principal Accountant Fees and Services.

Information regarding the fees billed by Ernst & Young LLP is set forth under the heading "Audit Committee – External Auditor Service Fees" in the Company's AIF dated February 19, 2025 for the fiscal year ended December 31, 2024, filed as Exhibit 99.3 to this Annual Report on Form 40-F.

Pre-Approval Policies and Procedures.

Information regarding the pre-approval policies and procedures of the Company's audit committee is set forth under the heading "Audit Committee – Pre-Approval Policies and Procedures" in the Company's AIF dated February 19, 2025 for the fiscal year ended December 31, 2024, filed as Exhibit 99.3 to this Annual Report on Form 40-F.

Hours Expended on Audit Attributed to Persons Other than the Principal Accountant's Employees.

Not Applicable.

Off-Balance Sheet Arrangements.

Information regarding the Company's off-balance sheet arrangements is set forth in the discussion of risk in the Company's Management's Discussion and Analysis for the fiscal year ended December 31, 2024, filed as Exhibit 99.2 to this Annual Report on Form 40-F. The notes to the Consolidated Financial Statements for the fiscal year ended December 31, 2024, filed as Exhibit 99.1 to this Annual Report on Form 40-F include the following disclosures related to off-balance sheet arrangements:

Note 8	Risk Management - Securities Lending, Repurchase and Reverse Repurchase Transactions
Note 17	Interests in Structured Entities
Note 18	Commitments and Contingencies

Tabular Disclosure of Contractual Obligations.

Information regarding the Company's contractual obligations is set forth under the heading "Additional Disclosures – Contractual Obligations" in the Company's Management's Discussion and Analysis for the fiscal year ended December 31, 2024, filed as Exhibit 99.2 to this Annual Report on Form 40-F.

Identification of the Audit Committee.

Information regarding the Audit Committee of the Company's Board of Directors (the "Board") is set forth under the heading "Audit Committee – Composition of the Audit Committee" in the Company's AIF dated February 19, 2025 for the fiscal year ended December 31, 2024, filed as Exhibit 99.3 to this Annual Report on Form 40-F.

Independence of Directors.

A majority of the directors and all members of the Board's standing committees must be independent so that the Board operates independently of management.

A director is independent if he or she does not have a direct or indirect relationship with the Company that could reasonably be expected to interfere with the director's ability to exercise independent judgment. The Company has established an independence policy for the Board which is consistent with applicable legal and regulatory requirements, including those established under Canadian and U.S. securities law, the Insurance Companies Act (Canada) and the rules of the New York Stock Exchange. The independence policy is available on our website (www.manulife.com).

Each year the Board, with the assistance of the Corporate Governance and Nominating Committee, reviews the independence of each director and has determined that 12 of the 13 directors serving on the Board as of December 31, 2024 are independent and that the members of the Audit Committee and the Management Resources and Compensation Committee meet the additional independence requirements for those committees. As CEO, Roy Gori is not independent.

Presiding Director at Meetings of Non-Management Directors.

The independent directors meet regularly with senior executives and have an opportunity to meet privately without management present during closed sessions held at each Board and committee meeting. They may also use these sessions to meet privately with members of management or independent advisors.

In addition, the independent directors meet without the CEO present to review the performance and approve the compensation of the CEO, to review the Board's effectiveness assessments and to approve the Board's objectives for the following year.

Communication with Non-Management Directors.

Shareholders wishing to contact non-management directors of the Company may write to the Chair of the Board, in care of the Corporate Secretary, at the head office of the Company, 200 Bloor Street East, Toronto, Ontario, Canada, M4W 1E5.

Corporate Governance Guidelines.

The Company's governance practices are consistent in all material respects with the requirements of the Insurance Companies Act (Canada), the corporate governance guidelines established by the Office of the Superintendent of Financial Institutions (Canada) and by the Canadian Securities Administrators, the New York Stock Exchange corporate governance rules for domestic issuers and the applicable U.S. Securities and Exchange Commission rules and regulations. The Company's statement of corporate governance practices is posted on the corporate governance section of our website and is available at: https://www.manulife.com/en/about/corporate-governance.html

Board Committee Charters.

The Board has established four standing committees to assist it in fulfilling its mandate: Corporate Governance and Nominating Committee, Audit Committee, Risk Committee, and Management Resources and Compensation Committee.

All of the members of the standing committees are independent. Each committee reviews and, as necessary, updates its charter every year and monitors compliance with its charter on a regular basis. Each committee chair reports to the Board on the committee's deliberations and any recommendations that require Board approval.

The committee charters and the position description for the committee chairs are posted on the corporate governance section of our website and are available at: https://www.manulife.com/en/about/corporate-governance.html

40-F 8

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

A.Undertaking.

Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

B.Consent to Service of Process.

The Company has previously filed a Form F-X in connection with the class of securities in relation to which the obligation to file this Annual Report arises.

Any change to the name or address of the Registrant's agent for service of process shall be communicated promptly to the Commission by amendment to the Form F-X referencing the file number of the Registrant.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereto duly authorized, on February 19, 2025.

Manulife Financial Corporation

By: */s/ James D. Gallagher*

Name: James D. Gallagher

Title: General Counsel

EXHIBIT INDEX

Exhibit	Description
97.1	Executive Officer Clawback Policy
99.1	Consolidated Financial Statements for the fiscal year ended December 31, 2024
99.2	Management's Discussion and Analysis for the fiscal year ended December 31, 2024
99.3	Annual Information Form dated February 19, 2025 for the fiscal year ended December 31, 2024
99.4	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934
99.5	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934
99.6	Section 1350 Certification of Chief Executive Officer
99.7	Section 1350 Certification of Chief Financial Officer
99.8	Consent of Independent Registered Public Accounting Firm
99.9	Consent of Appointed Actuary
99.10	Code of Business Conduct and Ethics
101	Interactive Data File (formatted as Inline XBRL)
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

Exhibit 97.1

EXECUTIVE OFFICER CLAWBACK POLICY

The Board of Directors (the "**Board**") of Manulife Financial Corporation (the "**Company**") believes that it is in the best interests of the Company and its shareholders to adopt this Clawback Policy (the "**Policy**"), which provides for the recovery of certain incentive compensation in the event of an Accounting Restatement (as defined below). This Policy is designed to comply with and shall be interpreted consistent with, Section 10D of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), Rule 10D-1 promulgated under the Exchange Act ("**Rule 10D-1**") and Section 303A.14 of the New York Stock Exchange ("**NYSE**") Listed Company Manual (the "**Listing Standards**").

This Policy is separate from, and in addition to, any other policy of the Company or any of its subsidiaries now or hereafter in existence, that relates to the clawback of incentive awards or other forms of compensation from directors, executive officers or employees of the Company or its subsidiaries (any such other clawback policy being referred to herein as a "Discretionary Clawback Policy"). In the event of any conflict or inconsistency between this Policy and any Discretionary Clawback Policy, the terms and conditions of this Policy shall prevail.

1. Administration

Except as specifically set forth herein, this Policy shall be administered by the Management Resources and Compensation Committee (the "**MRCC**") of the Board (the "**Administrator**"). The Administrator is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. All determinations made by the Administrator shall be final and binding on all affected individuals and need not be uniform with respect to each individual covered by the Policy. In the administration of this Policy, the Administrator is authorized and directed to consult with the full Board or such other committees of the Board, such as the Audit Committee or the Risk Committee, as may be necessary or appropriate as to matters within the scope of such other committee's responsibility and authority. Subject to any limitation at applicable law, the Administrator may authorize and empower any officer or employee of the Company to take any and all actions necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery under this Policy involving such officer or employee), and the Administrator may retain the services of external consultants of other service providers if determined to be necessary or appropriate.

2. Definitions

As used in this Policy, the following definitions shall apply:

- "**Accounting Restatement**" means an accounting restatement of the Company's financial statements due to the Company's material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a

material misstatement if the error were corrected in the current period or left uncorrected in the current period.

- "**Administrator**" has the meaning set forth in Section 1 hereof.
- "**Applicable Period**" means the three completed fiscal years immediately preceding the date on which the Company is required to prepare an Accounting Restatement, as well as any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years (except that a transition period that comprises a period of at least nine months shall count as a completed fiscal year). The "**date on which the Company is required to prepare an Accounting Restatement**" is the earlier to occur of (a) the date the Board concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (b) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement, in each case regardless of if or when the restated financial statements are filed.
- "**Covered Executives**" means the Company's current and former executive officers, as determined by the Administrator in accordance with the definition of executive officer set forth in Rule 10D-1 and the Listing Standards.
- "**Erroneously Awarded Compensation**" has the meaning set forth in Section 5 of this Policy.
- A "**Financial Reporting Measure**" is any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measure. A Financial Reporting Measure need not be presented within the Company's financial statements or included in a filing with the Securities Exchange Commission.
- "**Incentive-Based Compensation**" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive-Based Compensation is "**received**" for purposes of this Policy in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of such Incentive-Based Compensation occurs after the end of that period.

3. Covered Executives; Incentive-Based Compensation

Without limiting the terms and conditions of any Discretionary Clawback Policy, this Policy applies to Incentive-Based Compensation received by a Covered Executive: (a) after beginning services as a Covered Executive; (b) if that person served as a Covered Executive at any time during the performance period for such Incentive-Based Compensation; and (c) while the Company had a listed class of securities on a national securities exchange.

4. Required Recoupment of Erroneously Awarded Compensation in the event of an Accounting Restatement

In the event the Company is required to prepare an Accounting Restatement, the Company shall promptly recoup the amount of any Erroneously Awarded Compensation received by any Covered Executive, as calculated pursuant to Section 5 hereof, during the Applicable Period.

5. Erroneously Awarded Compensation: Amount Subject to Recover

The amount of **Erroneously Awarded Compensation** subject to recovery under the Policy, as determined by the Administrator, is the amount of Incentive-Based Compensation received by the Covered Executive that exceeds the amount of Incentive-Based Compensation that would have been received by the Covered Executive had it been determined based on the restated amounts.

Erroneously Awarded Compensation shall be computed by the Administrator without regard to any taxes paid in any and all applicable jurisdictions by the Covered Executive in respect of the Erroneously Awarded Compensation.

By way of example, with respect to any compensation plans or programs that take into account Incentive-Based Compensation, the amount of Erroneously Awarded Compensation subject to recovery hereunder includes, but is not limited to, the amount contributed to any notional account based on Erroneously Awarded Compensation and any earnings accrued to date on that notional amount.

For Incentive-Based Compensation based on stock price or total shareholder return ("**TSR**"): (a) the Administrator shall determine the amount of Erroneously Awarded Compensation based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or TSR upon which the Incentive-Based Compensation was received; and (b) the Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to NYSE.

6. Method of Recoupment

The Administrator shall determine, in its sole discretion, the timing and method for promptly recouping Erroneously Awarded Compensation hereunder, which may include without limitation (a) seeking reimbursement of all or part of any cash or equity-based award, (b) cancelling prior cash or equity-based awards, whether vested or unvested or paid or unpaid, (c) cancelling or offsetting against any planned future cash or equity-based awards, (d) forfeiture of deferred compensation, subject to compliance with Section 409A of the Internal Revenue Code and the regulations promulgated thereunder, and (e) any other method authorized by applicable law or contract. Subject to compliance with any applicable law, the Administrator may affect recovery under this Policy from any amount otherwise payable to the Covered Executive, including amounts payable to such individual under any otherwise applicable Company plan or program, including base salary, bonuses or commissions and compensation previously deferred by the Covered Executive.

The Company is authorized and directed pursuant to this Policy to recoup Erroneously Awarded Compensation in compliance with this Policy unless the MRCC has determined that recovery would be impracticable solely for the following limited reasons, and subject to the following procedural and disclosure requirements:

- The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover an amount of Erroneously Awarded Compensation based on expense of enforcement, the Administrator must make a reasonable attempt to recover such erroneously awarded compensation, document such reasonable attempt(s) to recover, and provide that documentation to NYSE;
- Recovery would violate home country law of the issuer where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover an amount of Erroneously Awarded Compensation based on violation of home country law

of the issuer, the Administrator must satisfy the applicable opinion and disclosur requirements of Rule 10D-1 and the Listing Standards, o r

- Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet th requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

7. No Indemnification of Covered Executives

Notwithstanding the terms of any indemnification or insurance policy or any contractua arrangement with any Covered Executive that may be interpreted to the contrary, the Compan shall not indemnify any Covered Executives against the loss of any Erroneously Awarde Compensation, including any payment or reimbursement for the cost of third-party insurance purchased by any Covered Executive to fund potential clawback obligations under this Policy .

8. Administrator Indemnification

Any members of the Administrator, and any other members of the Board who assist in the administration of this Policy, shall not be personally liable for any action, determination o interpretation made with respect to this Policy and shall be fully indemnified by the Company t the fullest extent under applicable law and Company policy with respect to any such action determination or interpretation. The foregoing sentence shall not limit any other rights t indemnification of the members of the Board under applicable law or Company polic y.

9. Effective Date; Retroactive Application

This Policy shall be effective as of October 2, 2023 (the "**Effective Date**"). The terms of this Policy shall apply to any Incentive-Based Compensation that is received by Covered Executive s on or after the Effective Date, even if such Incentive-Based Compensation was approved ,

awarded, granted or paid to Covered Executives prior to the Effective Date. Without limiting th generality of Section 6 hereof, and subject to applicable law, the Administrator may affec recovery under this Policy from any amount of compensation approved, awarded, granted, payable or paid to the Covered Executive prior to, on or after the Effective Dat e.

10. Amendment; Termination

The MRCC may amend, modify, supplement, rescind or replace all or any portion of this Polic at any time and from time to time in its discretion, and shall amend this Policy as it deem necessary to comply with applicable law or any rules or standards adopted by a nationa securities exchange on which the Company's securities are listed.

11. Other Recoupment Rights; Company Claim s

The MRCC intends that this Policy shall be applied to the fullest extent of the law. Any right o recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights o recoupment that may be available to the Company under applicable law or pursuant to the term of any similar policy in any employment agreement, equity award agreement, or simila agreement and any other legal remedies available to the Company .

Nothing contained in this Policy, and no recoupment or recovery as contemplated by this Policy shall limit any claims, damages or other legal remedies the Company or any of its affiliates ma have against a Covered Executive arising out of or resulting from any actions or omissions by th Covered Executive .

12. Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

13. Exhibit Filing Requirement

A copy of this Policy and any amendments thereto shall be posted on the Company's website and filed as an exhibit to the Company's annual report on Form 40-F.

Manulife Financial Corporation
Consolidated Financial Statements
For the year ended December 31, 2024

Responsibility for Financial Reporting

The accompanying consolidated financial statements of Manulife Financial Corporation are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards and the accounting requirements of the Office of the Superintendent of Financial Institutions, Canada. When alternative accounting methods exist, or when estimates and judgment are required, management has selected those amounts that present the Company's financial position and results of operations in a manner most appropriate to the circumstances.

Appropriate systems of internal control, policies and procedures have been maintained to ensure that financial information is both relevant and reliable. The systems of internal control are assessed on an ongoing basis by management and the Company's internal audit department.

The actuary appointed by the Board of Directors (the "Appointed Actuary") is responsible for ensuring that assumptions and methods used in the determination of policy liabilities are appropriate to the circumstances and that reserves will be adequate to meet the Company's future obligations under insurance and annuity contracts.
The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. These responsibilities are carried out primarily through an Audit Committee of unrelated and independent directors appointed by the Board of Directors.
The Audit Committee meets periodically with management, the internal auditors, the peer reviewers, the external auditors and the Appointed Actuary to discuss internal control over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee reviews the consolidated financial statements prepared by management, and then recommends them to the Board of Directors for approval. The Audit Committee also recommends to the Board of Directors for approval the appointment of external auditors and their fees.
The consolidated financial statements have been audited by the Company's external auditors, Ernst & Young LLP, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Ernst & Young LLP has full and free access to management and the Audit Committee.





Roy Gori
President and Chief Executive Officer
Toronto, Canada
February 19, 2025

Colin Simpson
Chief Financial Officer

Appointed Actuary's Report to the Policyholders and Shareholders

I have valued the policy liabilities of Manulife Financial Corporation for its Consolidated Statements of Financial Position as at December 31, 2024 and 2023 and their change in the Consolidated Statements of Income for the years then ended in accordance with International Financial Reporting Standards.
In my opinion, the amount of policy liabilities is appropriate for this purpose. The valuation conforms to accepted actuarial practice in Canada and the Consolidated Financial Statements fairly present the results of the valuation.



Steven Finch
Appointed Actuary
Toronto, Canada
February 19, 2025

(This page intentionally left blank)

(This page intentionally left blank)

(This page intentionally left blank)

(This page intentionally left blank)

Manulife

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Manulife Financial Corporation

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Manulife Financial Corporation (the Company) as of December 31, 2024 and 2023, the related consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024 and 2023, its consolidated financial performance and its consolidated cash flows for the years then ended, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.
We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 19, 2025, expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.
We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

	Valuation of Insurance Contract Liabilities
Description of the matter	The Company recorded insurance contract liabilities of $523 billion at December 31, 2024 on its consolidated statement of financial position, of which $383 billion as disclosed in Note 6 'Insurance and Reinsurance Contract Assets and Liabilities' has been measured under the variable fee approach (VFA) and the general measurement model (GMM). At initial recognition, the Company measures a group of insurance contracts as the total of: (a) fulfilment cash flows, which comprise of estimates of future cash flows, adjusted to reflect the time value of money and financial risks, and a risk adjustment for non-financial risk; and (b) a contractual service margin (CSM), which represents the estimate of unearned profit the Company will recognize as it provides service under the insurance contracts or the loss component when the contracts are onerous. When projecting future cash flows for these insurance contract liabilities, the Company primarily uses deterministic projections using best estimate assumptions. Key assumptions are subjective and complex and include mortality, morbidity, investment returns, policy termination rates, premium persistency, directly attributable expenses, taxes, and policyholder dividends. Disclosures on this matter are found in Note 1 'Nature of Operations and Material Accounting Policy Information' and Note 6 'Insurance and Reinsurance Contract Assets and Liabilities' of the consolidated financial statements. Auditing the valuation of these insurance contract liabilities was complex and required the application of significant auditor judgment due to the complexity of the cash flow models, the selection and use of assumptions, and the interrelationship of these variables in measuring insurance contract liabilities. The audit effort involved professionals with specialized skills and knowledge to assist in evaluating the audit evidence obtained.
How we addressed the matter in our audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of management's controls over the valuation of insurance contract liabilities. The controls we tested related to, among other areas, actuarial methodology, integrity of data used, controls over relevant information technology, and the assumption setting and implementation processes used by management. To test the valuation of insurance contract liabilities, our audit procedures included, among other procedures, involving our actuarial specialists to assess the methodology and assumptions with respect to compliance with IFRS. We performed audit procedures over key assumptions, including testing the implementation of those assumptions into the models. These procedures included testing underlying support and documentation, including reviewing a sample of experience studies supporting specific assumptions, challenging the nature, timing, and completeness of changes recorded, and assessing whether individual changes were errors or refinements of estimates. We also tested the methodology and calculation of the insurance contract liabilities through both review of the calculation logic within the models, and through calculating an independent estimate of the fulfillment cashflows for a sample of insurance contracts and comparing the results to those determined by the Company and to industry and other external sources for benchmarking. Additionally, we have performed an independent calculation of the CSM for a sample of groups of insurance contracts and compared the amounts to the Company's results. We also assessed the adequacy of the disclosures related to the valuation of insurance contract liabilities.
	Valuation of Invested Assets and Derivatives with Significant Non-Observable Market Inputs
Description of the matter	The Company recorded invested assets of $93.9 billion, as disclosed in Note 3 'Invested Assets and Investment Income', and derivative assets and liabilities of $0.2 billion and $3.4 billion, respectively, as disclosed in Note 4 'Derivative and Hedging Instruments' at December 31, 2024 within its consolidated statement of financial position which are both (a) measured at fair value and (b) classified as Level 3 within the Company's hierarchy of fair value measurements. The Level 3 invested assets include private placements, commercial mortgages, real estate, timber and agriculture, and private equities valued using internal models. Level 3 derivative assets and liabilities primarily include bond forwards. There is increased measurement uncertainty in determining the fair value of these invested assets and derivatives due to volatility in the current economic environment. Fair values are based on internal models or third-party appraisals that incorporate assumptions with a high-level of subjectivity including discount rates, credit ratings and related spreads, expected future cash flows, transaction prices of comparable assets, volatilities, correlations, and repurchase rates. Disclosures on this matter are found in Note 1 'Nature of Operations and Material Accounting Policy Information', Note 3 'Invested Assets and Investment Income', and Note 4 'Derivative and Hedging Instruments' of the consolidated financial statements. Auditing the valuation of these invested assets and derivatives was complex and required the application of significant auditor judgment in assessing the valuation methodologies and non-observable inputs used. The valuation is sensitive to the significant non-observable market inputs described above, which are inherently forward-looking and could be affected by future economic and market conditions. The audit effort involved professionals with specialized skills and knowledge to assist in evaluating the audit evidence obtained.
How we addressed the matter in our audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of management's controls over the valuation processes. The controls we tested related to, among other areas, management's determination and approval of assumptions and methodologies used in model-based valuations. The controls we tested also included controls over relevant information technology. To test the valuation, our audit procedures included, among other procedures, involving our valuation specialists to assess the methodologies and significant inputs and assumptions used by management. These procedures included assessing the valuation methodologies used with respect to the Company's policies, valuation guidelines, and industry practice and comparing a sample of valuation assumptions used against benchmarks including comparable transactions where applicable. We also performed independent investment valuations on a sample basis to evaluate management's recorded values. In addition, we assessed the adequacy of the disclosures related to the valuation of invested assets and derivatives.

	IFRS 9 Hedge Accounting
Description of the matter	The Company has designated hedge accounting relationships with the objective to reduce potential accounting mismatches between changes in the fair value of derivatives in income and financial risk of insurance contract liabilities and financial assets in other comprehensive income. Specifically, the Company has established relationships to hedge the fair value changes of certain of the Company's insurance contract liabilities and debt instruments attributable to interest rate risk. The Company has also established relationships to hedge the risk of fair value changes of certain foreign currency denominated insurance contract liabilities and debt instruments attributable to foreign currency and interest rate risk. Related to the application of these hedges, the Company recognized changes in value of hedged assets of ($462) million, and changes in value of hedged liabilities of $3,646 million, for the year ended December 31, 2024. Disclosures on this matter are found in Note 1 'Nature of Operations and Material Accounting Policy Information' and Note 4 'Derivative and Hedging Instruments' of the consolidated financial statements. Auditing the application of hedge accounting was complex and required the application of significant auditor judgement related to the assessment of the ongoing economic relationship between the risk component of the hedged item and hedging instrument, the assessment that the hedge ratio between the hedging instrument and the hedged item was consistent with the risk objectives, and the determination of the resulting accumulated fair value adjustments. The audit effort involved professionals with specialized skills and knowledge to assist in evaluating the audit evidence obtained.
How we addressed the matter in our audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of management's controls over the application and execution of those strategies, including the implementation of new strategies where applicable, and the measurements of the accumulated fair value adjustments. The controls we tested included, among others, controls over the review of the completeness, accuracy, and eligibility of the hedged items and hedging instruments included in the hedging relationships, determination of the hedge ratio between the hedging instrument and the hedged item with reference to the risk objectives, and the determination of the resulting accumulated fair value adjustments. The controls we tested also included controls over relevant information technology. To assess the Company's application of these hedge accounting strategies under IFRS 9, our audit procedures included, among other procedures, involving our hedge accounting and derivative specialists to support our independent testing of the application of the hedge ratio by the Company and the valuation of a sample of the accumulated fair value adjustments. Other procedures performed include testing over the completeness and accuracy of the hedged items and hedging instruments designated in these relationships and the determination of the resulting accumulated fair value adjustments. In addition, we assessed the adequacy of the disclosures related to hedge accounting.

/s/ Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants
We have served as Manulife Financial Corporation's auditor since 1905.
Toronto, Canada
February 19, 2025

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Manulife Financial Corporation

Opinion on Internal Control over Financial Reporting

We have audited Manulife Financial Corporation's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Manulife Financial Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of December 31, 2024 and 2023, and the related consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and the related notes and our report dated February 19, 2025, expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in Management's Report on Internal Control Over Financial Reporting contained in the Management's Discussion and Analysis. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all

material respects.
Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.
Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
February 19, 2025

Consolidated Statements of Financial Position



As at December 31, (Canadian $ in millions)	2024	2023
Assets		
Cash and short-term securities	**$ 25,789**	$ 20,338
Debt securities	**210,621**	212,149
Public equities	**33,725**	25,531
Mortgages	**54,447**	52,421
Private placements	**49,668**	45,606
Loans to Bank clients	**2,310**	2,436
Real estate	**13,263**	13,049
Other invested assets	**52,674**	45,680
Total invested assets (note 3)	**442,497**	417,210
Other assets		
Accrued investment income	**2,969**	2,678
Derivatives (note 4)	**8,667**	8,546
Insurance contract assets (note 6)	**102**	145
Reinsurance contract held assets (note 6)	**59,015**	42,651
Deferred tax assets	**5,884**	6,739
Goodwill and intangible assets (note 5)	**11,052**	10,310
Miscellaneous	**12,644**	9,751
Total other assets	**100,333**	80,820
Segregated funds net assets (note 22)	**435,988**	377,544
Total assets	**$ 978,818**	$ 875,574
Liabilities and Equity		
Liabilities		
Insurance contract liabilities, excluding those for account of segregated fund holders (note 6)	**$ 396,401**	$ 367,996
Reinsurance contract held liabilities (note 6)	**2,669**	2,831
Investment contract liabilities (note 7)	**13,498**	11,816
Deposits from Bank clients	**22,063**	21,616
Derivatives (note 4)	**14,252**	11,730
Deferred tax liabilities	**1,890**	1,697
Other liabilities	**24,936**	18,879
Long-term debt (note 9)	**6,629**	6,071
Capital instruments (note 10)	**7,532**	6,667
Total liabilities, excluding those for account of segregated fund holders	**489,870**	449,303
Insurance contract liabilities for account of segregated fund holders (note 6)	**126,545**	114,143

Consolidated Statements of Income

For the years ended December 31, (Canadian $ in millions except per share amounts)	2024	2023
Insurance service result		
Insurance revenue (note 6)	**$ 26,592**	$ 23,972
Insurance service expenses (note 6)	**(21,822)**	(19,382)
Net expenses from reinsurance contracts held (note 6)	**(769)**	(613)
Total insurance service result	**4,001**	3,977
Investment result		
Investment income (note 3)		
Investment income	**18,249**	16,180
Realized and unrealized gains (losses) on assets supporting insurance and investment contract liabilities	**2,210**	3,138
Investment expenses	**(1,348)**	(1,297)
Net investment income (loss)	**19,111**	18,021
Insurance finance income (expenses) and effect of movement in foreign exchange rates (note 6)	**(16,219)**	(13,894)
Reinsurance finance income (expenses) and effect of movement in foreign exchange rates (note 6)	**1,133**	(734)
Decrease (increase) in investment contract liabilities (note 6)	**(504)**	(435)
	3,521	2,958
Segregated funds investment result (note 22)		
Investment income related to segregated funds net assets	**52,870**	49,346
Financial changes related to insurance and investment contract liabilities for account of segregated fund holders	**(52,870)**	(49,346)
Net segregated funds investment result	**-**	-
Total investment result	**3,521**	2,958

Manulife

Consolidated Statements of Comprehensive Income

For the years ended December 31, (Canadian $ in millions)	2024	2023
Net income (loss)	**$ 5,878**	$ 5,607
Other comprehensive income (loss), net of tax:		
Items that may be subsequently reclassified to net income:		
Foreign exchange gains (losses) on:		
Translation of foreign operations	**3,109**	(1,301)
Net investment hedges	**(583)**	183
Insurance finance income (expenses)	**6,462**	(9,745)
Reinsurance finance income (expenses)	**(2,280)**	787
Fair value through OCI investments:		
Unrealized gains (losses) arising during the year on assets supporting insurance and investment contract liabilities	**(3,573)**	9,251
Reclassification of net realized gains (losses) and provision for credit losses recognized in income	**1,314**	256
Other	**158**	37
Total items that may be subsequently reclassified to net income	**4,607**	(532)
Items that will not be reclassified to net income	**66**	(70)
Other comprehensive income (loss), net of tax	**4,673**	(602)
Total comprehensive income (loss), net of tax	**$ 10,551**	$ 5,005
Total comprehensive income (loss) attributed to:		
Non-controlling interests	**$ 4**	$ 18
Participating policyholders	**310**	334
Shareholders and other equity holders	**10,237**	4,653

Income Taxes included in Other Comprehensive Income

For the years ended December 31, (Canadian $ in millions)	2024	2023
Income tax expenses (recoveries) on:		
Unrealized foreign exchange gains (losses) on translation of foreign operations	**$ 1**	$ (1)
Unrealized foreign exchange gains (losses) on net investment hedges	**(37)**	13
Insurance / reinsurance finance income (expenses)	**1,207**	(1,853)
Unrealized gains (losses) on fair value through OCI investments	**(480)**	1,863
Reclassification of net realized gains (losses) on fair value through OCI investments	**300**	(8)
Other	**68**	(20)
Total income tax expenses (recoveries)	**$ 1,059**	$ (6)

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statements of Changes in Equity

For the years ended December 31,

(Canadian $ in millions)	**2024**	2023
Preferred shares and other equity		
Balance, beginning of year	**$ 6,660**	$ 6,660
Issued (note 11)	**-**	-
Redeemed (note 11)	**-**	-
Balance, end of year	**6,660**	6,660
Common shares		
Balance, beginning of year	**21,527**	22,178
Repurchased (note 11)	**(990)**	(745)
Issued on exercise of stock options and deferred share units	**144**	94
Balance, end of year	**20,681**	21,527
Contributed surplus		
Balance, beginning of year	**222**	238
Exercise of stock options and deferred share units	**(18)**	(18)
Stock option expense	**-**	2
Balance, end of year	**204**	222
Shareholders and other equity holders' retained earnings		
Balance, beginning of year	**4,819**	3,538
Net income (loss) attributed to shareholders and other equity holders	**5,385**	5,103
Common shares repurchased (note 11)	**(2,282)**	(850)
Preferred share dividends and other equity distributions	**(311)**	(303)
Common share dividends	**(2,848)**	(2,669)
Other	**1**	-
Balance, end of year	**4,764**	4,819
Shareholders and other equity holders' accumulated other comprehensive income (loss) ("AOCI"):		
Balance, beginning of year	**13,811**	14,261
Change in unrealized foreign exchange gains (losses) on net foreign operations	**2,526**	(1,117)
Changes in insurance / reinsurance finance income (expenses)	**5,575**	(7,222)
Change in unrealized gains (losses) on fair value through OCI investments	**(3,471)**	7,923
Other changes in OCI attributed to shareholders and other equity holders	**222**	(34)
Balance, end of year	**18,663**	13,811
Total shareholders and other equity holders' equity, end of year	**50,972**	47,039
Participating policyholders' equity		
Balance, beginning of year	**257**	(77)
Net income (loss) attributed to participating policyholders	**246**	360
Other comprehensive income (losses) attributed to policyholders	**64**	(26)
Balance, end of year	**567**	257
Non-controlling interests		
Balance, beginning of year	**1,431**	1,427
Net income (loss) attributed to non-controlling interests	**247**	144
Other comprehensive income (losses) attributed to non-controlling interests	**(243)**	(126)
Contributions (distributions and acquisitions), net	**(14)**	(14)
Balance, end of year	**1,421**	1,431
Total equity, end of year	**$ 52,960**	$ 48,727

The accompanying notes are an integral part of these Consolidated Financial Statements.

Manulife

Consolidated Statements of Cash Flows

For the years ended December 31,

(Canadian $ in millions)	**2024**	2023
Operating activities		
Net income (loss)	**$ 5,878**	$ 5,607
Adjustments:		
Increase (decrease) in insurance contract net liabilities (note 6)	**9,435**	10,697
Increase (decrease) in investment contract liabilities	**504**	435
(Increase) decrease in reinsurance contract assets, excluding reinsurance transaction noted below (note 6)	**(613)**	974
Amortization of (premium) discount on invested assets	**(290)**	(141)
Contractual service margin ("CSM") amortization	**(2,376)**	(1,998)
Other amortization	**869**	581
Net realized and unrealized (gains) losses and impairment on assets	**(860)**	(2,845)
Deferred income tax expenses (recoveries)	**311**	470
Net loss on reinsurance transactions (pre-tax) (note 6)	**71**	-
Stock option expense	**-**	2
Cash provided by operating activities before undernoted items	**12,929**	13,782
Changes in policy related and operating receivables and payables	**13,565**	6,641
Cash provided by (used in) operating activities	**26,494**	20,423
Investing activities		
Purchases and mortgage advances	**(131,123)**	(84,021)
Disposals and repayments	**112,671**	70,281
Change in investment broker net receivables and payables	**290**	21
Net cash increase (decrease) from sale (purchase) of subsidiaries	**(297)**	(1)
Cash provided by (used in) investing activities	**(18,459)**	(13,720)
Financing activities		
Change in repurchase agreements and securities sold but not yet purchased	**460**	(693)
Issue of capital instruments, net (note 10)	**2,591**	1,194
Redemption of capital instruments (note 10)	**(1,886)**	(600)
Secured borrowing from securitization transactions	**667**	537
Change in deposits from Bank clients, net	**413**	(895)
Lease payments	**(118)**	(98)
Shareholders' dividends and other equity distributions	**(3,159)**	(2,972)
Contributions from (distributions to) non-controlling interests, net	**(14)**	(14)
Common shares repurchased (note 11)	**(3,272)**	(1,595)
Common shares issued, net (note 11)	**144**	94
Cash provided by (used in) financing activities	**(4,174)**	(5,042)
Cash and short-term securities		
Increase (decrease) during the year	**3,861**	1,661
Effect of foreign exchange rate changes on cash and short-term securities	**1,197**	(412)
Balance, beginning of year	**19,884**	18,635
Balance, end of year	**24,942**	19,884
Cash and short-term securities		
Beginning of year		
Gross cash and short-term securities	**20,338**	19,153
Net payments in transit, included in other liabilities	**(454)**	(518)
Net cash and short-term securities, beginning of year	**19,884**	18,635
End of year		
Gross cash and short-term securities	**25,789**	20,338
Net payments in transit, included in other liabilities	**(847)**	(454)
Net cash and short-term securities, end of year	**$ 24,942**	$ 19,884
Supplemental disclosures on cash flow information		
Interest received	**$ 13,496**	$ 12,768
Interest paid	**1,574**	1,548
Income taxes paid	**755**	436

The accompanying notes are an integral part of these Consolidated Financial Statements.

Notes to Consolidated Financial Statements

Page Number	Note	
16	Note 1	Nature of Operations and Material Accounting Policy Information
31	Note 2	Accounting and Reporting Changes
33	Note 3	Invested Assets and Investment Income
44	Note 4	Derivative and Hedging Instruments
54	Note 5	Goodwill and Intangible Assets
56	Note 6	Insurance and Reinsurance Contract Assets and Liabilities
81	Note 7	Investment Contract Liabilities
82	Note 8	Risk Management
98	Note 9	Long Term Debt
99	Note 10	Capital Instruments
100	Note 11	Equity Capital and Earnings Per Share
102	Note 12	Capital Management
103	Note 13	Revenue from Service Contracts
104	Note 14	Stock-Based Compensation
105	Note 15	Employee Future Benefits
110	Note 16	Income Taxes
113	Note 17	Interests in Structured Entities
115	Note 18	Commitments and Contingencies
117	Note 19	Segmented Information
119	Note 20	Related Parties
120	Note 21	Subsidiaries
121	Note 22	Segregated Funds
122	Note 23	Information Provided in Connection with Investments in Deferred Annuity Contracts and SignatureNotes Issued or Assumed by John Hancock Life Insurance Company (U.S.A.)
126	Note 24	Comparatives

Manulife

Notes to Consolidated Financial Statements

(Canadian $ in millions except per share amounts or unless otherwise stated)

Note 1 Nature of Operations and Material Accounting Policy Information

(a)Reporting entity

Manulife Financial Corporation (“MFC”) is a publicly traded company and the holding company of The Manufacturers Life Insurance Company (“MLI”), a Canadian life insurance company. MFC, including its subsidiaries (collectively, “Manulife” or the “Company”) is a leading financial services group with principal operations in Asia, Canada and the United States. Manulife’s international network of employees, agents and distribution partners offers financial protection and wealth management products and services to personal and business clients as well as asset management services to institutional customers. The Company operates as Manulife in Asia and Canada and as John Hancock and Manulife in the United States.

MFC is domiciled in Canada and incorporated under the Insurance Companies Act (Canada) (“ICA”). These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These Consolidated Financial Statements as at and for the year ended December 31, 2024 were authorized for issue by MFC’s Board of Directors on February 19, 2025.

(b)Basis of preparation

The preparation of Consolidated Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities as at the date of the Consolidated Financial Statements, and the reported amounts of insurance service, investment result, and other revenue and expenses during the reporting periods. Actual results may differ from these estimates. The most significant estimation processes relate to evaluating assumptions used in measuring insurance and investment contract liabilities and reinsurance contracts held liabilities, assessing assets for impairment,

determining pension and other post-employment benefit obligation and expense assumptions, determining income taxes and uncertain tax positions, and estimating fair values of certain invested assets. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Although some variability is inherent in these estimates, management believes that the amounts recorded are appropriate. The material accounting policies used and the most significant judgments made by management in applying these accounting policies in the preparation of these Consolidated Financial Statements are summarized below.
The Company's results and operations have been and may continue to be adversely impacted by the economic environment. The adverse effects include but are not limited to recessionary economic trends in markets the Company operates in, significant market volatility, increase in credit risk, strain on commodity markets and alternative long duration asset ("ALDA") prices, foreign currency exchange rate volatility, increases in insurance claims, persistency and redemptions, and disruption of business operations. The breadth and depth of these events and their duration contribute additional uncertainty around estimates used in determining the carrying value of certain assets and liabilities included in these Consolidated Financial Statements.
The Company has applied appropriate fair value measurement techniques using reasonable judgment and estimates from the perspective of a market participant to reflect current economic conditions. The impact of these techniques has been reflected in these Consolidated Financial Statements. Changes in the inputs used could materially impact the respective carrying values.

(c)Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction (not a forced liquidation or distress sale) between market participants at the measurement date; fair value is an exit value.
When available, quoted market prices are used to determine fair value. If quoted market prices are not available, fair value is typically based upon alternative valuation techniques such as discounted cash flows, matrix pricing, consensus pricing services and other techniques. Broker quotes are generally used when external public vendor prices are not available.
The Company has a valuation process in place that includes a review of price movements relative to the market, a comparison of prices between vendors, and a comparison to internal matrix pricing which uses predominantly external observable data. Judgment is applied in adjusting external observable data for items including liquidity and credit factors.
The Company categorizes its fair value measurement results according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques based on their reliability. A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:
Level 1 – Fair value measurements that reflect unadjusted, quoted prices in active markets for identical assets and liabilities that the Company can access at the measurement date, reflecting market transactions.
Level 2 – Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in inactive markets, inputs that are observable that are not prices (such as interest rates, credit risks, etc.) and inputs that are derived from or corroborated by observable market data. Most debt

investments are classified within Level 2. Also, included in the Level 2 category are derivative instruments that are priced using models with observable market inputs, including interest rate swaps, equity swaps, credit default swaps and foreign currency forward contracts.
Level 3 – Fair value measurements using significant non-market observable inputs. These include valuations for assets and liabilities that are derived using data, some or all of which is not market observable, including assumptions about risk. Level 3 security valuations include less liquid investments such as real estate, other invested assets, timber investments held within segregated funds, certain long-duration bonds and other investments that have little or no price transparency. Certain derivative financial instrument valuations are also included in Level 3.

(d)Basis of consolidation

MFC consolidates the financial statements of all entities it controls, including certain structured entities. Subsidiaries are entities controlled by the Company. The Company has control over an entity when the Company has the power to govern the financial and operating policies of the entity and is exposed to variable returns from its activities which are significant in relation to the total variable returns of the entity and the Company is able to use its power over the entity to affect the Company's share of variable returns of the entity. In assessing control, significant judgment is applied while considering all relevant facts and circumstances. When assessing decision making power over an entity, the Company considers the extent of its rights relative to the management of the entity, the level of voting rights held over the entity which are potentially or presently exercisable, the existence of any contractual management agreements which may provide the Company with power over the entity's financial and operating policies, and to the extent of other parties' ownership in the entity, if any, the possibility for de facto control being present. When assessing variable returns from an entity, the Company considers the significance of direct and indirect financial and non-financial variable returns to the Company from the entity's activities in addition to the proportionate significance of such returns to the total variability of the entity. The Company also considers the degree to which its interests are aligned with those of other parties investing in the entity and the degree to which the Company may act in its own interest while interacting with the entity.
The financial statements of subsidiaries are included in MFC's consolidated results from the date control is established and are excluded from consolidation from the date control ceases. The initial control assessment is performed at the inception of the Company's involvement with the entity and is reconsidered if the Company acquires or loses power over key operating and financial policies of the entity; acquires additional interests or disposes of interests in the entity; the contractual arrangements of the entity are amended such that the Company's proportionate exposure to variable returns changes; or if the Company's ability to use its power to affect its variable returns from the entity changes. A change in control may lead to gains or losses on derecognition of a subsidiary when losing control, or on derecognition of previous interests in a subsidiary when gaining control.
The Company's Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances. Intercompany balances, and revenue and expenses arising from intercompany transactions, have been eliminated in preparing the Consolidated Financial Statements.
Non-controlling interests are interests of other parties in the equity of MFC's subsidiaries and are presented within total equity, separate from the equity of MFC's participating policyholders and shareholders. Non-controlling interests in the net income and other comprehensive income ("OCI") of MFC's subsidiaries are included in total net income and total OCI, respectively. An exception to this occurs where the subsidiary's shares are either puttable by the other parties or are redeemable for cash on a

fixed or determinable date, in which case other parties' interests in the subsidiary's capital are presented as liabilities of the Company and other parties' interests in the subsidiary's net income and OCI are recorded as expenses of the Company.
The equity method of accounting is used to account for entities over which the Company has significant influence or joint control ("associates" or "joint ventures"), whereby the Company records its share of the associate's or joint venture's net assets and financial results using uniform accounting policies for similar transactions and events. Significant judgment is used to determine whether voting rights, contractual management rights and other relationships with the entity, if any, provide the Company with significant influence or joint control over the entity. Gains and losses on the sale of associates or joint ventures are included in income when realized, while impairment losses are recognized immediately when there is objective evidence of impairment. Gains and losses on commercial transactions with associates or joint ventures are eliminated to the extent of the Company's interest in the equity of the associate or joint venture. Investments in associates and joint ventures are included in other invested assets on the Company's Consolidated Statements of Financial Position.

(e)Invested assets

Invested assets are recognized initially at fair value plus, in the case of investments not classified as fair value through profit or loss ("FVTPL"), directly attributable transaction costs. Invested assets that are considered financial instruments are classified as fair value through other comprehensive income ("FVOCI"), FVTPL or as amortized cost. The Company determines the classification of its financial assets at initial recognition.
The classification of invested assets which are financial instruments depends on their contractual terms and the Company's business model for managing the assets.
The Company assesses the contractual terms of the assets to determine whether their terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Only debt instruments may have SPPI cash flows. The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as prepayment and redemption rights, conversion features, and subordination of the instrument to other instruments

of the issuer. An asset with contractual terms that introduce a more than de minimis exposure to risks of not collecting principal or interest would not meet the SPPI test.
Debt instruments which qualify as having SPPI cash flows are classified as amortized cost or FVOCI based on the business model under which they are held. If held within a business model whose objective is to hold the assets in order to collect contractual cash flows, they are classified as amortized cost. If held within a business model whose objective is achieved by both collecting contractual cash flows and selling the assets, they are classified as FVOCI. In either case, the Company may designate them as FVTPL in order to reduce accounting mismatches with FVTPL liabilities they support. Debt instruments which fail the SPPI test are required to be measured at FVTPL. To identify the business model financial assets are held within, considerations include the business purpose of the portfolio they are held within, the risks that are being managed and the business activities which manage the risks, the basis on which performance of the portfolio is being evaluated, and the frequency and significance of sales activity within the portfolio.
Realized and unrealized gains and losses on debt instruments classified as FVTPL and realized gains and losses on debt instruments held at FVOCI or amortized cost are recognized in investment income immediately. Unrealized gains and losses on FVOCI debt investments are recorded in OCI, except for unrealized gains and losses on foreign currency translation which are included in income.
Investments in equities which are accounted for as financial instruments are not subject to the SPPI test and are accounted for as FVTPL.
Valuation methods for the Company's invested assets are described above in note 1 (c). All fair value valuations are performed in accordance with IFRS 13 "Fair Value Measurement". Disclosure of financial instruments carried at fair value within the three levels of the fair value hierarchy and disclosure of the fair value for financial instruments not carried at fair value on the Consolidated Statements of Financial Position are presented in note 3. Fair value valuations are performed by the Company and by third-party service providers. When third-party service providers are engaged, the Company performs a variety of procedures to corroborate pricing information. These procedures may include, but are not limited to, inquiry and review of valuation techniques, and of inputs to the valuation and vendor controls reports.
Cash and short-term securities comprise cash, current operating accounts, overnight bank and term deposits, and debt instruments held for meeting short-term cash commitments. Short-term securities are carried at fair value. Short-term securities comprise investments due to mature within one year of the date of purchase. Commercial paper and discount notes are classified as Level 2 for fair value purposes because these instruments are typically not actively traded. Net payments in transit and overdraft bank balances are included in other liabilities.
Debt securities are carried at fair value or amortized cost. Debt investments are generally valued by independent pricing vendors using proprietary pricing models incorporating current market inputs for similar investments with comparable terms and credit quality (matrix pricing). The significant inputs include, but are not limited to, yield curves, credit risks and spreads, prepayment rates and volatility of these inputs. Debt investments are classified as Level 2 but can be Level 3 if significant inputs are not market observable.
Public equities comprise of common and preferred equities and shares or units of mutual funds and are carried at fair value. Public equities are generally classified as Level 1, as fair values are normally based on quoted market prices. Realized and unrealized gains and losses on equities designated as FVTPL are recognized in investment income immediately. The Company's risk management policies and procedures related to equities can be found in the denoted components of the "Risk Management and Risk Factors" section of the Company's 2024 Management's Discussion and Analysis ("MD&A").
Mortgages are classified as Level 3 for fair value purposes due to the lack of market observability of certain significant valuation inputs.
The Company accounts for insured and uninsured mortgage securitizations as secured financing transactions since the criteria for sale accounting of securitized mortgages are not met. For these transactions, the Company continues to recognize the mortgages and records a liability in other liabilities for the amounts owed at maturity. Interest income from these mortgages and interest expense on the borrowings are recorded using the effective interest rate ("EIR") method.
Private placements, which include corporate loans for which there is no active market, are generally classified as Level 2 for fair value disclosure purposes or as Level 3 if significant inputs are not market observable.
Loans to Manulife Bank of Canada ("Manulife Bank" or "Bank") clients are carried at amortized cost and are classified as Level 2 for fair value disclosure purposes.
Interest income is recognized on all debt instruments including securities, private placements, mortgages, and loans to Bank clients as it accrues and is calculated using the EIR method. Premiums, discounts and transaction costs are amortized over the

life of the underlying investment using the effective yield method for all debt securities as well as private placements and mortgages.
The Company records purchases and sales of invested assets on a trade date basis. Loans originated by the Company are recognized on a settlement date basis.
Real estate consists of both own use and investment property. Own use property is carried at cost less accumulated depreciation and any accumulated impairment losses, or at revalued amount which is the fair value as at the most recent revaluation date

minus accumulated amortization and any accumulated impairment losses. Depreciation is calculated based on the cost of an asset less its residual value and is recognized in income on a straight-line basis over the estimated useful life ranging from 30 to 60 years. Impairment losses are recorded in income to the extent the recoverable amount is less than the carrying amount. Own use property is classified as Level 3 for fair value disclosure purposes. Own use real estate properties which are underlying items for insurance contracts with direct participating features are measured at fair value as if they were investment properties, as permitted by International Accounting Standards ("IAS") 16 "Property, Plant and Equipment" which was amended by IFRS 17 "Insurance Contracts" ("IFRS 17").
An investment property is a property held to earn rental income, for capital appreciation, or both. Investment properties are measured at fair value, with changes in fair value recognized in income. Fair value of own use properties and investment properties is determined using the same processes. Fair value for all properties is determined using external appraisals that are based on the highest and best use of the property. The valuation techniques include discounted cash flows, the direct capitalization method as well as comparable sales analysis and employ both observable and non-market observable inputs. Inputs include existing and assumed tenancies, market data from recent comparable transactions, future economic outlook and market risk assumptions, capitalization rates and internal rates of return. Investment properties are classified as Level 3 for fair value disclosure purposes.
When a property transfers from own use held at cost to investment property, any gain or loss arising on the re-measurement of the property and any associated leases to fair value as at the date of change in use is recognized in OCI, to the extent that it is not reversing a previous impairment loss. Reversals of impairment losses are recognized in income. When a property changes from investment property to own use held at cost, the property's deemed cost for subsequent accounting is its fair value as at the date of change in use.
Other invested assets include private equity and debt investments and property investments held in infrastructure, timber, agriculture and energy sectors. Private equity investments which are associates or joint ventures are accounted for using the equity method (as described in note 1 (d) above) or are classified as FVTPL and carried at fair value. Timber and agriculture properties which are own use properties are carried at cost less accumulated depreciation and any accumulated impairment losses, except for their biological assets which are measured at fair value. Timber and agriculture properties which are investment properties are measured at fair value with changes in fair value recognized in income. The fair value of other invested assets is determined using a variety of valuation techniques as described in note 3. Other invested assets that are measured or disclosed at fair value are classified as Level 3 for fair value disclosure purposes.
Other invested assets also include investments in leveraged leases, which are accounted for using the equity method. The carrying value under the equity method reflects the amortized cost of the unconsolidated lease entity's lease receivable and related non-recourse debt using the effective yield method.
Expected Credit Loss Impairment
The expected credit loss ("ECL") impairment allowance model applies to invested assets which are debt instruments and measured at FVOCI or amortized cost. ECL allowances are measured under four probability-weighted macroeconomic scenarios, which measure the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. This process includes consideration of past events, current market conditions and reasonable supportable information about future economic conditions. Forward-looking macroeconomic variables used within the estimation models represent variables that are the most closely related with credit losses in the relevant portfolio.
The estimation and measurement of impairment losses requires significant judgement. These estimates are driven by many elements, changes in which can result in different levels of allowances. Elements include the estimation of the amount and timing of future cash flows, the Company's criteria for assessing if there has been a significant increase in credit risk ("SICR"), the selection of forward-looking macroeconomic scenarios and their probability weights, the application of expert credit judgment in the development of the models, inputs and, when applicable, overlay adjustments. It is the Company's practice to regularly review its models in the context of actual loss experience and adjust when necessary. The Company has implemented formal policies, procedures, and controls over all significant impairment processes.
The Company's definitions of default and credit-impaired are based on quantitative and qualitative factors. A financial instrument is considered to be in default when significant payments of interest, principal or fees are past due for more than 90 days, unless remedial arrangements with the issuer are in place. A financial instrument may be credit impaired as a result of one or more loss events that occurred after the date of initial recognition of the instrument and the loss event has a negative impact on the estimated future cash flows of the instrument. This includes events that indicate or include: significant financial difficulty of the counterparty; a breach of contract; for economic or contractual reasons relating to the counterparty's financial difficulty, concessions are granted that would not otherwise be considered; it is becoming probable that the counterparty will enter bankruptcy or other financial reorganization; the disappearance of an active market for that financial asset because of the counterparty's financial difficulties; or the counterparty is considered to be in default by any of the major rating agencies such as S&P, Moody's and Fitch.

The ECL calculations include the following elements:
•Probability of default ("PD") is an estimate of the likelihood of default over a given time horizon.
•Loss given default ("LGD") is an estimate of the loss arising on a future default. This is based on the difference between the contractual cash flows due and those that the Company expects to receive, including from collateral. It is based on credit default studies performed based on internal credit experience.
•Exposure at default ("EAD"), is an estimate of the exposure at a future default date, considering both the period of exposure and the amount of exposure at a given reporting date. The EADs are determined by modelling the range of possible exposure outcomes at various points in time, corresponding to the multiple economic scenarios. The probabilities are then assigned to each economic scenario based on the outcome of the models.
The Company measures ECLs using a three-stage approach:
•Stage 1 comprise all performing financial instruments that have not experienced a SICR since initial recognition. The determination of SICR varies by instrument and considers the relative change in the risk of default since origination. 12-month ECLs are recognized for all Stage 1 financial instruments. 12-month ECLs represent the portion of lifetime ECLs that result from default events possible within 12 months of the reporting date. These expected 12-month default probabilities are applied to a forecast EAD, multiplied by the expected LGD, and discounted by the original EIR. This calculation is made for each of four macroeconomic scenarios.
•Stage 2 comprise all performing financial instruments that have experienced a SICR since original recognition or have become 30 days in arrears for principal or interest payments, whichever happens first. When assets move to Stage 2, full lifetime ECLs are recognized, which represent ECLs that result from all possible default events over the remaining lifetime of the financial instrument. The mechanics are consistent with Stage 1, except PDs and LGDs are estimated over the remaining lifetime of the instrument instead of over the coming year. In subsequent reporting periods, if the credit risk of a financial instrument improves such that there is no longer a SICR compared to credit risk at initial recognition, the financial instrument will migrate back to Stage 1 and 12-month ECLs will be recognized.
•Stage 3 comprise financial instruments identified as credit impaired. Similar to Stage 2 assets, full lifetime ECLs are recognized for Stage 3 financial instruments, but the PD is set at 100%. A Stage 3 ECL is calculated using the unpaid principal balance multiplied by LGD which reflects the difference between the asset's carrying amount and its discounted expected future cash flows.
Interest income is calculated based on the gross carrying amount for both Stage 1 and 2 exposures. Interest income on Stage 3 financial instruments is determined by applying the EIR to the amortized cost of the instrument, which represents the gross carrying amount adjusted for the credit loss allowance.
For Stage 1 and Stage 2 exposures, an ECL is generated for each individual exposure; however, the relevant parameters are modelled on a collective basis with all collective parameters captured by the individual security level. The exposures are grouped into smaller homogeneous portfolios, based on a combination of internal and external characteristics, such as origination details, balance history, sector, geographic location, and credit history. Stage 3 ECLs are either individually or collectively assessed, depending on the nature of the instrument and impairment.
In assessing whether credit risk has increased significantly, the risk of default occurring is compared over the remaining expected life from the reporting date and as at the date of initial recognition. The assessment varies by instrument and risk segment. The assessment incorporates internal credit risk ratings and a combination of security-specific and portfolio-level assessments, including the incorporation of forward-looking macroeconomic data. The assessment of SICR considers both absolute and relative thresholds. If contractual payments are more than 30 days past due, the credit risk is automatically deemed to have increased significantly since initial recognition.
When estimating ECLs, the four probability-weighted macroeconomic scenarios are considered. Economic forward-looking inputs vary by market. Depending on their usage in the models, macroeconomic inputs are projected at the country, province, or more granular level. Each macroeconomic scenario used includes a projection of all relevant macroeconomic variables for a five-year period, subsequently reverting to long-run averages. In order to achieve an unbiased estimate, economic data used in the models is supplied by an external source. This information is compared to other publicly available forecasts, and the scenarios are assigned a probability weighting based on statistical analysis and management judgment. Refer to note 8 (c).
The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the Consolidated Financial Statements.
Changes in the required ECL allowance are recorded in the provision for credit losses within Investment income in the Consolidated Statements of Income. Invested assets are written off, either partially or in full, against the related allowance for credit losses when there is no realistic prospect of recovery in respect of those amounts. This is considered a partial or full derecognition of the financial asset. In subsequent periods, any recoveries of amounts previously written off are credited to the provision for credit losses.

(f)Goodwill and intangible assets

Goodwill represents the difference between the fair value of purchase consideration of an acquired business and the Company's proportionate share of the net identifiable assets acquired. It is initially recorded at cost and subsequently measured at cost less any accumulated impairment.

Goodwill is tested for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable at the cash generating unit ("CGU") or group of CGUs level. The Company allocates goodwill to CGUs or group of CGUs for impairment testing at the lowest level within the Company where the goodwill is monitored for internal management purposes. The allocation is made to those CGUs or group of CGUs that are expected to benefit from the business combination in which the goodwill arose. Any potential impairment of goodwill is identified by comparing the recoverable amount with the carrying value of a CGU or group of CGUs. Goodwill is reduced by the amount of deficiency, if any. If the deficiency exceeds the carrying amount of goodwill, the carrying values of the remaining assets in the CGU or group of CGUs are subject to being reduced by the remaining deficiency on a pro-rata basis.

The recoverable amount of a CGU or group of CGUs is the higher of the estimated fair value less costs to sell or the value-in-use of the CGU or group of CGUs. In assessing value-in-use, estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU or group of CGUs. In some cases, the most recent detailed calculation made in a prior period of a recoverable amount is used in the current period impairment testing. This is the case only if there are no significant changes to the CGU or group of CGUs, the likelihood of impairment is remote based on the analysis of current events and circumstances, and the most recently calculated recoverable amount substantially exceeded the current carrying amount of the CGU or group of CGUs.

Intangible assets with indefinite useful lives include the John Hancock brand name, certain investment management contracts and certain agricultural water rights. The indefinite useful life assessment for the John Hancock brand name is based on the brand name being protected by indefinitely renewable trademarks in markets where branded products are sold, and for certain investment management contracts based on the ability to renew these contracts indefinitely. In addition, there are no legal, regulatory or contractual provisions that limit the useful lives of these intangible assets. Certain agricultural water rights are held in perpetuity. An intangible asset with an indefinite useful life is not amortized but is subject to an annual impairment test which is performed more frequently if an indication that it is not recoverable arises.

Intangible assets with finite useful lives include acquired distribution networks, customer relationships, capitalized software, and certain investment management contracts and other contractual rights. Distribution networks, customer relationships, and other finite life intangible assets are amortized over their estimated useful lives, six to 68 years, either based on the passage of time or in relation to asset consumption metrics. Software intangible assets are amortized on a straight-line basis over their estimated useful lives of three to 10 years. Finite life intangible assets are assessed for indicators of impairment at each reporting period. If an indication of impairment arises, these assets are tested for impairment.

(g)Miscellaneous assets

Miscellaneous assets include assets held in a rabbi trust with respect to unfunded defined benefit obligations, defined benefit assets and capital assets. Rabbi trust assets are carried at fair value. Defined benefit assets' carrying value is explained in note 1 (o). Capital assets are carried at cost less accumulated amortization computed on a straight-line basis over their estimated useful lives, which vary from two to 10 years.

(h)Segregated funds

The Company manages segregated funds on behalf of policyholders, which are presented as segregated funds net assets with offsetting insurance and investment contract liabilities for account of segregated fund holders in the amount of their account balances. The investment returns on these funds are passed directly to policyholders. In some cases, the Company has provided guarantees associated with these funds. Amounts invested by the Company in segregated funds for seed purposes are presented within invested asset categories based on the nature of the underlying investments.

Segregated funds net assets are measured at fair value and include investments in mutual funds, debt securities, equities, cash, short-term investments and other investments. With respect to the consolidation requirement of IFRS, in assessing the Company's degree of control over the underlying investments, the Company considers the scope of its decision-making rights, the rights held by other parties, its remuneration as an investment manager and its exposure to variability of returns from the investments. The Company has determined that it does not have control over the underlying investments as it acts as an agent on behalf of segregated fund policyholders.

The methodology applied to determine the fair value of investments held in segregated funds is consistent with that applied to invested assets held by the general fund, as described above in note 1 (e). Segregated funds liabilities are measured based on the value of the segregated funds net assets. Investment returns on segregated funds assets are passed directly to policyholders and the Company does not bear the risk associated with these assets outside of guarantees offered on certain variable life and annuity products, for which the underlying investments are held within segregated funds.

Some of the Company's liabilities for account of segregated fund holders arise from insurance contracts that it issues. These are reported as Insurance contract liabilities for account of segregated fund holders, representing the Company's obligation to pay the policyholder an amount equal to the fair value of the underlying items, and are measured at the aggregate of policyholder account balances. Changes in fair value of these liabilities are reported as Financial changes related to insurance and investment contract liabilities for account of segregated fund holders in the Consolidated Statements of Income. Other liabilities associated with these insurance contracts, such as those associated with guarantees provided by the Company as a result of

certain variable life and annuity contracts, are included in Insurance contract assets or Insurance contract liabilities, excluding those for account of segregated fund holders on the Consolidated Statements of Financial Position. The Company holds assets supporting these guarantees in the general fund, which are included in invested assets according to their investment type.

The remaining liabilities for account of segregated fund holders do not arise from insurance contracts that the Company issues, and are reported as Investment contract liabilities for account of segregated fund holders on the Consolidated Statements of Financial Position. These are also measured at the aggregate of policyholder account balances and changes in fair value of these liabilities are reported as Financial changes related to insurance and investment contract liabilities for account of

segregated fund holders in the Consolidated Statements of Income.

(i)Insurance contract liabilities and reinsurance contract assets

Scope and Classification

Contracts issued by the Company are classified as insurance, investment, or service contracts at initial recognition. Insurance contracts are contracts under which the Company accepts significant insurance risk from a policyholder. A contract is considered to have significant insurance risk if an insured event could cause the Company to pay significant additional amounts in any single scenario with commercial substance. The additional amounts refer to the present value of amounts that exceed those that would be payable if no insured event had occurred.

Reinsurance contracts held are contracts held by the Company under which it transfers significant insurance risk related to underlying insurance contracts to other parties, along with the associated premiums. The purpose of the reinsurance contracts held is to mitigate the significant insurance risk that the Company may have from the underlying insurance contracts.

Both insurance and reinsurance contracts are accounted for in accordance with IFRS 17. Contracts under which the Company does not accept significant insurance risk are either classified as investment contracts or considered service contracts and are accounted for in accordance with IFRS 9 “Financial Instruments” (“IFRS 9”) or IFRS 15 “Revenue from Contracts with Customers” (“IFRS 15”), respectively.

Insurance contracts are classified as direct participation contracts or contracts without direct participation features based on specific criteria. Insurance contracts with direct participation features are insurance contracts that are substantially investment-related service contracts under which the Company promises an investment return based on underlying items. They are viewed as creating an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for service.

Separation of components

At inception of insurance and reinsurance contracts held, the Company analyses whether they contain the following components that are separated and accounted for under other IFRS standards:

- Derivatives embedded within insurance contracts which contain risks and characteristics that are not closely related to those of the host contract unless the embedded derivative itself meets the definition of an insurance contract;
- Distinct investment components which represent cash flows paid (received) in all circumstances regardless of whether an insured event has occurred or not. Investment components are distinct if they are not highly interrelated with insurance component cash flows and if they could be issued on a stand-alone basis; and
- Distinct service components which are promises to transfer goods or non-insurance services if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. The service components are distinct if they are not highly interrelated with the insurance components and the Company provides no significant service in integrating the service component with the insurance component.

The Company applies IFRS 17 to all remaining components of the insurance and reinsurance contracts held.

Level of aggregation

Insurance contracts are aggregated into portfolios of insurance contracts which are managed together and are subject to similar risks. The Company has defined portfolios by considering various factors such as the issuing subsidiary, measurement model, major product line and type of insurance risk. The portfolios of insurance contracts are further grouped by:

- Date of issue: the period cannot be longer than one year. Most of the Company’s insurance contracts are aggregated into annual cohorts; and
- Expected profitability at inception into one of three categories: onerous contracts, contracts with no significant risk of becoming onerous and other remaining contracts. Onerous contracts are those contracts that at initial inception, the Company expects to generate net outflow, without considering investment returns or the benefit of any reinsurance contracts held.

The Company establishes the groups at initial recognition and may add contracts to the groups after the end of a reporting period, however, the Company does not subsequently reassess the composition of the groups.

For reinsurance contracts held, the portfolios align with the direct insurance contract portfolios. Groups of reinsurance contracts typically comprise a single reinsurance contract, and similar to direct groups they do not contain contracts issued more than one year apart.

Cash flows within the contract boundaries

The Company includes in the measurement of a group of insurance contracts and reinsurance contracts held, all future cash flows within the boundary of the contracts in the group. Cash flows are within the boundary of an insurance contract (and a reinsurance contract held) if they arise from substantive rights and obligations that exist in which the Company can compel the policyholder to pay the premiums (or is compelled to pay amounts to a reinsurer) or has a substantive obligation to provide services to the policyholder (or a substantive right to receive services from a reinsurer).

For insurance contracts, a substantive obligation to provide services ends when the Company has the practical ability to reassess the risks and as a result, can set a new price or level of benefits that fully reflects those risks.

For reinsurance contracts held, a substantive right to receive services ends when the reinsurer has the practical ability to reassess the risk transferred to it and can set a new price or level of benefits that fully reflects those risks, or the reinsurer can terminate the coverage.

Measurement models

There are three measurement models for insurance contracts:

- Variable fee approach (“VFA”): The Company applies this approach to insurance contracts with direct participation features such as participating life insurance contracts, unit linked contracts and variable annuity contracts. The direct participating feature is identified at inception, where the Company has the obligation to pay the policyholder an amount equal to the fair value of the underlying items less a variable fee in exchange for investment services provided.
- Premium allocation approach (“PAA”): The Company applies this simplified approach for certain insurance contracts and reinsurance contracts with a duration of typically one year or less, such as Canadian Group Benefit products, some Canadian Affinity products, and some Asia short-term individual and group products.
- General measurement model (“GMM”): The Company applies this model to the remaining insurance contracts and

reinsurance contracts not measured using the VFA or the PAA.

Recognition of insurance contracts

The Company recognizes groups of insurance contracts that it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts,
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date, and
- For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous.

Insurance contracts measured under the GMM and VFA measurement model

Initial measurement

The measurement of insurance contracts at initial recognition is the same for GMM or VFA. At initial recognition, the Company measures a group of insurance contracts as the total of: (a) fulfilment cash flows, and (b) a contractual service margin ("CSM"). Fulfilment cash flows comprise estimates of future cash flows, adjusted to reflect the time value of money and financial risks, and a risk adjustment for non-financial risk. In determining the fulfilment cash flows, the Company uses estimates and assumptions considering a range of scenarios which have commercial substance and give a fair representation of possible outcomes.

If fulfilment cash flows generate a total of net cash inflows at initial recognition, a CSM is set up to fully offset the fulfilment cash flows, and results in no impact on income at initial recognition. The CSM represents the unearned profit the Company will recognize as it provides services under the insurance contracts. However, if fulfilment cash flows generate a total of net cash outflows at initial recognition, a loss is recognized in income or expenses immediately and the group of contracts is considered to be onerous.

For contracts with fulfilment cash flows in multiple foreign currencies, the group of insurance contracts, including the contractual service margin, is considered to be denominated in a single currency. If a group of insurance contracts has cash flows in more than one currency, on initial recognition the Company determines a single currency in which the multicurrency group of contracts is denominated. The Company determines the single currency to be the currency of the predominant cash flows.

The unit of account for CSM or loss is on a group of contracts basis consistent with the level of aggregation specified above.

Subsequent measurement of fulfilment cash flows

The fulfilment cash flows at each reporting date are measured using the current estimates of expected cash flows and current discount rates. In the subsequent periods, the carrying amount of a group of insurance contracts at each reporting date is the sum of:

- The liability for remaining coverage ("LRC"), which comprises the fulfilment cash flows that relate to services to be provided in the future and any remaining CSM at that date; and
- The liability for incurred claims ("LIC"), which comprises the fulfilment cash flows for incurred claims and expenses that have not yet been paid.

For onerous contracts, the LRC is further divided into a loss component, which represents the remaining net outflow for the group of insurance contracts; and the LRC excluding the loss component, which represents the amount of liability with offsetting inflows.

Premiums received increases the LRC. Where a third-party administrator is involved in the collection and remittance of premiums, amounts receivable from the third party are included in the measurement of insurance contract liabilities until actual cash is remitted to the Company.

Subsequent measurement of the CSM under the GMM measurement model

For contracts without direct participation features, when applying the GMM measurement model, the carrying amount of the CSM at the end of reporting period is adjusted to reflect the following changes:

(a) effect of new contracts added to the group;

(b) interest accreted on the carrying amount of CSM, measured at the locked-in discount rate. The locked-in discount rate is the weighted average of the rates applicable at the date of initial recognition of contracts that joined a group over a 12-month period, and is determined using the bottom-up approach;

(c) changes in fulfilment cash flows that relate to future services such as:

- Experience differences between actual and expected premiums and related cash flows at the beginning of the period measured at the locked-in rate.
- Non-financial changes in estimates of the present value of future cash flows measured at the locked-in rate.
- Changes in the risk adjustment for non-financial risk that relate to future service measured at the locked-in rate.
- Differences between actual and expected investment component that becomes payable in the period. The same applies to a policyholder loan that becomes repayable;

(d) effect of any currency exchange differences on the CSM;

(e) CSM amortization, which is the recognition of unearned profit into insurance revenue for services provided in the period. The CSM is recognized into insurance revenue over the duration of the group of insurance contracts based on the respective coverage units as insurance services are provided. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date. The Company allocates the CSM equally to each coverage unit and recognizes the amount allocated to coverage units provided and expected to be provided in each period.

When measuring the fulfilment cash flows, changes that relate to future services are measured using the current discount rate; however, the CSM is adjusted for these changes using the locked-in rate at initial recognition. The application of the two different discount rates gives rise to a gain or loss that is recognized as part of insurance finance income or expense.

Subsequent measurement of the CSM under the VFA measurement model

For contracts with direct participation features applying the VFA measurement model, subsequent measurement of the CSM is similar to the GMM model with the following exceptions or modifications:

For changes in fulfilment cash flows that do not vary with the underlying items:

•Non-financial changes adjust the CSM at the current discount rate, there is no interest accretion on CSM at the locked-in rate,
•Changes in the effect of time value of money and financial risks such as the effect of financial guarantees adjust the CSM, however, income or expenses would be impacted if the risk mitigation option is elected.
For changes in fulfilment cash flows that vary with the fair value of the underlying items:
•Changes in the shareholders' share adjust the CSM, however, income or expenses would be impacted if the risk mitigation option is elected,
•Changes in the policyholders' share are recognized in income or expenses or OCI.
The Company uses derivatives, non-derivative financial instruments measured at fair value through profit or loss, and reinsurance contracts to mitigate the financial risk arising from direct participation contracts applying the VFA measurement model. The Company may elect the risk mitigation option to recognize some or all changes of financial guarantees and shareholders' share of the underlying items in income or expenses instead of adjusting CSM.
Groups of GMM or VFA insurance contracts with a CSM at initial recognition can subsequently become onerous when increases in fulfilment cash flows that do not vary with the underlying items or declines in the shareholder's share of the underlying items exceed the carrying amount of the CSM. The excess establishes a loss which is recognized in income or expenses immediately, and the LRC is then divided into the loss component and the LRC excluding the loss component.

Subsequent measurement of the loss component
The loss component represents the net outflow attributable to each group of onerous insurance contracts (or contracts profitable at inception that have subsequently become onerous), any subsequent decrease relating to future service in estimates of future cash flows and risk adjustment for non-financial risk or any subsequent increase in the shareholders' share of the fair value of underlying items will reverse the loss component. Any remaining loss component will be reversed systematically as actual cash flows are incurred.
When actual cash flows are incurred, the LIC is recognized and the LRC is derecognized accordingly. The Company uses the proportion on initial recognition to determine the systematic allocation of LRC release between the loss component and the LRC excluding the loss component, resulting in both components being equal to zero by the end of the coverage period.
Insurance contracts measured under the PAA measurement
The Company applies the PAA to all insurance contracts it issues if the coverage period of the contract is one year or less; or the coverage period is longer than one year and the measurement of the LRC for the contracts under the PAA does not differ materially from the measurement that would be produced applying the GMM approach under possible future scenarios.
The LRC is initially measured as the premium received at initial recognition minus any insurance acquisition cash flows at that date. There is generally no allowance for the time value of money as the premiums are mostly received within one year of the coverage period.
For acquisition cash flows allocated to recognized groups of contracts applying the PAA, the Company is permitted to defer and amortize the amount over the coverage period or recognize the amount as an expense as incurred provided that the coverage period of the contracts in the group is no more than one year. This election can be made at the level of each group of insurance contracts. For the majority of the Company's insurance contracts applying the PAA, such as Canadian Group Benefit products, some Canadian Affinity products, and some Asia short-term individual and group products, the Company has elected to defer directly attributable acquisition costs and recognize them in net income over the coverage period in a systematic way based on the passage of time.
In these lines of business, directly attributable insurance acquisition cash flows paid are to acquire the current contract with an expectation of a number of renewals over future years. As such, directly attributable insurance acquisition cash flows are allocated to the group in which the current contract belongs to as well as to future groups that will include expected renewals applying a systematic methodology. If facts and circumstances indicate that there is an onerous group of contracts at initial measurement, a loss is immediately recognized in the income or expenses for the net outflow and a loss component of the LRC is created for the group.
Subsequent measurement
Subsequently, the Company measures the carrying amount of the LRC at the end of each reporting period as:
•The LRC at the beginning of the period; plus
•Premium received in the period; minus
•Directly attributable acquisition costs net of related amortization (unless expensed as incurred); minus
•Amount recognized as insurance revenue for the period; minus
•Investment component paid or transferred to the LIC.
The amount recognized as insurance revenue for the period is typically based on the passage of time. For the Company's property & casualty reinsurance business, the expected pattern of release of risk during the coverage period differs significantly from the passage of time, and as such the amount recognized as insurance revenue is on the basis of the expected timing of incurred service expenses.
If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, the Company will recognize a loss in income or expenses and an increase in the LRC to the extent that the current estimate of the fulfilment cash flows that relate to remaining coverage (including the risk adjustment for non-financial risk) exceed the carrying amount of the LRC.
The Company estimates the LIC as the fulfilment cash flows related to incurred claims. The Company does not adjust the future cash flows for the time value of money, except when claims are expected to settle more than one year after the actual claim occurs.

Assets for insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Insurance acquisition cash flows paid or incurred before the recognition of the related group of contracts are recognized as an asset within the portfolio of insurance contract liabilities in which the group of contracts is expected to be included. The Company applies a systematic basis to allocate these costs, which includes:

- Insurance acquisition cash flows directly attributable to a group of contracts that will include future expected renewals of in-force contracts; and
- Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts, which will include future new business.

When facts and circumstances indicate the assets for insurance acquisition cash flows might be impaired, the Company conducts impairment tests. If an asset is impaired, an impairment loss will be recognized in income or expenses, which can be subsequently reversed when the impairment condition no longer exists.

Recognition of reinsurance contracts held

The Company recognizes a group of reinsurance contracts held from the earliest of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date when any underlying insurance contract is initially recognized, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held; and
- The date the Company recognizes an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

Reinsurance contracts held measured under the GMM model

Initial measurement

The measurement of reinsurance contracts held follows the same principles as the GMM for insurance contracts issued, with the following exceptions or modifications specified in this section below. Reinsurance contracts held and assumed cannot use the VFA measurement model.

At initial recognition, the Company recognizes any net gain or net cost as a CSM in the consolidated statement of financial position, with some exceptions. If any net cost of obtaining reinsurance contracts held relates to insured events that occurred before initial recognition of any insurance contracts, it is recognized immediately in income or expenses. In addition, if the underlying insurance contracts are in an onerous position, the Company is required to recognize a reinsurance gain immediately in income for the portion of claims that the Company expects to recover from the reinsurance, if the reinsurance contract held was entered into prior to or at the same time as the onerous contracts.

For contracts with fulfilment cash flows in multiple foreign currencies, the group is denominated in a single currency as defined by the predominant cash flows.

Measurement of reinsurance contract cash flows is consistent with the underlying insurance contracts, but with an adjustment for any risk of non-performance by the reinsurer. The risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

Subsequent measurement

Subsequently, the carrying amount of a group of reinsurance contracts held at each reporting date is the sum of:

- The asset for remaining coverage (“ARC”), which comprises the fulfilment cash flows that relate to services to be received under the contracts in future periods, and any remaining CSM at that date; and
- The asset for incurred claims (“AIC”), which comprises the fulfilment cash flows for incurred claims and expenses that have not yet been received.

If the underlying insurance contracts are onerous at inception and a reinsurance gain is recognized in income as described above, the asset for remaining coverage is made up of a loss-recovery component and the ARC excluding the loss-recovery component. The loss-recovery component reflects changes in the loss component of the underlying onerous insurance contracts and determines the amounts that are subsequently presented in income or expenses as reversals of recoveries of losses from the reinsurance contracts held and are excluded from the allocation of reinsurance premiums paid.

The Company adjusts the carrying amount of the CSM of a group of reinsurance contracts held to reflect changes in the fulfilment cash flows applying the same approach as for insurance contracts issued, except:
•Income recognized to cover the losses from onerous underlying contracts also adjusts the carrying amount of CSM;
•Reversals of the loss-recovery component, to the extent that those reversals are not changes in fulfilment cash flows of the group of reinsurance contracts held, also adjust the carrying amount of CSM; and
•Changes in fulfilment cash flows related to future services also adjust the carrying amount of CSM provided that changes in fulfilment cash flows related to the group of underlying insurance contracts also adjust the CSM.
Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the reinsurance gain that has been recognized adjusts the loss-recovery component of the reinsurance asset for remaining coverage. The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts. On this basis, the loss-recovery component is reduced to zero when the loss component of underlying insurance contracts is reduced to zero.

Reinsurance contracts held measured under the PAA model

Reinsurance contracts held may be classified and measured under the PAA model if they meet the eligibility requirements, which are similar to the PAA requirements for direct insurance contracts.
For reinsurance contracts held applying the PAA model, the Company measures them on the same basis as insurance contracts that it issues, adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued.
If a loss-recovery is created for a group of reinsurance contracts measured under the PAA, the Company adjusts the carrying amount of the ARC as there is no CSM to adjust under PAA.

Derecognition of insurance contracts

The Company derecognizes insurance contracts when the rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled, or expired) or the contract is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a component of the contract. In the case of modification, the Company derecognizes the initial contract and recognizes the modified contract as a new contract.

Presentation and Disclosure

The Company has presented the carrying amount of portfolios of insurance contracts that are in a net asset or liability position, and portfolios of reinsurance contracts that are in a net asset or liability position separately in the consolidated statements of financial position.
The Company separately presents the insurance service result, which comprises insurance revenue and insurance service expenses, from the investment result, which comprises insurance finance income or expenses in the Consolidated Statements of Income. IFRS 17 provides an option to disaggregate the changes in risk adjustment between insurance service results and insurance finance income. The Company disaggregates the change in risk adjustment for non-financial risk between the insurance service expenses and insurance finance income or expenses.

Net insurance service result

The insurance revenue depicts the performance of insurance services and excludes investment components. For the GMM and the VFA contracts, the insurance revenue represents the change in the LRC relating to insurance services for which the Company expects to receive consideration. This insurance revenue comprises: (a) expected claims and other insurance expenses including policyholder taxes where applicable; (b) changes in risk adjustment for non-financial risk; (c) release of CSM based on coverage units; and (d) portion of premiums that relate to recovering of insurance acquisition cash flows. For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing insurance services in the period.
The insurance service expenses arising from insurance contracts are recognized in income or expenses generally as they are incurred and exclude repayment of investment components. The insurance service expenses comprise: (a) incurred claims and other insurance service expenses; (b) losses on onerous contracts and reversal of such losses; (c) adjustments to LIC; (d) amortization of insurance acquisition cash flows; and (e) impairment losses on assets for insurance acquisition cash flows, if any, and reversals of such impairment losses.
The amortization of insurance acquisition cash flows within insurance service expense is equal to the recovery of insurance acquisition cash flows in insurance revenue for contracts measured under the GMM and VFA. For contracts measured under the PAA with deferred acquisition cash flows, the Company amortizes insurance acquisition cash flows over the duration of the group of insurance contracts based on the respective coverage units.
Net expenses from reinsurance contracts held comprise allocation of reinsurance premiums paid and the amounts expected to be recovered from reinsurers. Reinsurance cash flows that are contingent on claims on the underlying contracts are treated as part of the claims expected to be recovered from reinsurers, whereas reinsurance cash flows that are not contingent on claims on the underlying contracts (for example, some types of ceding commissions) are treated as a reduction in reinsurance premiums paid. For reinsurance contracts measured under the GMM, the allocation of reinsurance premiums paid represents the total of the changes in the asset for remaining coverage that relate to services for which the Company expects to pay

consideration. For reinsurance contracts measured under the PAA, the allocation of reinsurance premiums paid is the amount of expected premium payments for receiving services in the period.

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from: (a) the effect of the time value of money and changes in the time value of money; and (b) the effect of financial risk and changes in financial risk.

The Company disaggregates insurance finance income or expenses on insurance contracts issued for most of its groups of insurance contracts between income or expenses and OCI. The impact of changes in market interest rates on the value of the life insurance and related reinsurance assets and liabilities are reflected in OCI in order to minimize accounting mismatches between the accounting for insurance assets and liabilities and the supporting financial assets. The impacts from differences between current period rates and locked-in rates are presented in OCI.

The Company's invested assets which are debt instruments (including bonds, private placements, mortgages, and loans) are predominantly measured at FVOCI. As a result, the effect of the time value of money for the groups of insurance contracts and supporting fixed maturity assets is reflected in income or expenses and the effect of financial risk and changes in financial risk is reflected in OCI.

The systematic allocation of expected total insurance finance income or expenses depends on whether changes in assumptions that relate to financial risk have a substantial effect on the expected amounts paid to the policyholders.

- For groups of insurance contracts for which changes in assumptions that relate to financial risk do not have a substantial effect on the amounts paid to the policyholders, the Company systematically allocates expected total insurance finance income or expenses over the duration of the group of contracts to income or expenses using discount rates determined on initial recognition of the group of contracts.
- For groups of insurance contracts for which changes in assumptions that relate to financial risk have a substantial effect on the amounts paid to the policyholders, the Company systematically allocates expected total insurance finance income or expenses over the duration of the group of contracts to income or expenses using either a constant rate, or an allocation that is based on the amounts credited in the period and expected to be credited in future periods for fulfilment cash flows. The CSM accretion rate would use the discount rates determined on initial recognition of the group of contracts for contractual service margin.

In the event of a transfer of a group of insurance contracts or derecognition of an insurance contract, the Company reclassifies any amounts that were previously recognized in OCI to income or expenses as insurance finance income or expense. There are no changes in the basis of disaggregation of insurance finance income or expenses between income or expenses and OCI in the period.

Transition methods

IFRS 17 became effective for years beginning on January 1, 2023. The Company has applied the full retrospective approach to most contracts issued on or after January 1, 2021, except for participating insurance contracts and variable annuity contracts for which the fair value approach was used. The Company has applied the fair value approach to all insurance contracts issued prior to January 1, 2021, as obtaining reasonable and supportable information to apply the full retrospective approach was deemed impracticable.

Under the fair value approach, the Company has determined the CSM of the GMM and VFA liabilities for remaining coverage at the transition date as the difference between the fair value of the groups of insurance contracts and the fulfilment cash flows measured at that date. In determining the fair value, the Company has applied the requirements of IFRS 13 "Fair Value Measurement", except for the demand deposit floor requirement. The Company used the income approach to determine the fair value of the insurance contracts at the transition date, in which future cash flows are discounted to a single amount that reflects current market expectations about those future amounts.

(j)Investment contract liabilities

Investment contract liabilities include contracts issued to retail and institutional investors that do not contain significant insurance risk. Investment contract liabilities and deposits are measured at amortized cost or at FVTPL by election. The election is made when these liabilities, as well as the related assets are managed, and their performance is evaluated, on a fair value basis or when doing so reduces the accounting mismatches between assets supporting these contracts and the related policy liabilities. Investment contract liabilities are derecognized when the contracts expire, are discharged or are cancelled.

(k)Other financial instruments accounted for as liabilities

The Company issues a variety of other financial instruments classified as liabilities, including notes payable, term notes, senior notes, senior debentures, subordinated notes, surplus notes, and preferred shares. These financial liabilities are measured at amortized cost, with issuance costs deferred and amortized using the effective interest rate method.

(l)Income taxes

The provision for income taxes is calculated based on income tax laws and income tax rates substantively enacted as at the date of the Consolidated Statements of Financial Position. The income tax provision is comprised of current income taxes and deferred income taxes. Current and deferred income taxes relating to items recognized in OCI and directly in equity are similarly recognized in OCI and directly in equity, respectively.

Current income taxes are amounts expected to be receivable or payable for the current year and any adjustments to taxes

payable in respect of previous years.
Deferred income taxes are provided for using the liability method and result from temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred income taxes are measured at the substantively enacted tax rates that are expected to be applied to temporary differences when they reverse.
A deferred tax asset is recognized to the extent that future realization of the tax benefit is probable. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the tax benefit will be realized. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity.
Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
The Company records liabilities for uncertain tax positions if it is probable that the Company will make a payment on tax positions due to examinations by tax authorities. These provisions are measured at the Company's best estimate of the amount expected to be paid. Provisions are reversed to income in the period in which management assesses they are no longer required or determined by statute.
The Company is subject to income tax laws in various jurisdictions. Tax laws are complex and potentially subject to different interpretations by the taxpayer and the relevant tax authority. The provision for current income taxes and deferred income taxes represents management's interpretation of the relevant tax laws and its estimate of current and future income tax implications of the transactions and events during the year. The Company may be required to change its provision for income taxes or deferred income tax balances when the ultimate deductibility of certain items is successfully challenged by taxing authorities, or if estimates used in determining the amount of deferred tax balances to recognize change significantly, or when receipt of new information indicates the need for adjustment in the amount of deferred income taxes to be recognized. Additionally, future events, such as changes in tax laws, tax regulations, or interpretations of such laws or regulations, could have an impact on the provision for income taxes, deferred tax balances and the effective tax rate. Any such changes could materially affect the amounts reported in the Consolidated Financial Statements in the period these changes occur.

(m) Foreign currency translation

Items included in the financial statements of each of the Company's subsidiaries, joint ventures and associates are measured by each entity using the currency of the primary economic environment in which the entity operates (the "functional currency"). If their functional currency is other than the Canadian dollar, these entities are foreign operations of the Company.
Transactions in a foreign currency are translated to the functional currency at the exchange rate prevailing at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate in effect at the reporting date. Revenue and expenses denominated in foreign currencies are translated at the average exchange rate prevailing during the quarter reported. Exchange gains and losses are recognized in income except for translation of net investments in foreign operations and the results of hedging these positions, and for non-monetary items designated as amortized cost or FVOCI. These foreign exchange gains and losses are recognized in OCI until such time that the foreign operation or non-monetary item is disposed of or control or significant influence over it is lost, when they are reclassified to income.
The Consolidated Financial Statements are presented in Canadian dollars. The financial statements of the Company's foreign operations are translated from their functional currencies to Canadian dollars; assets and liabilities are translated at the exchange rate at the reporting date, and revenue and expenses are translated using the average exchange rates for the period.

(n)Stock-based compensation

The Company provides stock-based compensation to certain employees and directors as described in note 14. Compensation expense of equity instruments granted is accrued based on the best estimate of the number of instruments expected to vest, with revisions made to that estimate if subsequent information indicates that actual forfeitures are likely to differ from initial forfeiture estimates, unless forfeitures are due to market-based conditions.
Stock options are expensed with a corresponding increase in contributed surplus. Restricted share units and deferred share units are expensed with a corresponding liability accrued based on the market value of MFC's common shares at the end of each quarter. Performance share units are expensed with a corresponding liability accrued based on specific performance conditions and the market value of MFC's common shares at the end of each quarter. The change in the value of the awards resulting from changes in the market value of MFC's common shares or changes in the specific performance conditions and credited dividends is recognized in income, offset by the impact of total return swaps used to manage the variability of the related liabilities.

Stock-based compensation cost is recognized over the applicable vesting period, unless the employee is eligible to retire at the time of grant or will be eligible to retire during the vesting period. Compensation costs attributable to stock options, restricted share units, and performance share units granted to employees who are eligible to retire on the grant date or who will become eligible to retire during the vesting period, are recognized at the grant date or over the period from the grant date to the date of retirement eligibility, respectively.
The Company's contributions to the Global Share Ownership Plan ("GSOP") (refer to note 14 (d)), are expensed as incurred. Under the GSOP, subject to certain conditions, the Company will match a percentage of an employee's eligible contributions to certain maximums. All contributions are used by the plan's trustee to purchase MFC common shares in the open market on behalf of participating employees.

(o)Employee future benefits

The Company maintains defined contribution and defined benefit pension plans and other post-employment plans for employees and agents including registered (tax qualified) pension plans that are typically funded as well as supplemental non-registered (non-qualified) pension plans for executives, and retiree and disability welfare plans that are typically not funded.
The Company's obligation in respect of defined benefit pension and other post-employment benefits is calculated for each plan as the estimated present value of future benefits that eligible employees have earned in return for their service up to the reporting date using the projected benefit method. The discount rate used is based on the yield, as at the reporting date, of high-quality corporate debt securities that have approximately the same term as the benefit obligations and that are denominated in the same currency in which the benefits are expected to be paid.
To determine the Company's net defined benefit asset or liability, the defined benefit obligations are deducted from the fair value of plan assets. When this calculation results in a surplus, the asset that can be recognized is limited to the present value of future

economic benefit available in the form of future refunds from the plan or reductions in future contributions to the plan (the asset limit). Defined benefit assets are included in other assets and defined benefit liabilities are included in other liabilities.
Changes in the net defined benefit asset or liability due to re-measurement of pension and retiree welfare plans are recorded in OCI in the period in which they occur and are not reclassified to income in subsequent periods. They consist of actuarial gains and losses, changes in the effect of the asset limit, if any, and the return on plan assets, excluding amounts included in net interest income or expense. Changes in the net defined benefit asset or liability due to re-measurement of disability welfare plans are recorded in income in the period in which they occur.
The cost of defined benefit pension plans is recognized over the employees' years of service to retirement while the cost of retiree welfare plans is recognized over the employees' years of service to their date of full eligibility. The net benefit cost for the year is recorded in income and is calculated as the sum of the service cost in respect of the fiscal year, the net interest income or expense and any applicable administration expenses, plus past service costs or credits resulting from plan amendments or curtailments. The net interest income or expense is determined by applying the discount rate to the net defined benefit asset or liability. The current year cost of disability welfare plans is the year-over-year change in the defined benefit obligation, including any actuarial gains or losses.
The cost of defined contribution plans is the contribution provided by the Company and is recorded in income in the periods during which services are rendered by employees.

(p)Derivative and hedging instruments

The Company uses derivative financial instruments ("derivatives") including swaps, forward and futures agreements, and options to manage current and anticipated exposures to changes in interest rates, foreign exchange rates, commodity prices and equity market prices, and to replicate exposure to different types of investments. Derivatives embedded in other financial instruments are separately recorded as derivatives when their economic characteristics and risks are not closely related to those of the host instrument, the terms of the embedded derivative are the same as those of a stand-alone derivative and the host instrument itself is not recorded at FVTPL. Derivatives which are separate financial instruments are recorded at fair value, and those with unrealized gains are reported as derivative assets and those with unrealized losses are reported as derivative liabilities.
A determination is made for each derivative as to whether to apply hedge accounting. Where hedge accounting is not applied, changes in the fair value of derivatives are recorded in investment income.
Where the Company has elected to apply hedge accounting, a hedging relationship is designated and documented at inception. Hedge effectiveness is evaluated at inception and throughout the term of the hedge. Hedge accounting is only applied when the Company expects that the risk management objective will be met, and that the hedging relationship will qualify for hedge accounting requirements both at inception and throughout the hedging period. The assessment of hedge effectiveness is performed at the end of each reporting period prospectively. When it is determined that the risk management objective is no longer met, a hedging relationship is no longer effective, or the hedging instrument or the hedged item ceases to exist, the Company discontinues hedge accounting prospectively. In such cases, if the derivatives are not sold or terminated, any subsequent changes in fair value of the derivatives are recognized in investment income.
For derivatives that are designated as hedging instruments, changes in fair value are recorded according to the nature of the risks being hedged, as discussed below.
In a fair value hedging relationship, changes in fair value of the hedging instruments are recorded in total investment result, offsetting changes in fair value of the hedged items attributable to the hedged risk, which would otherwise not be carried at fair

value through profit or loss. Hedge ineffectiveness is recognized in total investment result and arises from differences between changes in the fair values of hedging instruments and hedged items. When hedge accounting is discontinued, the carrying value of the hedged item is no longer adjusted and the cumulative fair value adjustments are amortized to total investment result over the remaining term of the hedged item unless the hedged item ceases to exist, at which time the balance is recognized immediately in total investment result.
In a cash flow hedging relationship, the effective portion of the change in the fair value of the hedging instrument is recorded in OCI while the ineffective portion is recognized in total investment result. Gains and losses in AOCI are recognized in income during the same periods that the variability in the hedged cash flows or the hedged forecasted transactions are recognized in income. The reclassifications from AOCI are made to total investment result, except for total return swaps that hedge stock-based compensation awards, which are reclassified to general expenses.
Gains and losses on cash flow hedges in AOCI are reclassified immediately to total investment result when the hedged item ceases to exist or the forecasted transaction is no longer expected to occur. When a hedge is discontinued, but the hedged forecasted transaction is expected to occur, the amounts in AOCI are reclassified to total investment result in the periods during which variability in the cash flows hedged or the hedged forecasted transaction is recognized in income.
In a net investment in foreign operation hedging relationship, gains and losses relating to the effective portion of the hedge are recorded in OCI. Gains and losses in AOCI are recognized in income during the periods when gains or losses on the underlying hedged net investment in foreign operation are recognized in income upon disposal of the foreign operation or upon loss of control or significant influence over it.

(q)Revenue from service contracts

The Company recognizes revenue from service contracts in accordance with IFRS 15. The Company's service contracts generally impose single performance obligations, each consisting of a series of similar related services for each customer. Revenue is recorded as performance obligations are satisfied over time because the customers simultaneously receive and consume the benefits of the services rendered, measured using an output method. Revenue for variable consideration is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty is subsequently resolved. Refer to note 13.

Note 2 Accounting and Reporting Changes

(a)Future accounting and reporting changes

(I)Annual Improvements to IFRS Accounting Standards – Volume 11

Annual Improvements to IFRS Accounting Standards – Volume 11 was issued in July 2024 and is effective on or after January 1, 2026. The IASB issued eight minor amendments to different standards as part of the Annual Improvements process, to be applied retrospectively except for amendments to IFRS 1 "First-Time Adoption of International Financial Reporting Standards" for first time adopters and to IFRS 9 "Financial Instruments" ("IFRS 9") for derecognition of lease liabilities. Adoption of these amendments is not expected to have a significant impact on the Company's Consolidated Financial Statements.

(II) Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures” (“IFRS 7”)) were issued in May 2024 to be effective for years beginning on January 2026 and to be applied retrospectively. The amendments clarify guidance on timing of derecognition of financial liabilities, on the assessment of cash flow characteristics and resulting classification and disclosure of financial assets with terms referencing contingent events including environmental, social and corporate governance events, and of the treatment of non-recourse assets and contractually linked instruments. The Company is assessing the impact of these amendments on the Company’s Consolidated Financial Statements.

(III)IFRS 18 “Presentation and Disclosure in the Financial Statements”

IFRS 18 “Presentation and Disclosure in Financial Statements” (“IFRS 18”) was issued in April 2024 to be effective for years beginning on January 1, 2027 and to be applied retrospectively. The standard replaces IAS 1 “Presentation of Financial Statements” (“IAS 1”) while carrying forward many elements of IAS 1 unchanged. IFRS 18 introduces three sets of new requirements for presentation of financial statements and disclosures within financial statements:

- Introduction of five defined categories of income and expenses: operating, investing, financing, income taxes and discontinued operations, with defined subtotals and totals for “operating income (loss)”, “income or loss before financing and income taxes” and “income (loss)”,
- disclosure within a note to financial statements of management-defined performance measures (“MPMs”) with a reconciliation between MPMs and IFRS performance measures. MPMs are defined as subtotals of income and expenses not specified by IFRS Accounting Standards, which are used in public communications outside financial statements to communicate management’s view of the Company’s financial performance, and
- enhanced guidance on organizing information and determining whether to provide the information in the financial statements or in the notes. IFRS 18 also requires enhanced disclosure of operating expenses based on their characteristics, including their nature, function or both.

The Company is assessing the impact of this standard on the Company’s Consolidated Financial Statements.

(IV)Amendments to IAS 12 “Income Taxes”

Amendments to IAS 12 “Income Taxes” were issued in May 2023. The amendments relate to the Organization for Economic Co-operation and Development’s International Pillar Two tax reform, which seeks to establish a global minimum income tax rate of 15% and addresses inter-jurisdictional base erosion and profit shifting, targeting larger international companies. Most jurisdictions have agreed to participate and effective dates for Global Minimum Taxes (“GMT”) vary by jurisdiction based on local legislation.

The amendments require that, effective for years beginning on or after January 1, 2023, disclosure of current tax expense or recovery related to GMT is required along with, to the extent that GMT legislation is enacted or substantively enacted but not yet in effect, disclosure of known or reasonably estimable information that helps users of financial statements understand the Company’s exposure to GMT arising from that legislation. The amendments introduce a temporary mandatory exception in IAS 12 from recognizing and disclosing deferred tax assets and liabilities related to GMT. The Company has applied the temporary exception from accounting for deferred taxes in respect of GMT.

On June 20, 2024, Canada enacted the Global Minimum Tax Act, retrospective to fiscal periods commencing on or after December 31, 2023. The Company is in scope of this legislation because it is located in Canada and will be required to pay additional GMT in Canada in respect of its global entities whose effective tax rate is below 15%. The Company’s entities will also be subject to GMT in those jurisdictions where a Qualifying Domestic Minimum Top-up Tax (“QDMTT”) is in effect.

The Company expects to pay GMT of $231 for the year ended December 31, 2024 arising from its operations in Hong Kong, China, Macau and Barbados. GMT arising from the Company’s operations in Hong Kong, China, and Macau, is expected to be payable in Canada for 2024 as these jurisdictions do not have a QDMTT in effect for 2024. Barbados passed legislation on May 28, 2024, introducing a QDMTT retrospective to January 1, 2024. As such, GMT arising from the Company’s operations in Barbados will be payable in Barbados.

As at December 31, 2024, certain other jurisdictions in which the Company operates, including Australia, Belgium, Brazil, Germany, Ireland, Luxembourg, Malaysia, Netherlands, Singapore, Switzerland, Thailand, the United Kingdom, and Vietnam, have enacted legislation to adopt GMT. The assessment of the Company’s potential exposure to GMT in these jurisdictions is based on the most recent information available regarding the financial performance of the constituent entities and the associated statutory income tax rate. Based on the assessment, the Company’s operations within these jurisdictions do not have a material exposure to GMT and therefore no disclosure of current tax expense or recovery related to GMT is provided.

The United States adopted a Corporate Alternative Minimum Tax (“CAMT”) of 15%, with an effective date of January 1, 2023. CAMT is not a QDMTT for the purposes of GMT.

In response to GMT, Bermuda enacted the Corporate Income Tax 2023 Act on December 27, 2023. The Company’s Bermuda tax-resident subsidiaries and branches became subject to this new tax regime effective January 1, 2025, at a rate of 15%. The Bermuda corporate income tax is not a QDMTT for the purposes of GMT.

Note 3 Invested Assets and Investment Income

(a)Carrying values and fair values of invested assets

As at December 31, 2024	FVTPL[1]	FVOCI[2]	Other[3]	Total carrying value	Total fair value[4]
Cash and short-term securities[5]	**$ 25**	**$ 19,909**	**$ 5,855**	**$ 25,789**	**$ 25,789**
Debt securities[6]					
Canadian government and agency	**1,056**	**18,671**	**-**	**19,727**	**19,727**
U.S. government and agency	**58**	**27,628**	**968**	**28,654**	**28,366**
Other government and agency	**68**	**35,402**	**-**	**35,470**	**35,470**
Corporate	**2,761**	**121,674**	**527**	**124,962**	**124,762**
Mortgage / asset-backed securities	**17**	**1,791**	**-**	**1,808**	**1,808**
Public equities (FVTPL mandatory)	**33,725**	**-**	**-**	**33,725**	**33,725**
Mortgages	**1,239**	**28,792**	**24,416**	**54,447**	**54,812**
Private placements	**866**	**48,802**	**-**	**49,668**	**49,668**
Loans to Bank clients	**-**	**-**	**2,310**	**2,310**	**2,285**
Real estate					
Own use property[7],[8]	**-**	**-**	**2,674**	**2,674**	**2,798**
Investment property	**-**	**-**	**10,589**	**10,589**	**10,589**
Other invested assets					
Alternative long-duration assets[9]	**34,334**	**389**	**13,140**	**47,863**	**48,875**
Various other[10]	**140**	**-**	**4,671**	**4,811**	**4,811**
Total invested assets	**$ 74,289**	**$ 303,058**	**$ 65,150**	**$ 442,497**	**$ 443,485**

As at December 31, 2023	FVTPL[1]	FVOCI[2]	Other[3]	Total carrying value	Total fair value[4]
Cash and short-term securities[5]	$ 1	$ 13,993	$ 6,344	$ 20,338	$ 20,338
Debt securities[6]					
Canadian government and agency	1,219	19,769	-	20,988	20,988
U.S. government and agency	1,303	26,287	888	28,478	28,251
Other government and agency	90	30,576	-	30,666	30,666
Corporate	2,372	127,190	484	130,046	129,899
Mortgage / asset-backed securities	16	1,955	-	1,971	1,971
Public equities (FVTPL mandatory)	25,531	-	-	25,531	25,531
Mortgages	1,055	28,473	22,893	52,421	52,310
Private placements	654	44,952	-	45,606	45,606
Loans to Bank clients	-	-	2,436	2,436	2,411
Real estate					
Own use property[7],[8]	-	-	2,591	2,591	2,716
Investment property	-	-	10,458	10,458	10,458
Other invested assets					
Alternative long-duration assets[9]	29,671	360	11,403	41,434	42,313
Various other[10]	126	-	4,120	4,246	4,246
Total invested assets	$ 62,038	$ 293,555	$ 61,617	$ 417,210	$ 417,704

[1]FVTPL classification was elected for debt instruments backing certain insurance contract liabilities to substantially reduce any accounting mismatch arising from changes in the fair value of these assets, or changes in the carrying value of the related insurance contract liabilities.

[2]FVOCI classification for debt instruments backing certain insurance contract liabilities inherently reduces any accounting mismatch arising from changes in the fair value of these assets, or changes in the carrying value of the related insurance contract liabilities.

[3]Other includes mortgages and loans to Bank clients held at amortized cost, own use properties held at fair value or cost, investment properties held at fair value, and equity method accounted investments (including leveraged leases). Also includes debt securities, which qualify as having SPPI, are held to collect contractual cash flows and are carried at amortized cost.

[4]Invested assets above include debt securities, mortgages, private placements and approximately $389 (2023 – $360) of other invested assets, which primarily

qualify as having SPPI qualifying cash flows. Invested assets which do not have SPPI qualifying cash flows as at December 31, 2024 include debt securities, private placements and other invested assets with fair values of $nil, $132 and $547, respectively (2023 – $nil, $115 and $539, respectively). The change in the fair value of these non-SPPI invested assets for the year ended December 31, 2024 was an increase of $25 (2023 – an increase of $49). The methodologies used in determining fair values of invested assets are described in note 1 (c) and note 3 (g).

(5) Includes short-term securities with maturities of less than one year at acquisition amounting to $10,121 (2023 – $6,162), cash equivalents with maturities of less than 90 days at acquisition amounting to $9,813 (2023 – $7,832) and cash of $5,855 (2023 – $6,344).

(6) Debt securities include securities which were acquired with remaining maturities of less than one year and less than 90 days of $1,266 and $145, respectively (2023 – $1,294 and $1,413, respectively).

(7) Includes accumulated depreciation of $65 (2023 – $57).

(8) Own use property of $2,500 as at December 31, 2024 (December 31, 2023 – $2,430), are underlying items for insurance contracts with direct participating features and are measured at fair value as if they were investment properties, as permitted by IAS 16. Own use property of $174 (December 31, 2023 – $161) is carried at cost less accumulated depreciation and any accumulated impairment losses.

(9) ALDA include investments in private equity of $18,343, infrastructure of $17,804, timber and agriculture of $5,917, energy of $1,916 and various other ALDA of $3,883 (2023 – $15,445, $14,950, $5,719, $1,859 and $3,461, respectively).

(10) Includes $4,300 (2023 – $3,790) of leveraged leases. Refer to note 1 (e).

(b)Investment income

For the year ended December 31, 2024	FVTPL	FVOCI	Other(1)	Total
Cash and short-term securities				
Interest income	$ 1	$ 978	$ -	$ 979
Gains (losses)(2)	-	72	-	72
Debt securities				
Interest income	156	7,914	29	8,099
Gains (losses)(2)	(44)	(1,621)	-	(1,665)
Impairment (loss) / recovery, net	-	92	-	92
Public equities				
Dividend income	814	-	-	814
Gains (losses)(2)	4,324	-	-	4,324
Mortgages				
Interest income	47	1,203	1,154	2,404
Gains (losses)(2)	32	(165)	5	(128)
Impairment (loss) / recovery, net	-	104	1	105
Private placements				
Interest income	36	2,473	-	2,509
Gains (losses)(2)	25	284	-	309
Impairment (loss) / recovery, net	-	(47)	-	(47)
Loans to Bank clients				
Interest income	-	-	176	176
Impairment (loss) / recovery, net	-	-	(3)	(3)
Real estate				
Rental income, net of depreciation(3)	-	-	460	460
Gains (losses)(2)	-	-	(596)	(596)
Impairment (loss) / recovery, net	-	-	-	-
Derivatives				
Interest income, net	(438)	-	-	(438)
Gains (losses)(2)	(675)	-	-	(675)
Other invested assets				
Interest income	20	12	-	32
Timber, agriculture and other income	1,675	-	770	2,445
Gains (losses)(2)	1,098	8	123	1,229
Impairment (loss) / recovery, net	-	(8)	(30)	(38)
Total investment income (loss)	**$ 7,071**	**$ 11,299**	**$ 2,089**	**$ 20,459**
Investment income				
Interest income	$ (178)	$ 12,580	$ 1,359	$ 13,761
Dividends, rental income and other income	2,489	-	1,230	3,719
Impairment (loss) / recovery, net	-	141	(32)	109
Other	354	309	(3)	660
	2,665	13,030	2,554	18,249
Realized and unrealized gains (losses) on assets supporting insurance and investment contract liabilities				
Debt securities	(45)	(1,812)	-	(1,857)
Public equities	4,178	-	-	4,178
Mortgages	32	(188)	5	(151)
Private placements	25	210	-	235
Real estate	-	-	(592)	(592)
Other invested assets	1,075	59	122	1,256
Derivatives	(859)	-	-	(859)
	4,406	(1,731)	(465)	2,210
Total investment income (loss)	**$ 7,071**	**$ 11,299**	**$ 2,089**	**$ 20,459**
Investment expenses				(1,348)
Net investment income (loss)				**$ 19,111**

(1) Includes investment income on debt securities, mortgages and loans carried at amortized cost, own use real estate properties, investment real estate properties, equity method accounted investments, energy investments and leveraged leases.

(2) Includes net realized and unrealized gains (losses) for financial instruments at FVTPL, investment real estate properties, and other invested assets measured at fair value. Also includes net realized gains (losses) for financial instruments at FVOCI and other invested assets carried at amortized cost.

[3]Rental income from investment real estate properties is net of direct operating expenses.

For the year ended December 31, 2023	FVTPL	FVOCI	Other[1]	Total
Cash and short-term securities				
Interest income	$ -	$ 837	$ -	$ 837
Gains (losses)[2]	-	10	-	10
Debt securities				
Interest income	212	7,437	28	7,677
Gains (losses)[2]	152	262	-	414
Impairment (loss) / recovery, net	-	(4)	-	(4)
Public equities				
Dividend income	625	-	-	625
Gains (losses)[2]	2,255	-	-	2,255
Mortgages				
Interest income	-	2,290	-	2,290
Gains (losses)[2]	99	-	-	99
Impairment (loss) / recovery, net	-	-	(150)	(150)
Private placements				
Interest income	-	2,318	-	2,318
Gains (losses)[2]	20	355	-	375
Impairment (loss) / recovery, net	-	(72)	-	(72)
Loans to Bank clients				
Interest income	-	-	201	201
Impairment (loss) / recovery, net	-	-	(3)	(3)
Real estate				
Rental income, net of depreciation[3]	-	-	496	496
Gains (losses)[2]	-	-	(1,286)	(1,286)
Impairment (loss) / recovery, net	-	-	-	-
Derivatives				
Interest income, net	(561)	-	-	(561)
Gains (losses)[2]	1,147	-	-	1,147
Other invested assets				
Interest income	17	23	-	40
Timber, agriculture and other income	2,197	-	-	2,197
Gains (losses)[2]	487	-	1	488
Impairment (loss) / recovery, net	(74)	-	(1)	(75)
Total investment income (loss)	$ 6,576	$ 13,456	$ (714)	$ 19,318
Investment income				
Interest income	$ (332)	$ 12,905	$ 229	$ 12,802
Dividends, rental income and other income	2,822	-	496	3,318
Impairment (loss) / recovery, net	(74)	(76)	(154)	(304)
Other	372	(12)	4	364
	2,788	12,817	575	16,180
Realized and unrealized gains (losses) on assets supporting insurance and investment contract liabilities				
Debt securities	153	277	-	430
Public equities	2,157	-	-	2,157
Mortgages	99	-	-	99
Private placements	20	355	-	375
Real estate	-	-	(1,289)	(1,289)
Other invested assets	484	7	-	491
Derivatives	875	-	-	875
	3,788	639	(1,289)	3,138
Total investment income (loss)	$ 6,576	$ 13,456	$ (714)	$ 19,318
Investment expenses				(1,297)
Net investment income (loss)				$ 18,021

Note: For footnotes (1) to (3), refer to the "Investment income" table for the year ended December 31, 2024 above.

(c)Equity method accounted invested assets

Other invested assets include investments in associates and joint ventures which are accounted for using the equity method of accounting as presented in the following table.

As at December 31,	2024 Carrying value	2024 % of total	2023 Carrying value	2023 % of total
Leveraged leases	**$ 4,300**	**34%**	$ 3,790	35%
Infrastructure	**4,848**	**38%**	3,942	37%
Timber and agriculture	**837**	**7%**	854	8%
Real estate	**2,098**	**16%**	1,704	16%
Other	**673**	**5%**	443	4%
Total	**$ 12,756**	**100%**	$ 10,733	100%

The Company recorded income of $398 (2023 – $399) for these equity method accounted invested assets for the year ended December 31, 2024.

(d)Investment expenses

The following table presents total investment expenses.

For the years ended December 31,	2024	2023
Related to invested assets	**$ 731**	$ 720
Related to segregated, mutual and other funds	**617**	577
Total investment expenses	**$ 1,348**	$ 1,297

(e)Investment properties rental income

The following table presents the rental income and direct operating expenses of investment properties.

For the years ended December 31,	2024	2023
Rental income from investment properties	**$ 859**	$ 840
Direct operating expenses of rental investment properties	**(483)**	(473)
Total	**$ 376**	$ 367

(f)Mortgage securitization

The Company securitizes certain insured and uninsured fixed and variable rate residential mortgages and Home Equity Lines of Credit (“HELOC”) mortgages through creation of mortgage-backed securities under the Canadian Mortgage Bond Program (“CMB”), and the HELOC securitization program.

Benefits received from these securitizations include interest spread between the securitized assets and related secured borrowing liabilities. There is no credit exposure from securitized mortgages under the Canada Mortgage and Housing Corporation (“CMHC”) sponsored CMB securitization program as they are insured by CMHC and other third-party insurance programs against borrowers’ default. Mortgages securitized in the Platinum Canadian Mortgage Trust II (“PCMT II”) program are uninsured.

Cash flows received from the underlying securitized mortgages are used to settle the related secured borrowing liabilities. For CMB transactions, receipts of mortgage principal are deposited into a trust account for settlement of the related liabilities at time of maturity. These securitized assets and their related cash flows cannot be further transferred or used for other purposes by the Company. For HELOC transactions, investors are entitled to periodic interest payments, and the remaining cash receipts of mortgage principal are allocated to the Company (the “Seller”) during the revolving periods of the transactions and are accumulated for settlement during accumulation periods or repaid to the investors monthly during reduction periods, based on the terms of the notes.

Securitized assets and secured borrowing liabilities

As at December 31, 2024	Securitized assets				
Securitization program	Securitized mortgages	Restricted cash and short-term securities	Total	Secured borrowing liabilities[1]	Net
HELOC securitization[2]	**$ 3,141**	**$ 22**	**$ 3,163**	**$ 3,000**	**$ 163**
CMB securitization[3]	**3,274**	**-**	**3,274**	**3,217**	**57**
Total	**$ 6,415**	**$ 22**	**$ 6,437**	**$ 6,217**	**$ 220**

As at December 31, 2023	Securitized assets				
Securitization program	Securitized mortgages	Restricted cash and short-term securities	Total	Secured borrowing liabilities[1]	Net
HELOC securitization[2]	$ 2,880	$ 32	$ 2,912	$ 2,750	$ 162
CMB securitization[3]	2,900	-	2,900	2,806	94
Total	$ 5,780	$ 32	$ 5,812	$ 5,556	$ 256

[1]The PCMT II notes payable have floating rates of interest and are secured by the PCMT II assets. Under the terms of the agreements, principal of $nil is expected to be repaid within one year, $1,036 within 1-3 years, $1,964 within 3-5 years and $nil beyond 5 years (2023 – $27, $1,973, $750 and $nil, respectively). There is no specific maturity date for the contractual agreements. Under the terms of the notes, additional collateral must be provided to the series as added credit protection and the Series Purchase Agreements govern the amount of over-collateralization for each of the term notes outstanding.

[2]Manulife Bank securitizes a portion of its HELOC receivables through PCMT II. PCMT II funds the purchase of the co-ownership interests from Manulife Bank by issuing term notes collateralized by an underlying pool of uninsured HELOCs to institutional investors. The restricted cash balance for the HELOC securitization reflects a cash reserve fund established in relation to the transactions. The reserve will be drawn upon only in the event of insufficient cash flows from the underlying HELOCs to satisfy the secured borrowing liabilities.

[3]Manulife Bank also securitizes insured amortizing mortgages under the National Housing Act Mortgage-Backed Securities ("NHA MBS") program sponsored by CMHC. Manulife Bank participates in CMB programs by selling NHA MBS securities to Canada Housing Trust ("CHT"), as a source of fixed-rate funding.

As at December 31, 2024, the fair values of securitized assets and related liabilities were $6,521 and $6,182, respectively (2023 – $5,782 and $5,456, respectively).

(g)Fair value measurement

The following tables present fair values and the fair value hierarchy of invested assets and segregated funds net assets measured at fair value in the Consolidated Statements of Financial Position.

As at December 31, 2024	Total fair value	Level 1	Level 2	Level 3
Cash and short-term securities				
FVOCI	**$ 19,909**	**$ -**	**$ 19,909**	**$ -**
FVTPL	**25**	**-**	**25**	**-**
Other	**5,855**	**5,855**	**-**	**-**
Debt securities				
FVOCI				
Canadian government and agency	**18,671**	**-**	**18,671**	**-**
U.S. government and agency	**27,628**	**-**	**27,628**	**-**
Other government and agency	**35,402**	**-**	**35,392**	**10**
Corporate	**121,674**	**-**	**121,630**	**44**
Residential mortgage-backed securities	**5**	**-**	**5**	**-**
Commercial mortgage-backed securities	**270**	**-**	**270**	**-**
Other asset-backed securities	**1,516**	**-**	**1,516**	**-**
FVTPL				
Canadian government and agency	**1,056**	**-**	**1,056**	**-**
U.S. government and agency	**58**	**-**	**58**	**-**
Other government and agency	**68**	**-**	**68**	**-**
Corporate	**2,761**	**-**	**2,761**	**-**
Commercial mortgage-backed securities	**2**	**-**	**2**	**-**
Other asset-backed securities	**15**	**-**	**15**	**-**
Private placements(1)				
FVOCI	**48,802**	**-**	**40,038**	**8,764**
FVTPL	**866**	**-**	**730**	**136**
Mortgages				
FVOCI	**28,792**	**-**	**-**	**28,792**
FVTPL	**1,239**	**-**	**-**	**1,239**
Public equities				
FVTPL	**33,725**	**33,650**	**75**	**-**
Real estate(2)				
Investment property	**10,589**	**-**	**-**	**10,589**
Own use property	**2,500**	**-**	**-**	**2,500**
Other invested assets(3)	**38,543**	**77**	**-**	**38,466**
Segregated funds net assets(4)	**435,988**	**399,043**	**33,611**	**3,334**
Total	**$ 835,959**	**$ 438,625**	**$ 303,460**	**$ 93,874**

(1)Fair value of private placements is determined through an internal valuation methodology using both observable and non-market observable inputs. Non-market observable inputs include credit assumptions and liquidity spread adjustments. Private placements are classified within Level 2 unless the liquidity spread adjustment constitutes a significant price impact, in which case they are classified as Level 3.

(2)For real estate properties, the significant non-market observable inputs are capitalization rates ranging from 3.10% to 9.50% during the year ended December 31, 2024 (2023 – ranging from 2.72% to 10.75%), terminal capitalization rates ranging from 3.10% to 10.00% during the year ended December 31, 2024 (2023 – ranging from 3.00% to 10.00%) and discount rates ranging from 3.60% to 12.75% during the year ended December 31, 2024 (2023 – ranging from 3.00% to

As at December 31, 2023	Total fair value	Level 1	Level 2	Level 3
Cash and short-term securities				
FVOCI	$ 13,993	$ -	$ 13,993	$ -
FVTPL	1	-	1	-
Other	6,343	6,343	-	-
Debt securities				
FVOCI				
Canadian government and agency	19,769	-	19,769	-
U.S. government and agency	26,287	-	26,287	-
Other government and agency	30,576	-	30,566	10
Corporate	127,190	-	126,959	231
Residential mortgage-backed securities	6	-	6	-
Commercial mortgage-backed securities	370	-	370	-
Other asset-backed securities	1,579	-	1,558	21
FVTPL				
Canadian government and agency	1,219	-	1,219	-
U.S. government and agency	1,303	-	1,303	-
Other government and agency	90	-	90	-
Corporate	2,372	-	2,372	-
Commercial mortgage-backed securities	1	-	1	-
Other asset-backed securities	15	-	15	-
Private placements(1)				
FVOCI	44,952	-	37,270	7,682
FVTPL	654	-	575	79
Mortgages				
FVOCI	28,473	-	-	28,473
FVTPL	1,055	-	-	1,055
Public equities				
FVTPL	25,531	25,423	67	41
Real estate(2)				
Investment property	10,458	-	-	10,458
Own use property	2,430	-	-	2,430
Other invested assets(3)	33,653	68	-	33,585
Segregated funds net assets(4)	377,544	343,061	30,991	3,492
Total	$ 755,864	$ 374,895	$ 293,412	$ 87,557

Note: For footnotes (1) to (4), refer to the "Fair value measurement" table as at December 31, 2024 above.

The following tables present fair value of invested assets not measured at fair value by the fair value hierarchy.

As at December 31, 2024	Carrying value	Total fair value	Level 1	Level 2	Level 3
Mortgages[1]	**$ 24,416**	**$ 24,781**	**$ -**	**$ -**	**$ 24,781**
Loans to Bank clients[2]	**2,310**	**2,285**	**-**	**2,285**	**-**
Real estate - own use property[3]	**174**	**298**	**-**	**-**	**298**
Public bonds held at amortized cost	**1,495**	**1,007**	**-**	**1,007**	**-**
Other invested assets[4]	**14,131**	**15,143**	**542**	**-**	**14,601**
Total invested assets disclosed at fair value	**$ 42,526**	**$ 43,514**	**$ 542**	**$ 3,292**	**$ 39,680**

As at December 31, 2023	Carrying value	Total fair value	Level 1	Level 2	Level 3
Short-term securities	$ 1	$ 1	$ -	$ 1	$ -
Mortgages[1]	22,893	22,782	-	-	22,782
Loans to Bank clients[2]	2,436	2,411	-	2,411	-
Real estate - own use property[3]	161	286	-	-	286
Public bonds held at amortized cost	1,372	998	-	998	-
Other invested assets[4]	12,027	12,906	240	-	12,666
Total invested assets disclosed at fair value	$ 38,890	$ 39,384	$ 240	$ 3,410	$ 35,734

[1]Fair value of commercial mortgages is determined through an internal valuation methodology using both observable and non-market observable inputs. Non-market observable inputs include credit assumptions and liquidity spread adjustments. Fair value of fixed-rate residential mortgages is determined using the discounted cash flow method. Inputs used for valuation are primarily comprised of prevailing interest rates and prepayment rates, if applicable. Fair value of variable-rate residential mortgages is assumed to be their carrying value.

[2]Fair value of fixed-rate loans to Bank clients is determined using the discounted cash flow method. Inputs used for valuation are primarily comprised of current interest rates. Fair value of variable-rate loans is assumed to be their carrying value.

[3]Fair value of own use real estate and the fair value hierarchy are determined in accordance with the methodologies described for real estate – investment property in note 1 (e).

[4]The carrying value of other invested assets includes leveraged leases of $4,300 (2023 – $3,790), other equity method accounted investments and other invested assets of $9,831 (2023 – $8,237). Fair value of leveraged leases is disclosed at its carrying value as fair value is not routinely calculated on these investments. Fair value of equity method accounted investments and other invested assets is determined using a variety of valuation techniques including discounted cash flows and market comparable approaches. Inputs vary based on the specific investment.

Transfers between Level 1 and Level 2

The Company records transfers of assets and liabilities between Level 1 and Level 2 at their fair values as at the end of each reporting period, consistent with the date of the determination of fair value. Assets are transferred out of Level 1 when they are no longer transacted with sufficient frequency and volume in an active market. Conversely, assets are transferred from Level 2 to Level 1 when transaction volume and frequency are indicative of an active market. During the year ended December 31, 2024, the Company had $nil transfers between Level 1 and Level 2 (2023 – $nil).

For segregated funds net assets, during the year ended December 31, 2024, the Company had $nil transfers from Level 1 to Level 2 (2023 – $nil). During the year ended December 31, 2024, the Company had $nil transfers from Level 2 to Level 1 (2023 – $nil).

Invested assets and segregated funds net assets measured at fair value using significant non-market observable inputs (Level 3)

The Company classifies fair values of invested assets and segregated funds net assets as Level 3 if there are no observable market inputs for these assets, or in the presence of active markets significant non-market observable inputs are used to determine fair value. The Company prioritizes the use of market-based inputs over non-market observable inputs in determining Level 3 fair values. The gains and losses in the table below include the changes in fair value due to both observable and non-market observable factors.

The following tables present the movement in invested assets, net derivatives and segregated funds net assets measured at fair value using significant non-market observable inputs (Level 3) for the year ended December 31, 2024 and 2023.

For the year ended December 31, 2024	Balance, January 1, 2024	Total gains (losses) included in net income[1]	Total gains (losses) included in OCI[2]	Purchases	Sales	Settlements	Transfer in[3]	Transfer out[3]	Currency movement	**Balance, December 31, 2024**	Change in unrealized gains (losses) on assets still held
Debt securities											
FVOCI											
Other government & agency	**$ 10**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (5)**	**$ 4**	**$ -**	**$ 1**	**$ 10**	**$ -**
Corporate	**231**	**-**	**(33)**	**-**	**-**	**(7)**	**-**	**(151)**	**4**	**44**	**-**
Other securitized assets	**21**	**-**	**33**	**-**	**-**	**(22)**	**-**	**(33)**	**1**	**-**	**-**
Public equities											
FVTPL	**41**	**(3)**	**-**	**-**	**(1)**	**-**	**-**	**(36)**	**(1)**	**-**	**(3)**
Private placements											
FVOCI	**7,682**	**(47)**	**50**	**3,039**	**(1,115)**	**(1,040)**	**254**	**(624)**	**565**	**8,764**	**-**
FVTPL	**79**	**1**	**-**	**49**	**-**	**(13)**	**29**	**(14)**	**5**	**136**	**1**
Mortgages											
FVOCI	**28,473**	**(73)**	**109**	**2,243**	**(2,834)**	**(763)**	**-**	**-**	**1,637**	**28,792**	**-**
FVTPL	**1,055**	**32**	**-**	**339**	**(152)**	**(38)**	**-**	**-**	**3**	**1,239**	**-**
Investment property	**10,458**	**(504)**	**-**	**222**	**(66)**	**-**	**-**	**-**	**479**	**10,589**	**(514)**
Own use property	**2,430**	**(82)**	**-**	**19**	**-**	**-**	**-**	**-**	**133**	**2,500**	**(82)**
Other invested assets	**33,585**	**1,502**	**14**	**4,308**	**(2,007)**	**(1,187)**	**-**	**-**	**2,251**	**38,466**	**1,251**
Total invested assets	**84,065**	**826**	**173**	**10,219**	**(6,175)**	**(3,075)**	**287**	**(858)**	**5,078**	**90,540**	**653**
Derivatives, net	**(2,166)**	**(2,248)**	**-**	**-**	**-**	**(166)**	**-**	**1,509**	**(164)**	**(3,235)**	**(2,065)**
Segregated funds net assets	**3,492**	**119**	**(67)**	**148**	**(527)**	**17**	**-**	**-**	**152**	**3,334**	**(76)**
Total	**$ 85,391**	**$ (1,303)**	**$ 106**	**$ 10,367**	**$ (6,702)**	**$ (3,224)**	**$ 287**	**$ 651**	**$ 5,066**	**$ 90,639**	**$ (1,488)**

[1] These amounts are included in net investment income on the Consolidated Statements of Income except for the amount related to segregated funds net assets, where the amount is recorded in Investment income related to segregated funds net assets. Refer to notes 1 (h) and 22.

[2] These amounts are included in OCI on the Consolidated Statements of Comprehensive Income.

[3] The Company uses fair value of the assets at the beginning of the year for assets transferred into and out of Level 3 except for derivatives, where the Company uses fair value at the end of the year and at the beginning of the year, respectively.

For the year ended December 31, 2023	Balance, January 1, 2023	Total gains (losses) included in net income[1]	Total gains (losses) included in OCI[2]	Purchases	Sales	Settlements	Transfer in[3]	Transfer out[3],[4]	Currency movement	Balance, December 31, 2023	Change in unrealized gains (losses) on assets still held
Debt securities											
FVOCI											
Other government & agency	$ 9	$ -	$ -	$ 2	$ -	$ -	$ -	$ -	$ (1)	$ 10	$ -
Corporate	32	-	3	178	-	(7)	25	-	-	231	-
Other securitized assets	26	-	1	-	-	(5)	-	-	(1)	21	-
Public equities											
FVTPL	71	-	-	37	-	-	-	(67)	-	41	-
Private placements											
FVOCI	7,828	(4)	258	1,942	(497)	(1,172)	2,546	(2,907)	(312)	7,682	-
FVTPL	31	44	-	17	-	(1)	34	(47)	1	79	44
Mortgages											
FVOCI	28,621	65	830	1,984	(1,626)	(856)	-	-	(545)	28,473	-
FVTPL	1,138	37	-	160	(239)	(39)	-	-	(2)	1,055	-
Investment property	11,417	(1,054)	-	416	(122)	-	-	-	(199)	10,458	(1,055)
Own use property	2,682	(234)	-	20	-	-	-	-	(38)	2,430	(234)
Other invested assets	31,069	423	7	4,760	(522)	(1,219)	-	(68)	(865)	33,585	647
Total invested assets	82,924	(723)	1,099	9,516	(3,006)	(3,299)	2,605	(3,089)	(1,962)	84,065	(598)
Derivatives, net	(3,188)	(144)	-	-	-	960	-	165	41	(2,166)	17
Segregated funds net assets	3,985	(97)	-	110	(466)	24	-	(15)	(49)	3,492	32
Total	$ 83,721	$ (964)	$ 1,099	$ 9,626	$ (3,472)	$ (2,315)	$ 2,605	$ (2,939)	$ (1,970)	$ 85,391	$ (549)

[1] These amounts are included in net investment income on the Consolidated Statements of Income except for the amount related to segregated funds net assets, where the amount is recorded in Investment income related to segregated funds net assets. Refer to notes 1 (h) and 22.

[2] These amounts are included in OCI on the Consolidated Statements of Comprehensive Income.

[3] The Company uses fair value of the assets at the beginning of the year for assets transferred into and out of Level 3 except for derivatives, where the Company uses fair value at the end of the year and at the beginning of the year, respectively.

[4] Private placement bonds of $1,771 with maturity dates beyond 30 years were reclassified from Level 3 to Level 2 in 2023 to align with the fair value leveling treatment of public bonds.

Transfers into Level 3 primarily result where a lack of observable market data (versus the previous period) arises. Transfers from Level 3 primarily result from observable market data becoming available for derivatives, or for the entire term structure of the private placements.

(h)Remaining term to maturity

The following tables present remaining term to maturity for invested assets.

As at December 31, 2024	Remaining term to maturity[1] Less than 1 year	1 to 3 years	3 to 5 years	5 to 10 years	Over 10 years	With no specific maturity	Total
Cash and short-term securities	**$ 25,789**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 25,789**
Debt securities							
Canadian government and agency	**543**	**2,282**	**678**	**3,339**	**12,885**	**-**	**19,727**
U.S. government and agency	**644**	**640**	**1,473**	**4,699**	**21,198**	**-**	**28,654**
Other government and agency	**372**	**1,208**	**1,056**	**3,566**	**29,268**	**-**	**35,470**
Corporate	**7,810**	**15,763**	**15,817**	**33,818**	**51,754**	**-**	**124,962**
Mortgage / asset-backed securities	**60**	**260**	**213**	**450**	**825**	**-**	**1,808**
Public equities	**-**	**-**	**-**	**-**	**-**	**33,725**	**33,725**
Mortgages	**4,741**	**11,944**	**10,478**	**7,617**	**9,876**	**9,791**	**54,447**
Private placements	**1,534**	**5,093**	**4,986**	**10,463**	**27,500**	**92**	**49,668**
Loans to Bank clients	**47**	**13**	**3**	**-**	**-**	**2,247**	**2,310**
Real estate							
Own use property	**-**	**-**	**-**	**-**	**-**	**2,674**	**2,674**
Investment property	**-**	**-**	**-**	**-**	**-**	**10,589**	**10,589**
Other invested assets							
Alternative long-duration assets	**67**	**-**	**85**	**276**	**524**	**46,911**	**47,863**
Various other	**-**	**20**	**-**	**3,623**	**657**	**511**	**4,811**
Total invested assets	**$ 41,607**	**$ 37,223**	**$ 34,789**	**$ 67,851**	**$ 154,487**	**$ 106,540**	**$ 442,497**

As at December 31, 2023	Remaining term to maturity[1] Less than 1 year	1 to 3 years	3 to 5 years	5 to 10 years	Over 10 years	With no specific maturity	Total
Cash and short-term securities	$ 20,338	$ -	$ -	$ -	$ -	$ -	$ 20,338
Debt securities							
Canadian government and agency	657	1,435	1,580	3,656	13,660	-	20,988
U.S. government and agency	297	725	744	4,504	22,208	-	28,478
Other government and agency	412	1,052	1,892	3,864	23,446	-	30,666
Corporate	8,475	15,512	18,548	33,361	54,100	50	130,046
Mortgage / asset-backed securities	106	153	279	556	877	-	1,971
Public equities	-	-	-	-	-	25,531	25,531
Mortgages	3,363	12,076	10,181	7,690	9,644	9,467	52,421
Private placements	1,418	3,486	4,704	9,137	26,790	71	45,606
Loans to Bank clients	39	23	1	-	-	2,373	2,436
Real estate							
Own use property	-	-	-	-	-	2,591	2,591
Investment property	-	-	-	-	-	10,458	10,458
Other invested assets							
Alternative long-duration assets	-	67	22	82	732	40,531	41,434
Various other	-	-	19	1,528	2,242	457	4,246
Total invested assets	$ 35,105	$ 34,529	$ 37,970	$ 64,378	$ 153,699	$ 91,529	$ 417,210

[1] Represents contractual maturities. Actual maturities may differ due to prepayment privileges in the applicable contract.

Note 4 Derivative and Hedging Instruments

Derivatives are financial contracts whose value is derived from various factors described in note 4 (a). The Company uses derivatives including swaps, forward and futures agreements, and options to manage current and anticipated exposures to changes in interest rates, foreign exchange rates, commodity prices and equity market prices, and to replicate exposure to different types of investments.

Swaps are contractual agreements between the Company and a third party to exchange a series of cash flows based upon rates applied to a notional amount. For interest rate swaps, counterparties generally exchange fixed or floating interest rate payments based on a notional value in a single currency. Cross-currency swaps involve the exchange of principal amounts between parties, as well as the exchange of interest payments in one currency for the receipt of interest payments in another currency. Total return swaps are contracts that involve the exchange of payments based on changes in the values of a reference asset, including any returns such as interest earned on these assets, in return for amounts based on reference rates specified in the contract.

Forward and futures agreements are contractual obligations to buy or sell a financial instrument, foreign currency or other underlying commodity on a predetermined future date at a specified price. Forward contracts are over-the-counter (“OTC”) contracts negotiated between counterparties, whereas futures agreements are contracts with standard amounts and settlement dates that are traded on regulated exchanges.

Options are contractual agreements whereby the holder has the right, but not the obligation, to buy (call option) or sell (put

option) a security, exchange rate, interest rate, or other financial instrument at a predetermined price / rate within a specified time.
See variable annuity dynamic hedging strategy in note 8 (a) for an explanation of the Company's dynamic hedging strategy for its variable annuity product guarantees.

Fair value of derivatives

The pricing models used to value derivatives are based on market-standard valuation methodologies, and the inputs to these models are consistent with what a market participant would use when pricing the instruments. Derivative valuations can be affected by changes in interest rates, foreign exchange rates, financial indices, commodity prices or indices, credit spreads, default risk (including the counterparties to the contract), and market volatility.
The significant inputs to the pricing models for most derivatives are inputs that are observable or can be corroborated by observable market data and are classified as Level 2. Inputs that are observable generally include interest rates, foreign exchange rates and interest rate curves. However, certain derivatives may rely on inputs that are significant to the fair value that are not observable in the market or cannot be derived principally from, or corroborated by, observable market data and these derivatives are classified as Level 3. Level 3 derivative assets and liabilities include bond forwards. Inputs that are unobservable generally include broker quoted prices, volatilities and inputs that are outside of the observable portion of the interest rate curve or other relevant market measures, such as repurchase rates. These non-market observable inputs may involve significant management judgment or estimation. Even though these inputs are non-market observable, they are based on assumptions deemed appropriate given the circumstances and consistent with what market participants would use when pricing such instruments. The credit risk of both the counterparty and the Company are considered in determining the fair value for all derivatives after considering the effects of netting agreements and collateral arrangements.

The following table presents gross notional amount and fair value of derivative instruments by the underlying risk exposure.

As at December 31,		2024			2023		
		Notional amount	Fair value		Notional amount	Fair value	
Type of hedge	Instrument type		Assets	Liabilities		Assets	Liabilities
Qualifying hedge accounting relationships							
Fair value hedges	Interest rate swaps	**$ 206,181**	**$ 2,734**	**$ 3,533**	$ 184,309	$ 2,627	$ 3,044
	Foreign currency swaps	**14,121**	**145**	**2,114**	9,055	78	1,518
	Forward contracts	**25,692**	**74**	**3,420**	23,461	165	2,672
Cash flow hedges	Interest rate swaps	**9,036**	**24**	**48**	8,372	20	48
	Foreign currency swaps	**650**	**-**	**216**	1,150	35	181
	Forward contracts	**-**	**-**	**-**	-	-	-
	Equity contracts	**324**	**6**	**-**	240	3	-
Net investment hedges	Forward contracts	**602**	**18**	**-**	654	-	16
Total derivatives in qualifying hedge accounting relationships		**256,606**	**3,001**	**9,331**	227,241	2,928	7,479
Derivatives not designated in qualifying hedge accounting relationships							
	Interest rate swaps	**110,114**	**2,188**	**2,906**	103,806	2,361	3,098
	Interest rate futures	**9,054**	**-**	**-**	9,449	-	-
	Interest rate options	**5,633**	**16**	**-**	5,841	33	-
	Foreign currency swaps	**33,924**	**1,854**	**272**	33,148	1,873	398
	Currency rate futures	**2,238**	**-**	**-**	2,581	-	-
	Forward contracts	**52,044**	**882**	**1,675**	34,080	769	597
	Equity contracts	**25,290**	**724**	**63**	19,760	579	115
	Credit default swaps	**114**	**2**	**-**	131	3	-
	Equity futures	**4,004**	**-**	**-**	4,040	-	-
Total derivatives not designated in qualifying hedge accounting relationships		**242,415**	**5,666**	**4,916**	212,836	5,618	4,208
Total derivatives		**$ 499,021**	**$ 8,667**	**$ 14,247**	$ 440,077	$ 8,546	$ 11,687

The following tables present the fair values of the derivative instruments by the remaining term to maturity. Fair values disclosed below do not incorporate the impact of master netting agreements (refer to note 8 (g)).

	Remaining term to maturity				
As at December 31, 2024	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Derivative assets	**$ 1,171**	**$ 578**	**$ 635**	**$ 6,283**	**$ 8,667**
Derivative liabilities	**2,320**	**2,304**	**1,244**	**8,379**	**14,247**

	Remaining term to maturity				
As at December 31, 2023	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Derivative assets	$ 1,189	$ 603	$ 573	$ 6,181	$ 8,546

The following tables present gross notional amount by the remaining term to maturity, total fair value (including accrued interest), credit equivalent amount and capital requirement by contract type.

As at December 31, 2024	Remaining term to maturity (notional amounts)				Fair value				
	Less than 1 year	1 to 5 years	Over 5 years	Total	Positive	Negative	Net	Credit equivalent amount[1]	Capital requirement[2]
Interest rate contracts									
OTC swap contracts	**$ 6,999**	**$ 25,019**	**$ 112,685**	**$ 144,703**	**$ 5,103**	**$ (6,976)**	**$ (1,873)**	**$ 323**	**$ 9**
Cleared swap contracts	**9,507**	**31,033**	**140,088**	**180,628**	**240**	**(189)**	**51**	**-**	**-**
Forward contracts	**20,661**	**21,028**	**-**	**41,689**	**231**	**(4,467)**	**(4,236)**	**36**	**1**
Futures	**9,054**	**-**	**-**	**9,054**	**-**	**-**	**-**	**-**	**-**
Options purchased	**863**	**1,086**	**3,684**	**5,633**	**16**	**-**	**16**	**17**	**-**
Subtotal	**47,084**	**78,166**	**256,457**	**381,707**	**5,590**	**(11,632)**	**(6,042)**	**376**	**10**
Foreign exchange									
Swap contracts	**2,044**	**13,733**	**32,918**	**48,695**	**1,983**	**(2,709)**	**(726)**	**1,028**	**19**
Forward contracts	**29,423**	**1,105**	**6,121**	**36,649**	**743**	**(628)**	**115**	**698**	**17**
Futures	**2,238**	**-**	**-**	**2,238**	**-**	**-**	**-**	**-**	**-**
Subtotal	**33,705**	**14,838**	**39,039**	**87,582**	**2,726**	**(3,337)**	**(611)**	**1,726**	**36**
Credit derivatives	**-**	**114**	**-**	**114**	**2**	**-**	**2**	**-**	**-**
Equity contracts									
Swap contracts	**1,926**	**762**	**-**	**2,688**	**31**	**(14)**	**17**	**27**	**-**
Futures	**4,004**	**-**	**-**	**4,004**	**-**	**-**	**-**	**-**	**-**
Options purchased	**19,437**	**3,489**	**-**	**22,926**	**699**	**(43)**	**656**	**375**	**3**
Subtotal	**25,367**	**4,365**	**-**	**29,732**	**732**	**(57)**	**675**	**402**	**3**
Subtotal including accrued interest	**106,156**	**97,369**	**295,496**	**499,021**	**9,048**	**(15,026)**	**(5,978)**	**2,504**	**49**
Less accrued interest	**-**	**-**	**-**	**-**	**381**	**(779)**	**(398)**	**-**	**-**
Total	**$ 106,156**	**$ 97,369**	**$ 295,496**	**$ 499,021**	**$ 8,667**	**$ (14,247)**	**$ (5,580)**	**$ 2,504**	**$ 49**

As at December 31, 2023	Remaining term to maturity (notional amounts)				Fair value				
	Less than 1 year	1 to 5 years	Over 5 years	Total	Positive	Negative	Net	Credit equivalent amount[1]	Capital requirement[2]

The following tables present the average rate of the hedging instruments in key hedge relationships that do not frequently reset.

As at December 31, 2024			Remaining term to maturity (notional amounts)				Fair value		
Hedged item	Hedging instrument	Average rate	Less than 1 year	1 to 5 years	Over 5 years	Total	Positive	Negative	Net
Inflation risk									
Inflation linked insurance liabilities	Interest rate swaps	CPI rate: 290.22	**$ 92**	**$ 568**	**$ 8,376**	**$ 9,036**	**$ 24**	**$ (48)**	**$ (24)**
Foreign exchange risk									
Foreign currency assets	Foreign currency swaps	CAD/EUR: 0.66703	**-**	**160**	**1,311**	**1,471**	**16**	**-**	**16**
Foreign currency assets	Foreign currency swaps	CAD/GBP: 0.56259	**-**	**115**	**434**	**549**	**22**	**-**	**22**
Foreign currency assets	Foreign currency swaps	CAD/USD: 0.73009	**165**	**407**	**1,067**	**1,639**	**9**	**(27)**	**(18)**
Foreign exchange and interest rate risk									
Floating rate foreign currency liabilities	Foreign currency swaps	CAD/USD: 0.86655	**-**	**-**	**650**	**650**	**-**	**(216)**	**(216)**
Debt securities at fair value through OCI	Foreign currency swaps	CAD/USD: 1.22914	**42**	**9**	**-**	**51**	**7**	**-**	**7**
Equity risk									
Stock-based compensation	Equity contracts	MFC price: $30.12	**20**	**304**	**-**	**324**	**6**	**-**	**6**
Total			**$ 319**	**$ 1,563**	**$ 11,838**	**$ 13,720**	**$ 84**	**$ (291)**	**$ (207)**

As at December 31, 2023			Remaining term to maturity (notional amounts)				Fair value		
Hedged item	Hedging instrument	Average rate	Less than 1 year	1 to 5 years	Over 5 years	Total	Positive	Negative	Net
Inflation risk									
Inflation linked insurance liabilities	Interest rate swaps	CPI rate: 290.13	$ 87	$ 459	$ 7,826	$ 8,372	$ 20	$ (48)	$ (28)
Foreign exchange risk									
Fixed rate liabilities	Foreign currency swaps	SGD/CAD: 0.93503	500	-	-	500	35	-	35
Foreign exchange and interest rate risk									
Floating rate foreign currency liabilities	Foreign currency swaps	CAD/USD: 0.86655	-	-	650	650	-	(181)	(181)
Debt securities at fair value through OCI	Foreign currency swaps	CAD/USD: 1.22914	-	46	-	46	5	-	5
Equity risk									
Stock-based compensation	Equity contracts	MFC price: $26.28	11	229	-	240	3	-	3
Total			$ 598	$ 734	$ 8,476	$ 9,808	$ 63	$ (229)	$ (166)

Fair value and the fair value hierarchy of derivative instruments

As at December 31, 2024	Fair value	Level 1	Level 2	Level 3
Derivative assets				
Interest rate contracts	**$ 5,193**	**$ -**	**$ 5,026**	**$ 167**
Foreign exchange contracts	**2,742**	**-**	**2,742**	**-**
Equity contracts	**730**	**-**	**730**	**-**
Credit default swaps	**2**	**-**	**2**	**-**
Total derivative assets	**$ 8,667**	**$ -**	**$ 8,500**	**$ 167**
Derivative liabilities				
Interest rate contracts	**$ 10,954**	**$ -**	**$ 7,571**	**$ 3,383**
Foreign exchange contracts	**3,230**	**-**	**3,227**	**3**
Equity contracts	**63**	**-**	**47**	**16**
Total derivative liabilities	**$ 14,247**	**$ -**	**$ 10,845**	**$ 3,402**

As at December 31, 2023	Fair value	Level 1	Level 2	Level 3
Derivative assets				
Interest rate contracts	$ 5,813	$ -	$ 5,262	$ 551
Foreign exchange contracts	2,148	-	2,148	-
Equity contracts	582	-	572	10
Credit default swaps	3	-	3	-
Total derivative assets	$ 8,546	$ -	$ 7,985	$ 561
Derivative liabilities				
Interest rate contracts	$ 9,176	$ -	$ 6,451	$ 2,725
Foreign exchange contracts	2,396	-	2,395	1
Equity contracts	115	-	114	1
Total derivative liabilities	$ 11,687	$ -	$ 8,960	$ 2,727

Movement in net derivatives measured at fair value using significant non-market observable inputs (Level 3) is presented in note 3 (g).

(i)Hedging relationships

The Company uses derivatives for economic hedging purposes. In certain circumstances, these derivatives meet the requirements of hedge accounting and designating them in qualifying hedge accounting relationships achieves the desired IFRS presentation. Risk management strategies eligible for hedge accounting are designated as fair value hedges, cash flow hedges or net investment hedges.

At the inception of a hedge accounting relationship, the Company documents the relationship between the hedging instrument and hedged item, its risk management objective, and its strategy for undertaking the hedge. At hedge inception and on an ongoing basis, an assessment is performed and documented to demonstrate that the hedging relationship qualifies or continues to qualify for hedge accounting. In order to qualify for hedge accounting, there has to be an economic relationship between the hedging instrument and the hedged item, an assessment that the effect of credit risk does not dominate the economic relationship, and the hedge ratio between the hedging instrument and the hedged item will be based on the approach used by risk management, unless the hedge ratio used by risk management results in an imbalance that would create hedge ineffectiveness that is inconsistent with the purpose of hedge accounting.

•The Company designates a specific risk component or a combination of risk components as the hedged risk, including benchmark interest rate, foreign exchange rate, equity price and consumer price index components. All these risk components are observable in the relevant market environment and the changes in fair value or variability in cash flows attributable to these risk components can be reliably measured for hedged items. The hedged risk is generally the most significant risk component of the overall changes in fair value or in cash flows. The Company acquires derivatives for economic hedging purposes with underlying characteristics that offset the hedged risk based on the risk management strategy.

•The Company executes hedging derivatives with counterparties with high credit quality and monitors the creditworthiness of the counterparties to ensure they are expected to meet cash flow obligations on the hedging instruments as they come due, and that the probability of counterparty default is remote. Further, changes in the Company's own credit risk are immaterial and have insignificant impact to the hedging relationships.

•A hedge ratio is calculated as the ratio between the quantity of the hedged item that the Company hedges and the quantity of the hedging instrument the Company uses to hedge that quantity of hedged item.
◦For group fair value hedges of foreign exchange and interest rate risk of insurance liabilities and group fair value hedges of foreign exchange and interest rate risk of debt instruments, the Company constructs the hedge relationship by comparing interest rate sensitivities of the group of hedging derivatives and the group of hedged items in the same currency. Interest rate sensitivities are compared by estimating the change in the present value of cash flows of hedged items and of hedging derivatives from an instantaneous shock to interest rates, assuming no rebalancing actions are undertaken.
◦For the rest of the Company's hedge accounting relationships, the Company generally constructs the hedge relationships by comparing the notional amounts of the hedging derivatives with that of the hedged items.
Hedge ineffectiveness in various hedging relationships may still exist and potential sources of hedge ineffectiveness by risk category are summarized below:

	Interest rate risk	Foreign currency risk	Equity risk	Consumer price index risk
Mismatches in some critical terms of hedging instrument and hedged item	ü	ü	ü	ü
Differences in valuation methodologies including discounting factor	ü	ü		ü
Changes in timing and amount of forecasted hedged items		ü		ü
Differences due to the use of non-zero fair value hedging instruments	ü	ü		

Hedging relationships that frequently reset

The Company uses a portfolio of derivatives as a fair value hedge of foreign exchange rate and interest rate fluctuations of fixed-rate debt instruments denominated in non-functional currencies, as well as interest rate fluctuations of guaranteed insurance liabilities. The risk management objective is to hedge these foreign exchange and interest rate fluctuations with a hedge horizon of three months. At the end of each hedge horizon, the hedging relationships mature; and new fair value hedging relationships are designated with a newly designated pool of hedging instruments and hedged items.

Fair value hedges

The Company uses interest rate swaps to manage its exposure to changes in the fair value of fixed-rate financial instruments

and guaranteed insurance liabilities due to changes in interest rates. The Company also uses cross-currency swaps to manage its exposure to foreign exchange rate fluctuations, interest rate fluctuations, or both.
The Company recognizes gains and losses on derivatives and the related hedged items in fair value hedges in total investment result. These investment gains (losses) are shown in the following tables.

For the year ended December 31, 2024	Change in value of the hedged item for ineffectiveness measurement	Change in value of the hedging instrument for ineffectiveness measurement	Ineffectiveness recognized in Total investment result	Carrying amount for hedged items[1]	Accumulated fair value adjustments on hedged items	Accumulated fair value adjustments on de-designated hedged items
Assets						
Interest rate risk						
Debt securities at FVOCI	**$ (833)**	**$ 812**	**$ (21)**	**$ 117,538**	**$ (1)**	**$ (601)**
Foreign currency risk						
Debt securities at FVOCI	**(80)**	**80**	**-**	**3,561**	**-**	**-**
Foreign currency and interest rate risk						
Debt securities at FVOCI	**451**	**(559)**	**(108)**	**11,130**	**(367)**	**196**
Total assets	**$ (462)**	**$ 333**	**$ (129)**	**$ 132,229**	**$ (368)**	**$ (405)**
Liabilities						
Interest rate risk						
Insurance contract liabilities	**$ 3,591**	**$ (3,329)**	**$ 262**	**$ 47,747**	**$ 3,386**	**$ 237**
Foreign currency and interest rate risk						
Insurance contract liabilities	**55**	**(17)**	**38**	**3,167**	**137**	**-**
Total liabilities	**$ 3,646**	**$ (3,346)**	**$ 300**	**$ 50,914**	**$ 3,523**	**$ 237**

For the year ended December 31, 2023	Change in value of the hedged item for ineffectiveness measurement	Change in value of the hedging instrument for ineffectiveness measurement	Ineffectiveness recognized in Total investment result	Carrying amount for hedged items[1]	Accumulated fair value adjustments on hedged items	Accumulated fair value adjustments on de-designated hedged items
Assets						
Interest rate risk						
Debt securities at FVOCI	$ -	$ -	$ -	$ -	$ -	$ 241
Foreign currency and interest rate risk						
Debt securities at FVOCI	742	(778)	(36)	9,191	576	(405)
Total assets	$ 742	$ (778)	$ (36)	$ 9,191	$ 576	$ (164)
Liabilities						
Interest rate risk						
Insurance contract liabilities	$ (53)	$ 185	$ 132	$ 29,133	$ (2,658)	$ 2,642
Total liabilities	$ (53)	$ 185	$ 132	$ 29,133	$ (2,658)	$ 2,642

[1] The carrying amounts for hedged items presented are related to hedged items in active hedging relationships as at the reporting date.

Cash flow hedges

The Company uses interest rate swaps to hedge the variability in cash flows from variable rate financial instruments and from forecasted transactions. The Company also uses cross-currency swaps and foreign currency forward contracts to hedge the variability from foreign currency financial instruments and foreign currency expenses. Total return swaps are used to hedge the variability in cash flows associated with certain stock-based compensation awards. Inflation swaps are used to reduce inflation risk generated from inflation-indexed liabilities.
The effects of derivatives in cash flow hedging relationships on the Consolidated Statements of Income and the Consolidated Statements of Comprehensive Income are shown in the following tables. The effective portion of the change in fair value of hedging instruments associated with the Consumer Price Index ("CPI") cash flow hedge accounting program is presented in AOCI – Insurance finance income (expenses), in the same line as the hedged item. The accumulated other comprehensive income (loss) balances of $10 as at December 31, 2024 (2023 – $(149)) were all related to continuing cash flow hedges, of which $(42) (December 31, 2023 – $(85)) related to CPI cash flow hedges that were reported in AOCI – Insurance finance income (expenses). There were $nil and $nil balance in AOCI related to de-designated hedges as at December 31, 2024 and 2023, respectively.

For the year ended December 31, 2024	Hedged items in qualifying cash flow hedging relationships	Change in fair value of hedged items for ineffectiveness measurement	Change in fair value of hedging instruments for ineffectiveness measurement	Gains (losses) deferred in AOCI on derivatives	Gains (losses) reclassified from AOCI into Total investment result	Ineffectiveness recognized in Total investment result
Interest rate risk						
Treasury locks	Forecasted liability issuance	**$ 3**	**$ (3)**	**$ (3)**	**$ -**	**$ -**
Foreign exchange risk						
Foreign currency swaps	Fixed rate liabilities	**(23)**	**23**	**23**	**26**	**-**
Interest and foreign exchange risk						
Foreign currency swaps	Floating rate liabilities	**32**	**(32)**	**(32)**	**(75)**	**-**
Equity price risk						
Equity contracts	Stock-based compensation	**(145)**	**145**	**145**	**66**	**-**
CPI risk						
Interest rate swaps[1]	Inflation linked insurance liabilities	**(60)**	**60**	**60**	**17**	**-**
Total		**$ (193)**	**$ 193**	**$ 193**	**$ 34**	**$ -**

For the year ended December 31, 2023	Hedged items in qualifying cash flow hedging relationships	Change in fair value of hedged items for ineffectiveness measurement	Change in fair value of hedging instruments for ineffectiveness measurement	Gains (losses) deferred in AOCI on derivatives	Gains (losses) reclassified from AOCI into Total investment result	Ineffectiveness recognized in Total investment result
Interest rate risk						
Treasury locks	Forecasted liability issuance	$ (1)	$ 1	$ 1	$ -	$ -
Foreign exchange risk						
Foreign currency swaps	Fixed rate liabilities	10	(10)	(10)	(8)	-
Interest and foreign exchange risk						
Foreign currency swaps	Floating rate liabilities	(23)	23	23	16	-
Equity price risk						
Equity contracts	Stock-based compensation	(40)	40	40	3	-
CPI risk						
Interest rate swaps[1]	Inflation linked insurance liabilities	4	(4)	(4)	81	-
Total		$ (50)	$ 50	$ 50	$ 92	$ -

[1] Gains (losses) deferred in AOCI on derivatives are presented in AOCI under Insurance finance income (expenses).

The Company anticipates that net losses of approximately $14 will be reclassified from AOCI to net income within the next 12 months. The maximum time frame for which variable cash flows are hedged is 12 years with exception to CPI hedge relationships where the maximum time frame for which variable cash flows are hedged is 28 years.

The table below details the balances in the Company's cash flow hedge reserve.

As at December 31,	2024	2023
Balances in the cash flow hedge reserve for continuing hedges	**$ 10**	$ (149)
Balances remaining in the cash flow hedge reserve on de-designated hedges	**-**	-
Total	**$ 10**	$ (149)

Hedges of net investments in foreign operations

The Company uses non-functional currency denominated long-term debt (refer to note 9) and forward currency contracts to mitigate the foreign exchange translation risk of net investments in foreign operations.

The effects of net investment hedging relationships on the Consolidated Statements of Income and the Consolidated Statements of Other Comprehensive Income are shown in the following tables.

For the year ended December 31, 2024	Change in fair value of hedged items for ineffectiveness measurement	Change in fair value of hedging instruments for ineffectiveness measurement	Gains (losses) deferred in AOCI	Gains (losses) reclassified from AOCI into Total investment result	Ineffectiveness recognized in Total investment result
Non-functional currency denominated debt	**$ 665**	**$ (665)**	**$ (665)**	**$ -**	**$ -**
Forward currency contracts	**(45)**	**45**	**45**	**-**	**-**
Total	**$ 620**	**$ (620)**	**$ (620)**	**$ -**	**$ -**

For the year ended December 31, 2023	Change in fair value of hedged items for ineffectiveness measurement	Change in fair value of hedging instruments for ineffectiveness measurement	Gains (losses) deferred in AOCI	Gains (losses) reclassified from AOCI into Total investment result	Ineffectiveness recognized in Total investment result
Non-functional currency denominated debt	$ (195)	$ 195	$ 195	$ -	$ -
Forward currency contracts	(1)	1	1	-	-
Total	$ (196)	$ 196	$ 196	$ -	$ -

The table below details the balances in the Company's net investment hedge reserve.

As at December 31,	2024	2023
Balances in the foreign currency translation reserve for continuing hedges	**$ (561)**	$ 59
Balances remaining in the net investment hedge reserve on de-designated hedges	**-**	-
Total	**$ (561)**	$ 59

Reconciliation of accumulated other comprehensive income (loss) related to cash flow hedges

For the year ended December 31, 2024	Accumulated other comprehensive income (loss), beginning of year	Hedging gains (losses) recognized in AOCI during the year	Reclassification from AOCI to income	Accumulated other comprehensive income (loss), end of year	Reclassification adjustment related to de-designated hedges as hedged item affects income	Reclassification adjustment related to items for which the hedged future cash flows are no longer expected to occur
Interest rate risk	**$ 1**	**$ (3)**	**$ -**	**$ (2)**	**$ -**	**$ -**
Interest rate and foreign exchange risk	**(107)**	**(32)**	**(75)**	**(64)**	**-**	**-**
Foreign exchange translation risk	**3**	**23**	**26**	**-**	**-**	**-**
CPI risk	**(85)**	**60**	**17**	**(42)**	**-**	**-**
Equity price risk	**39**	**145**	**66**	**118**	**-**	**-**
Total	**$ (149)**	**$ 193**	**$ 34**	**$ 10**	**$ -**	**$ -**

For the year ended December 31, 2023	Accumulated other comprehensive income (loss), beginning of year	Hedging gains (losses) recognized in AOCI during the year	Reclassification from AOCI to income	Accumulated other comprehensive income (loss), end of year	Reclassification adjustment related to de-designated hedges as hedged item affects income	Reclassification adjustment related to items for which the hedged future cash flows are no longer expected to occur
Interest rate risk	$ -	$ 1	$ -	$ 1	$ -	$ -
Interest rate and foreign exchange risk	(114)	23	16	(107)	-	-
Foreign exchange translation risk	5	(10)	(8)	3	-	-
CPI risk	-	(4)	81	(85)	-	-
Equity price risk	2	40	3	39	-	-
Total	$ (107)	$ 50	$ 92	$ (149)	$ -	$ -

Reconciliation of accumulated other comprehensive income (loss) related to net investment hedges

For the year ended December 31, 2024	Accumulated other comprehensive income (loss), beginning of year	Hedging gains (losses) recognized in AOCI during the year	Reclassification from AOCI to income	Accumulated other comprehensive income (loss), end of year	Reclassification adjustment related to de-designated hedges as hedged item affects income	Reclassification adjustment related to items for which the hedged future cash flows are no longer expected to occur
Foreign exchange translation risk	**$ 59**	**$ (620)**	**$ -**	**$ (561)**	**$ -**	**$ -**

For the year ended December 31, 2023	Accumulated other comprehensive income (loss), beginning of year	Hedging gains (losses) recognized in AOCI during the year	Reclassification from AOCI to income	Accumulated other comprehensive income (loss), end of year	Reclassification adjustment related to de-designated hedges as hedged item affects income	Reclassification adjustment related to items for which the hedged future cash flows are no longer expected to occur
Foreign exchange translation risk	$ (137)	$ 196	$ -	$ 59	$ -	$ -

Cost of hedging

The Company has elected to apply IFRS 9's cost of hedging guidance for certain hedging relationships. The excluded components from hedging relationships related to forward elements and foreign currency basis spreads on time period related hedged items, are presented in AOCI as cost of hedging. The following table provides details of the movement in the cost of hedging by hedged risk category.

For the year ended December 31,	2024	2023
Foreign exchange risk		
Balance, beginning of year	**$ -**	$ (3)
Changes in fair value	**111**	5
Amount reclassified to profit or loss	**-**	2
Balance, end of year	**$ 111**	$ -
Foreign exchange and interest rate risk		
Balance, beginning of year	**$ 18**	$ 25
Changes in fair value	**(10)**	(8)
Amount reclassified to profit or loss	**-**	(1)
Balance, end of year	**$ 8**	$ 18

(j)Derivatives not designated in qualifying hedge accounting relationships

The Company uses derivatives to economically hedge various financial risks, however, not all derivatives qualify for hedge accounting and in some cases, the Company has not elected to apply hedge accounting. Below are the investment income impacts of derivatives not designated in qualifying hedge accounting relationships.

Investment income (loss) on derivatives not designated in qualifying hedge accounting relationships

For the years ended December 31,	2024	2023
Interest rate swaps	**$ (116)**	$ 667
Interest rate futures	**52**	57
Interest rate options	**(20)**	(13)
Foreign currency swaps	**108**	(4)
Currency rate futures	**(137)**	(22)
Forward contracts	**(626)**	612
Equity futures	**(423)**	(449)
Equity contracts	**437**	325
Credit default swaps	**(1)**	-
Total	**$ (726)**	$ 1,173

(k)Embedded derivatives

Certain insurance contracts contain features that are classified as embedded derivatives and are measured separately at FVTPL, including reinsurance contracts related to guaranteed minimum income benefits and contracts containing certain credit and interest rate features.

Certain reinsurance contracts with guaranteed minimum income benefits contain embedded derivatives requiring separate measurement at FVTPL as the financial components contained in the reinsurance contracts do not contain significant insurance risk. Claims expenses and claims paid on the reinsurance assumed offset claims recovered under reinsured contracts.

Reinsured contracts with guaranteed minimum income benefits had a fair value of $281(2023 – $402) and reinsurance assumed with guaranteed minimum income benefits had a fair value of $nil (2023 – $46).

The Company's credit and interest rate embedded derivatives promise to pay the returns on a portfolio of assets to the contract holder. These embedded derivatives contain credit and interest rate risks that are financial risks embedded in the underlying insurance and investment contract. As at December 31, 2024, these embedded derivative liabilities had a fair value of $265 (2023 – $487).

Other insurance contract features which are classified as embedded derivatives but are exempt from separate measurement at fair value include variable universal life and variable life products' minimum guaranteed credited rates, no lapse guarantees, guaranteed annuitization options, Consumer Price Index ("CPI") indexing of benefits, and segregated fund minimum guarantees other than reinsurance ceded / assumed guaranteed minimum income benefits. These embedded derivatives are measured and reported within insurance contract liabilities and are exempt from separate fair value measurement as they contain insurance risk and / or are closely related to the insurance host contract.

Note 5 Goodwill and Intangible Assets

(a)Change in the carrying value of goodwill and intangible assets

The following tables present the changes in carrying value of goodwill and intangible assets.

For the year ended December 31, 2024	Balance, January 1, 2024	Net additions / (disposals)[1]	Amortization expense	Effect of changes in foreign exchange rates	Balance, December 31, 2024
Goodwill	**$ 5,919**	**$ 150**	**$ n/a**	**$ 206**	**$ 6,275**
Indefinite life intangible assets					
Brand	**791**	**3**	**n/a**	**72**	**866**
Fund management contracts and other[2]	**1,034**	**156**	**n/a**	**68**	**1,258**
	1,825	**159**	**n/a**	**140**	**2,124**
Finite life intangible assets[3]					
Distribution networks	**834**	**13**	**(56)**	**49**	**840**
Customer relationships	**582**	**-**	**(52)**	**12**	**542**
Software	**1,102**	**329**	**(257)**	**38**	**1,212**
Other	**48**	**7**	**(9)**	**13**	**59**
	2,566	**349**	**(374)**	**112**	**2,653**
Total intangible assets	**4,391**	**508**	**(374)**	**252**	**4,777**
Total goodwill and intangible assets	**$ 10,310**	**$ 658**	**$ (374)**	**$ 458**	**$ 11,052**

For the year ended December 31, 2023	Balance, January 1, 2023	Net additions / (disposals)	Amortization expense	Effect of changes in foreign exchange rates	Balance, December 31, 2023
Goodwill	$ 6,014	$ -	$ n/a	$ (95)	$ 5,919
Indefinite life intangible assets					
Brand	813	-	n/a	(22)	791
Fund management contracts and other[2]	1,048	-	n/a	(14)	1,034
	1,861	-	n/a	(36)	1,825
Finite life intangible assets[3]					
Distribution networks	881	31	(53)	(25)	834
Customer relationships	643	(4)	(53)	(4)	582
Software	1,068	274	(217)	(23)	1,102
Other	52	11	(5)	(10)	48
	2,644	312	(328)	(62)	2,566
Total intangible assets	4,505	312	(328)	(98)	4,391
Total goodwill and intangible assets	$ 10,519	$ 312	$ (328)	$ (193)	$ 10,310

[1] In April 2024, the Company acquired control of CQS Management Limited, the London-based alternative credit investment manager, through purchase of 100% of its shares outstanding. The transaction included cash consideration of $334 and contingent consideration of $8. Goodwill, brand, indefinite lived and definite lived management contracts of $150, $3, $153 and $7 were recognized.

[2] Fund management contracts are mostly allocated to Canada WAM and U.S. WAM CGUs with carrying values of $273 (2023 – $273) and $421 (2023 – $386), respectively.

[3] Gross carrying amount of finite life intangible assets was $3,408 for software, $1,617 for distribution networks, $1,156 for customer relationships and $156 for other (2023 – $2,955, $1,511, $1,136 and $138), respectively.

(b)Goodwill impairment testing

The Company completed its annual goodwill impairment testing in the fourth quarter of 2024 by determining the recoverable amounts of its businesses using valuation techniques discussed below (refer to notes 1 (f) and 5 (c)). The testing resulted in $nil impairment of goodwill in 2024 (2023 – $nil).

The following tables present the carrying value of goodwill by CGU or group of CGUs.

For the year ended December 31, 2024 CGU or group of CGUs	Balance, January 1, 2024	Net additions/ (disposals)	Effect of changes in foreign exchange rates	Balance, December 31, 2024
Asia				
Asia Insurance (excluding Japan)	**$ 159**	**$ -**	**$ 11**	**$ 170**
Japan Insurance	**328**	**-**	**(7)**	**321**
Canada Insurance	**1,958**	**-**	**8**	**1,966**
U.S. Insurance	**350**	**-**	**32**	**382**
Global Wealth and Asset Management				
Asia WAM	**438**	**-**	**41**	**479**
Canada WAM	**1,436**	**-**	**-**	**1,436**
U.S. WAM	**1,250**	**150**	**121**	**1,521**
Total	**$ 5,919**	**$ 150**	**$ 206**	**$ 6,275**

For the year ended December 31, 2023 CGU or group of CGUs	Balance, January 1, 2023	Net additions/ (disposals)	Effect of changes in foreign exchange rates	Balance, December 31, 2023
Asia				
Asia Insurance (excluding Japan)	$ 162	$ -	$ (3)	$ 159
Japan Insurance	360	-	(32)	328
Canada Insurance	1,960	-	(2)	1,958
U.S. Insurance	360	-	(10)	350
Global Wealth and Asset Management				
Asia WAM	450	-	(12)	438
Canada WAM	1,436	-	-	1,436
U.S. WAM	1,286	-	(36)	1,250
Total	$ 6,014	$ -	$ (95)	$ 5,919

The valuation techniques, significant assumptions and sensitivities, where applicable, applied in the goodwill impairment testing are described below.

(c)Valuation techniques

When determining if a CGU is impaired, the Company compares its recoverable amount to the allocated capital for that unit, which is aligned with the Company's internal reporting practices. The recoverable amounts were based on fair value less costs to sell ("FVLCS") for Asia Insurance (excluding Japan) and Asia WAM. For other CGUs, value-in-use ("VIU") was used.

Under the FVLCS approach, the Company determines the fair value of the CGU or group of CGUs using an earnings-based approach which incorporates forecasted earnings, excluding interest and equity market impacts and normalized new business expenses multiplied by an earnings-multiple derived from the observable price-to-earnings multiples of comparable financial institutions. The price-to-earnings multiple used by the Company for testing ranged from 6.7 to 13.6 (2023 – 5.1 to 12.7). These FVLCS valuations are categorized as Level 3 of the fair value hierarchy (2023 – Level 3).

Under the VIU approach, used for CGUs with insurance business, an embedded appraisal value is determined from a projection of future distributable earnings derived from both the in-force business and new business expected to be sold in the future, and therefore, reflects the economic value for each CGU's or group of CGUs' profit potential under a set of assumptions. This approach requires assumptions including sales and revenue growth rates, capital requirements, interest rates, equity returns, mortality, morbidity, policyholder behaviour, tax rates and discount rates. For non-insurance CGUs, the VIU is based on discounted cash flow analysis which incorporates relevant aspects of the embedded appraisal value approach.

(d)Significant assumptions

To calculate an insurance appraisal value, the Company discounted projected earnings from in-force contracts and valued 80 years (2023 – 20 years) of new business growing at expected plan levels, consistent with the periods used for forecasting long-term businesses such as insurance. In arriving at its projections, the Company considered past experience, economic trends such as interest rates, equity returns and product mix as well as industry and market trends. Where growth rate assumptions for new business cash flows were used in the embedded appraisal value calculations, they ranged from zero per cent to 13.0 per cent (2023 – zero per cent to 13.0 per cent).

Interest rate assumptions are based on prevailing market rates at the valuation date.

Tax rates applied to the projections include the impact of internal reinsurance treaties and were 28.0 per cent, 27.8 per cent and 21.0 per cent for the Japan, Canada and U.S. jurisdictions, respectively (2023 – 28.0 per cent, 27.8 per cent and 21.0 per cent, respectively). Tax assumptions are sensitive to changes in tax laws as well as assumptions about the jurisdictions in which profits are earned. It is possible that effective tax rates could differ from those assumed.

Discount rates assumed in determining the value-in-use for applicable CGUs or group of CGUs ranged from 10.0 per cent to 13.0 per cent on an after-tax basis or 12.5 per cent to 16.3 per cent on a pre-tax basis (2023 – 10.0 per cent to 13.0 per cent on an after-tax basis or 12.5 per cent to 16.3 per cent on a pre-tax basis).

Key assumptions may change as economic and market conditions change, which may lead to impairment charges in the future. Adverse changes in discount rates (including from changes in interest rates) and growth rate assumptions for new business cash flow projections used in the determination of embedded appraisal values or reductions in market-based earnings multiples calculations may result in impairment charges in the future which could be material.

Note 6 Insurance and Reinsurance Contract Assets and Liabilities

(a)Composition

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the Consolidated Statements of Financial Position. The components of net insurance and reinsurance contract liabilities are shown below. The composition of insurance contract assets and liabilities, and reinsurance contract held assets and liabilities by the reporting segment is as follows.

Insurance contract assets and liabilities

As at December 31,	2024 Insurance contract assets	2024 Insurance contract liabilities	2024 Insurance contract liabilities for account of segregated fund holders	2024 Net insurance contract liabilities	2023 Insurance contract assets	2023 Insurance contract liabilities	2023 Insurance contract liabilities for account of segregated fund holders	2023 Net insurance contract liabilities
Asia	**$ (53)**	**$ 154,222**	**$ 26,367**	**$ 180,536**	$ (108)	$ 131,729	$ 22,696	$ 154,317
Canada	**(32)**	**82,459**	**38,099**	**120,526**	(33)	80,169	36,085	116,221
U.S.	**-**	**161,484**	**62,079**	**223,563**	-	157,699	55,362	213,061
Corporate and Other	**(6)**	**(897)**	**-**	**(903)**	(4)	(781)	-	(785)
Insurance contract balances	**(91)**	**397,268**	**126,545**	**523,722**	(145)	368,816	114,143	482,814
Assets for insurance acquisition cash flows	**(11)**	**(867)**	**-**	**(878)**	-	(820)	-	(820)
Total	**$ (102)**	**$ 396,401**	**$ 126,545**	**$ 522,844**	$ (145)	$ 367,996	$ 114,143	$ 481,994

Reinsurance contract held assets and liabilities

As at December 31,	2024 Assets	2024 Liabilities	2024 Net reinsurance contract held assets	2023 Assets	2023 Liabilities	2023 Net reinsurance contract held assets
Asia	**$ 9,204**	**$ (2,394)**	**$ 6,810**	$ 3,540	$ (1,909)	$ 1,631
Canada	**7,021**	**(262)**	**6,759**	1,922	(913)	1,009
U.S.	**43,043**	**(13)**	**43,030**	37,437	(14)	37,423
Corporate and Other	**(253)**	**-**	**(253)**	(248)	5	(243)
Total	**$ 59,015**	**$ (2,669)**	**$ 56,346**	$ 42,651	$ (2,831)	$ 39,820

As at December 31,	2024	2023
Net insurance contract held liabilities	**$ 522,844**	$ 481,994
Net reinsurance contract held assets	**(56,346)**	(39,820)
Net insurance and reinsurance contract held liabilities	**$ 466,498**	$ 442,174

(b)Movements in carrying amounts of insurance and reinsurance contracts

The following tables present the movement in the net carrying amounts of insurance contracts issued and reinsurance contracts held during the year for the Company and for each reporting segment. The changes include amounts that are recognized in income and OCI, and movements due to cash flows.

There are two types of tables presented:

- Tables which analyze movements in the net assets or liabilities for remaining coverage and for incurred claims separately and reconcile them to the relevant Consolidated Statements of Income and Consolidated Statements of Comprehensive Income line items.
- Tables which analyze movements of contracts by measurement components including estimates of the present value of future cash flows, risk adjustment and CSM.

(I)Total

Insurance contracts – Analysis by remaining coverage and incurred claims

The following tables present the movement in the net assets or liabilities for insurance contracts issued, showing the amounts for remaining coverage and the amounts for incurred claims and assets for insurance acquisition cash flows for the years ended December 31, 2024 and 2023.

	Liabilities for remaining coverage		Liabilities for incurred claims				
	Excluding loss component	Loss component	Products not under PAA	PAA Estimates of PV of future cash flows	PAA Risk adjustment for non-financial risk	Assets for insurance acquisition cash flows	Total
Opening insurance contract assets	$ (201)	$ -	$ 56	$ -	$ -	$ -	$ (145)
Opening insurance contract liabilities	351,045	1,092	5,609	10,445	625	(820)	367,996
Opening insurance contract liabilities for account of segregated fund holders	114,143	-	-	-	-	-	114,143
Net opening balance, January 1, 2024	464,987	1,092	5,665	10,445	625	(820)	481,994
Insurance revenue							
Expected incurred claims and other insurance service expenses	(14,340)	-	-	-	-	-	(14,340)
Change in risk adjustment for non-financial risk expired	(1,414)	-	-	-	-	-	(1,414)
CSM recognized for services provided	(2,697)	-	-	-	-	-	(2,697)
Recovery of insurance acquisition cash flows	(1,351)	-	-	-	-	-	(1,351)
Contracts under PAA	(6,790)	-	-	-	-	-	(6,790)
	(26,592)	-	-	-	-	-	(26,592)
Insurance service expense							
Incurred claims and other insurance service expenses	-	(105)	13,855	7,423	224	-	21,397
Losses and reversal of losses on onerous contracts (future service)	-	882	-	-	-	-	882
Changes to liabilities for incurred claims (past service)	-	-	(12)	(2,391)	(202)	-	(2,605)
Amortization of insurance acquisition cash flows	2,148	-	-	-	-	-	2,148
Net impairment of assets for insurance acquisition cash flows	-	-	-	-	-	-	-
	2,148	777	13,843	5,032	22	-	21,822
Investment components and premium refunds	(23,554)	-	20,835	2,719	-	-	-
Insurance service result	(47,998)	777	34,678	7,751	22	-	(4,770)
Insurance finance (income) expenses	2,645	44	(85)	689	44	-	3,337
Effects of movements in foreign exchange rates	24,962	115	272	29	-	(21)	25,357
Total changes in income and OCI	(20,391)	936	34,865	8,469	66	(21)	23,924
Cash flows							
Premiums and premium tax received	55,437	-	-	-	-	-	55,437
Claims and other insurance service expenses paid, including investment components	-	-	(34,776)	(7,657)	-	-	(42,433)
Insurance acquisition cash flows	(8,287)	-	-	-	-	-	(8,287)
Total cash flows	47,150	-	(34,776)	(7,657)	-	-	4,717
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	(156)	-	-	-	-	156	-
Acquisition cash flows incurred in the year	-	-	-	-	-	(193)	(193)
Movements related to insurance contract liabilities for account of segregated fund holders	12,402	-	-	-	-	-	12,402
Net closing balance	503,992	2,028	5,754	11,257	691	(878)	522,844
Closing insurance contract assets	(153)	5	56	1	-	(11)	(102)
Closing insurance contract liabilities	377,600	2,023	5,698	11,256	691	(867)	396,401
Closing insurance contract liabilities for account of segregated fund holders	126,545	-	-	-	-	-	126,545
Net closing balance, December 31, 2024	$ 503,992	$ 2,028	$ 5,754	$ 11,257	$ 691	$ (878)	$ 522,844
Insurance finance (income) expenses ("IFIE")							
Insurance finance (income) expenses, per disclosure above							$ 3,337
Reclassification of derivative OCI to IFIE – cash flow hedges							(52)
Reclassification of derivative (income) loss changes to IFIE – fair value hedge							3,346
Insurance finance (income) expenses, per disclosure in note 6 (f)							$ 6,631

	Liabilities for remaining coverage		Liabilities for incurred claims				
	Excluding loss component	Loss component	Products not under PAA	PAA Estimates of PV of future cash flows	PAA Risk adjustment for non-financial risk	Assets for insurance acquisition cash flows	Total
Opening insurance contract assets	$ (659)	$ -	$ 7	$ (12)	$ -	$ (9)	$ (673)
Opening insurance contract liabilities	336,981	1,328	5,857	10,877	602	(796)	354,849
Opening insurance contract liabilities for account of segregated fund holders	110,216	-	-	-	-	-	110,216
Net opening balance, January 1, 2023	446,538	1,328	5,864	10,865	602	(805)	464,392
Insurance revenue							
Expected incurred claims and other insurance service expenses	(13,165)	-	-	-	-	-	(13,165)
Change in risk adjustment for non-financial risk expired	(1,497)	-	-	-	-	-	(1,497)
CSM recognized for services provided	(2,162)	-	-	-	-	-	(2,162)
Recovery of insurance acquisition cash flows	(853)	-	-	-	-	-	(853)
Contracts under PAA	(6,295)	-	-	-	-	-	(6,295)
	(23,972)	-	-	-	-	-	(23,972)
Insurance service expense							
Incurred claims and other insurance service expenses	-	(320)	13,446	6,136	254	-	19,516
Losses and reversal of losses on onerous contracts (future service)	-	90	-	-	-	-	90
Changes to liabilities for incurred claims (past service)	-	-	(31)	(1,605)	(242)	-	(1,878)
Amortization of insurance acquisition cash flows	1,654	-	-	-	-	-	1,654
Net impairment of assets for insurance acquisition cash flows	-	-	-	-	-	-	-
	1,654	(230)	13,415	4,531	12	-	19,382
Investment components and premium refunds	(19,080)	-	17,148	1,932	-	-	-
Insurance service result	(41,398)	(230)	30,563	6,463	12	-	(4,590)
Insurance finance (income) expenses	24,268	32	15	848	11	-	25,174
Effects of movements in foreign exchange rates	(9,657)	(38)	(71)	(12)	-	7	(9,771)
Total changes in income and OCI	(26,787)	(236)	30,507	7,299	23	7	10,813
Cash flows							
Premiums and premium tax received	48,381	-	-	-	-	-	48,381
Claims and other insurance service expenses paid, including investment components	-	-	(30,706)	(7,719)	-	-	(38,425)
Insurance acquisition cash flows	(6,920)	-	-	-	-	-	(6,920)
Total cash flows	41,461	-	(30,706)	(7,719)	-	-	3,036
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	(152)	-	-	-	-	152	-
Acquisition cash flows incurred in the year	-	-	-	-	-	(174)	(174)
Movements related to insurance contract liabilities for account of segregated fund holders	3,927	-	-	-	-	-	3,927
Net closing balance	464,987	1,092	5,665	10,445	625	(820)	481,994
Closing insurance contract assets	(201)	-	56	-	-	-	(145)
Closing insurance contract liabilities	351,045	1,092	5,609	10,445	625	(820)	367,996
Closing insurance contract liabilities for account of segregated fund holders	114,143	-	-	-	-	-	114,143
Net closing balance, December 31, 2023	$ 464,987	$ 1,092	$ 5,665	$ 10,445	$ 625	$ (820)	$ 481,994
Insurance finance (income) expenses							

Insurance finance (income) expenses, per disclosure above	$ 25,174

Insurance contracts – Analysis by measurement components

The following tables present the movement in the net assets or liabilities for insurance contracts issued, showing estimates of the present value of future cash flows, risk adjustment, CSM and assets for insurance acquisition cash flows for the years ended December 31, 2024 and 2023.

	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	CSM		Assets for insurance acquisition cash flows	Total
			Fair value	Other		
Opening GMM and VFA insurance contract assets	$ (416)	$ 141	$ 32	$ 99	$ -	$ (144)
Opening GMM and VFA insurance contract liabilities	310,807	22,697	17,381	4,592	(59)	355,418
Opening PAA insurance contract net liabilities	12,712	626	-	-	(761)	12,577
Opening insurance contract liabilities for account of segregated fund holders	114,143	-	-	-	-	114,143
Net opening balance, January 1, 2024	437,246	23,464	17,413	4,691	(820)	481,994
CSM recognized for services provided	-	-	(2,097)	(600)	-	(2,697)
Change in risk adjustment for non-financial risk for risk expired	-	(1,430)	-	-	-	(1,430)
Experience adjustments	(532)	-	-	-	-	(532)
Changes that relate to current services	(532)	(1,430)	(2,097)	(600)	-	(4,659)
Contracts initially recognized during the year	(4,043)	952	2	3,193	-	104
Changes in estimates that adjust the CSM	(459)	(1,866)	2,388	(63)	-	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	770	7	-	-	-	777
Changes that relate to future services	(3,732)	(907)	2,390	3,130	-	881
Adjustments to liabilities for incurred claims	(8)	(4)	-	-	-	(12)
Changes that relate to past services	(8)	(4)	-	-	-	(12)
Insurance service result	(4,272)	(2,341)	293	2,530	-	(3,790)
Insurance finance (income) expenses	2,317	(59)	233	121	-	2,612
Effects of movements in foreign exchange rates	21,946	1,866	1,068	416	-	25,296
Total changes in income and OCI	19,991	(534)	1,594	3,067	-	24,118
Total cash flows	3,840	-	-	-	-	3,840
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	(6)	-	-	-	6	-
Acquisition cash flows incurred in the year	-	-	-	-	(8)	(8)
Change in PAA balance	489	65	-	-	(56)	498
Movements related to insurance contract liabilities for account of segregated fund holders	12,402	-	-	-	-	12,402
Net closing balance	473,962	22,995	19,007	7,758	(878)	522,844
Closing GMM and VFA insurance contract assets	(490)	144	100	148	-	(98)
Closing GMM and VFA insurance contract liabilities	334,706	22,160	18,907	7,610	(61)	383,322
Closing PAA insurance contract net liabilities	13,201	691	-	-	(817)	13,075
Closing insurance contract liabilities for account of segregated fund insurance holders	126,545	-	-	-	-	126,545
Net closing balance, December 31, 2024	$ 473,962	$ 22,995	$ 19,007	$ 7,758	$ (878)	$ 522,844

Insurance finance (income) expenses

Insurance finance (income) expenses, per disclosure above	$ 2,612
Reclassification of derivative OCI to IFIE – cash flow hedges	(52)
Reclassification of derivative (income) loss changes to IFIE – fair value hedge	3,333

			CSM			
	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	Fair value	Other	Assets for insurance acquisition cash flows	Total
Opening GMM and VFA insurance contract assets	$ (1,827)	$ 512	$ 100	$ 557	$ -	$ (658)
Opening GMM and VFA insurance contract liabilities	297,967	25,750	17,105	2,087	(56)	342,853
Opening PAA insurance contract net liabilities	12,125	605	-	-	(749)	11,981
Opening insurance contract liabilities for account of segregated fund holders	110,216	-	-	-	-	110,216
Net opening balance, January 1, 2023	418,481	26,867	17,205	2,644	(805)	464,392
CSM recognized for services provided	-	-	(1,812)	(350)	-	(2,162)
Change in risk adjustment for non-financial risk for risk expired	-	(1,620)	-	-	-	(1,620)
Experience adjustments	152	-	-	-	-	152
Changes that relate to current services	152	(1,620)	(1,812)	(350)	-	(3,630)
Contracts initially recognized during the year	(3,295)	1,180	-	2,368	-	253
Changes in estimates that adjust the CSM	1,585	(3,859)	2,214	60	-	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(174)	12	-	-	-	(162)
Changes that relate to future services	(1,884)	(2,667)	2,214	2,428	-	91
Adjustments to liabilities for incurred claims	(28)	(4)	-	-	-	(32)
Changes that relate to past services	(28)	(4)	-	-	-	(32)
Insurance service result	(1,760)	(4,291)	402	2,078	-	(3,571)
Insurance finance (income) expenses	22,340	1,646	244	76	-	24,306
Effects of movements in foreign exchange rates	(8,405)	(779)	(438)	(107)	-	(9,729)
Total changes in income and OCI	12,175	(3,424)	208	2,047	-	11,006
Total cash flows	2,081	-	-	-	-	2,081
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	(5)	-	-	-	5	-
Acquisition cash flows incurred in the year	-	-	-	-	(8)	(8)
Change in PAA balance	587	21	-	-	(12)	596
Movements related to insurance contract liabilities for account of segregated fund holders	3,927	-	-	-	-	3,927

Reinsurance contracts held – Analysis by remaining coverage and incurred claims

The following tables present the movement in the net assets or liabilities for reinsurance contracts held, showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers for the years ended December 31, 2024 and 2023.

	Assets (liabilities) for remaining coverage		Assets (liabilities) for incurred claims			
	Excluding loss recovery component	Loss recovery component	Products not under PAA	PAA Estimates of PV of future cash flows	PAA Risk adjustment for non-financial risk	Total
Opening reinsurance contract held assets	**$ 35,079**	**$ 246**	**$ 7,035**	**$ 275**	**$ 16**	**$ 42,651**
Opening reinsurance contract held liabilities	**(2,634)**	**2**	**(136)**	**(63)**	**-**	**(2,831)**
Net opening balance, January 1, 2024	**32,445**	**248**	**6,899**	**212**	**16**	**39,820**
Changes in income and OCI						
Allocation of reinsurance premium paid	**(7,709)**	**-**	**-**	**-**	**-**	**(7,709)**
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	**-**	**(32)**	**6,002**	**607**	**1**	**6,578**
Recoveries and reversals of recoveries of losses on onerous underlying contracts	**-**	**372**	**-**	**-**	**-**	**372**
Adjustments to assets for incurred claims	**-**	**-**	**11**	**(14)**	**(7)**	**(10)**
Insurance service result	**(7,709)**	**340**	**6,013**	**593**	**(6)**	**(769)**
Investment components and premium refunds	**(1,939)**	**-**	**1,939**	**-**	**-**	**-**
Net expenses from reinsurance contracts	**(9,648)**	**340**	**7,952**	**593**	**(6)**	**(769)**
Net finance (income) expenses from reinsurance contracts	**(1,859)**	**12**	**4**	**3**	**4**	**(1,836)**
Effect of changes in non-performance risk of reinsurers	**(58)**	**-**	**-**	**-**	**-**	**(58)**
Effects of movements in foreign exchange rates	**4,021**	**36**	**575**	**-**	**-**	**4,632**
Contracts measured under PAA	**-**	**-**	**-**	**-**	**-**	**-**
Total changes in income and OCI	**(7,544)**	**388**	**8,531**	**596**	**(2)**	**1,969**
Cash flows						
Premiums paid[1]	**23,130**	**-**	**-**	**-**	**-**	**23,130**
Amounts received	**-**	**-**	**(7,991)**	**(582)**	**-**	**(8,573)**
Total cash flows	**23,130**	**-**	**(7,991)**	**(582)**	**-**	**14,557**
Net closing balance	**48,031**	**636**	**7,439**	**226**	**14**	**56,346**
Closing reinsurance contract held assets	**50,723**	**631**	**7,395**	**252**	**14**	**59,015**
Closing reinsurance contract held liabilities	**(2,692)**	**5**	**44**	**(26)**	**-**	**(2,669)**
Net closing balance, December 31, 2024	**$ 48,031**	**$ 636**	**$ 7,439**	**$ 226**	**$ 14**	**$ 56,346**

[1]The Company recorded $18.6 billion (2023 – $nil) reinsurance contract held assets from reinsurance transactions which closed during the year. Refer to note 6 (m).

	Assets (liabilities) for remaining coverage		Assets (liabilities) for incurred claims			
	Excluding loss recovery component	Loss recovery component	Products not under PAA	PAA Estimates of PV of future cash flows	PAA Risk adjustment for non-financial risk	Total
Opening reinsurance contract held assets	$ 37,853	$ 209	$ 7,521	$ 280	$ 8	$ 45,871
Opening reinsurance contract held liabilities	(2,196)	4	(137)	(62)	-	(2,391)
Net opening balance, January 1, 2023	35,657	213	7,384	218	8	43,480
Changes in income and OCI						
Allocation of reinsurance premium paid	(6,430)	-	-	-	-	(6,430)
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	-	(45)	5,228	568	-	5,751
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	77	-	-	-	77
Adjustments to assets for incurred claims	-	-	5	(24)	8	(11)
Insurance service result	(6,430)	32	5,233	544	8	(613)
Investment components and premium refunds	(1,519)	-	1,519	-	-	-
Net expenses from reinsurance contracts	(7,949)	32	6,752	544	8	(613)
Net finance (income) expenses from reinsurance contracts	719	8	(97)	9	-	639
Effect of changes in non-performance risk of reinsurers	(14)	-	-	-	-	(14)
Effects of movements in foreign exchange rates	(924)	(5)	(169)	-	-	(1,098)
Contracts measured under PAA	-	-	-	-	-	-
Total changes in income and OCI	(8,168)	35	6,486	553	8	(1,086)
Cash flows						
Premiums paid	4,956	-	-	-	-	4,956
Amounts received	-	-	(6,971)	(559)	-	(7,530)
Total cash flows	4,956	-	(6,971)	(559)	-	(2,574)
Net closing balance	32,445	248	6,899	212	16	39,820
Closing reinsurance contract held assets	35,079	246	7,035	275	16	42,651
Closing reinsurance contract held liabilities	(2,634)	2	(136)	(63)	-	(2,831)
Net closing balance, December 31, 2023	$ 32,445	$ 248	$ 6,899	$ 212	$ 16	$ 39,820

Reinsurance contracts held – Analysis by measurement components

The following tables present the movement in the net assets or liabilities for reinsurance contracts held, showing estimates of the present value of future cash flows, risk adjustment and CSM for the years ended December 31, 2024 and 2023.

			CSM		
	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	Fair value	Other	Total
Opening reinsurance contract held assets	$ 38,156	$ 3,685	$ 565	$ (51)	$ 42,355
Opening reinsurance contract held liabilities	(4,384)	1,305	116	173	(2,790)
Opening PAA reinsurance contract net assets	239	16	-	-	255
Net opening balance, January 1, 2024	34,011	5,006	681	122	39,820
CSM recognized for services received	-	-	(62)	(259)	(321)
Change in risk adjustment for non-financial risk for risk expired	-	(536)	-	-	(536)
Experience adjustments	(265)	-	-	-	(265)
Changes that relate to current services	(265)	(536)	(62)	(259)	(1,122)
Contracts initially recognized during the year	(1,826)	1,261	2	620	57
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	110	32	142
Changes in estimates that adjust the CSM	(1,577)	(290)	1,657	210	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	171	1	-	-	172
Changes that relate to future services	(3,232)	972	1,769	862	371
Adjustments to liabilities for incurred claims	11	-	-	-	11
Changes that relate to past services	11	-	-	-	11
Insurance service result	(3,486)	436	1,707	603	(740)
Insurance finance (income) expenses from reinsurance contracts	(1,858)	(62)	16	62	(1,842)
Effects of changes in non-performance risk of reinsurers	(58)	-	-	-	(58)
Effects of movements in foreign exchange rates	4,069	411	103	47	4,630
Total changes in income and OCI	(1,333)	785	1,826	712	1,990
Total cash flows	14,528	-	-	-	14,528
Change in PAA balance	10	(2)	-	-	8
Net closing balance	47,216	5,789	2,507	834	56,346
Closing reinsurance contract held assets	50,275	5,442	2,619	389	58,725
Closing reinsurance contract held liabilities	(3,308)	333	(112)	445	(2,642)
Closing PAA reinsurance contract net assets	249	14	-	-	263
Net closing balance, December 31, 2024	$ 47,216	$ 5,789	$ 2,507	$ 834	$ 56,346

	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	CSM		Total
			Fair value	Other	
Opening reinsurance contract held assets	$ 39,656	$ 4,049	$ 1,774	$ 99	$ 45,578
Opening reinsurance contract held liabilities	(3,919)	1,574	(39)	38	(2,346)
Opening PAA reinsurance contract net assets	240	8	-	-	248
Net opening balance, January 1, 2023	35,977	5,631	1,735	137	43,480
CSM recognized for services received	-	-	(217)	53	(164)
Change in risk adjustment for non-financial risk for risk expired	-	(478)	-	-	(478)
Experience adjustments	(19)	-	-	-	(19)
Changes that relate to current services	(19)	(478)	(217)	53	(661)
Contracts initially recognized during the year	(64)	399	-	(263)	72
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(36)	17	(19)
Changes in estimates that adjust the CSM	1,433	(821)	(821)	209	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	43	(20)	-	-	23
Changes that relate to future services	1,412	(442)	(857)	(37)	76
Adjustments to liabilities for incurred claims	5	-	-	-	5
Changes that relate to past services	5	-	-	-	5
Insurance service result	1,398	(920)	(1,074)	16	(580)
Insurance finance (income) expenses from reinsurance contracts	173	447	41	(31)	630
Effects of changes in non-performance risk of reinsurers	(14)	-	-	-	(14)
Effects of movements in foreign exchange rates	(916)	(160)	(21)	-	(1,097)
Total changes in income and OCI	641	(633)	(1,054)	(15)	(1,061)
Total cash flows	(2,606)	-	-	-	(2,606)
Change in PAA balance	(1)	8	-	-	7
Net closing balance	34,011	5,006	681	122	39,820
Closing reinsurance contract held assets	38,156	3,685	565	(51)	42,355
Closing reinsurance contract held liabilities	(4,384)	1,305	116	173	(2,790)
Closing PAA reinsurance contract net assets	239	16	-	-	255
Net closing balance, December 31, 2023	$ 34,011	$ 5,006	$ 681	$ 122	$ 39,820

(II) Segment

Carrying balance by measurement components

The following tables present the carrying balances of net assets or liabilities for insurance contracts issued and reinsurance contracts held by measurement components, by reporting segment for the years ended December 31, 2024 and 2023.

Insurance contracts issued

As at December 31, 2024	Excluding contracts applying the PAA		Contracts applying the PAA		CSM			
	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	Fair value	Other	Assets for insurance acquisition cash flows	Total insurance contract liabilities (assets)
Asia	**$ 153,801**	**$ 7,630**	**$ 1,497**	**$ 3**	**$ 11,338**	**$ 6,267**	**$ (290)**	**$ 180,246**
Canada	**100,296**	**3,350**	**11,452**	**688**	**3,986**	**753**	**(588)**	**119,937**
U.S.	**207,665**	**11,337**	**-**	**-**	**3,823**	**738**	**-**	**223,563**
Corporate and Other	**(1,001)**	**(14)**	**252**	**-**	**(140)**	**-**	**-**	**(903)**
	$ 460,761	**$ 22,303**	**$ 13,201**	**$ 691**	**$ 19,007**	**$ 7,758**	**$ (878)**	**$ 522,843**

As at December 31, 2023	Excluding contracts applying the PAA		Contracts applying the PAA		CSM			
	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	Fair value	Other	Assets for insurance acquisition cash flows	Total insurance contract liabilities (assets)
Asia	$ 132,135	$ 6,764	$ 1,242	$ 5	$ 10,431	$ 3,740	$ (271)	$ 154,046
Canada	96,455	3,649	11,153	621	3,851	492	(549)	115,672
U.S.	196,921	12,438	-	-	3,243	459	-	213,061
Corporate and Other	(977)	(13)	317	-	(112)	-	-	(785)
	$ 424,534	$ 22,838	$ 12,712	$ 626	$ 17,413	$ 4,691	$ (820)	$ 481,994

Reinsurance contracts held

As at December 31, 2024	Excluding contracts applying the PAA		Contracts applying the PAA		CSM		
	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	Fair value	Other	Total reinsurance contract liabilities (assets)
Asia	**$ 4,462**	**$ 1,580**	**$ -**	**$ -**	**$ 627**	**$ 141**	**$ 6,810**
Canada	**4,308**	**1,561**	**248**	**13**	**426**	**203**	**6,759**
U.S.	**38,295**	**2,641**	**-**	**1**	**1,603**	**490**	**43,030**
Corporate and Other	**(98)**	**(7)**	**1**	**-**	**(149)**	**-**	**(253)**
	$ 46,967	**$ 5,775**	**$ 249**	**$ 14**	**$ 2,507**	**$ 834**	**$ 56,346**

As at December 31, 2023	Excluding contracts applying the PAA		Contracts applying the PAA		CSM		
	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	Fair value	Other	Total reinsurance contract liabilities (assets)
Asia	$ (351)	$ 1,326	$ (37)	$ -	$ 623	$ 70	$ 1,631
Canada	(1,238)	1,674	275	16	338	(56)	1,009
U.S.	35,461	1,997	-	-	(143)	108	37,423
Corporate and Other	(100)	(7)	1	-	(137)	-	(243)
	$ 33,772	$ 4,990	$ 239	$ 16	$ 681	$ 122	$ 39,820

(c)Insurance revenue by transition method

The following tables provide information as a supplement to the insurance revenue disclosures in note 6 (b).

For the year ended December 31, 2024	Asia	Canada	U.S.	Other	Total
Contracts under the fair value method	**$ 2,629**	**$ 3,322**	**$ 10,975**	**$ (14)**	**$ 16,912**
Contracts under the full retrospective method	**489**	**62**	**141**	**-**	**692**
Other contracts	**2,691**	**5,912**	**287**	**98**	**8,988**
Total	**$ 5,809**	**$ 9,296**	**$ 11,403**	**$ 84**	**$ 26,592**

For the year ended December 31, 2023	Asia	Canada	U.S.	Other	Total
Contracts under the fair value method	$ 2,499	$ 3,288	$ 10,123	$ (18)	$ 15,892
Contracts under the full retrospective method	531	48	152	-	731
Other contracts	2,026	5,283	(81)	121	7,349
Total	$ 5,056	$ 8,619	$ 10,194	$ 103	$ 23,972

(d)Effect of new business recognized in the year

The following tables present components of new business for insurance contracts issued for the years presented.

As at December 31, 2024	Asia		Canada		U.S.		Total	
	Non-Onerous	Onerous	Non-Onerous	Onerous	Non-Onerous	Onerous	Non-Onerous	Onerous
New business insurance contracts								
Estimates of present value of cash outflows	**$ 26,508**	**$ 1,019**	**$ 5,386**	**$ 193**	**$ 3,439**	**$ 958**	**$ 35,333**	**$ 2,170**
Insurance acquisition cash flows	***4,764***	***147***	***860***	***40***	***802***	***211***	***6,426***	***398***
Claims and other insurance service expenses payable	***21,744***	***872***	***4,526***	***153***	***2,637***	***747***	***28,907***	***1,772***
Estimates of present value of cash inflows	**(29,664)**	**(1,002)**	**(5,876)**	**(203)**	**(3,841)**	**(960)**	**(39,381)**	**(2,165)**
Risk adjustment for non-financial risk	**600**	**27**	**117**	**26**	**136**	**46**	**853**	**99**
Contractual service margin	**2,556**	**-**	**373**	**-**	**266**	**-**	**3,195**	**-**
Amount included in insurance contract liabilities for the year	**$ -**	**$ 44**	**$ -**	**$ 16**	**$ -**	**$ 44**	**$ -**	**$ 104**

As at December 31, 2023	Asia		Canada		U.S.		Total	
	Non-Onerous	Onerous	Non-Onerous	Onerous	Non-Onerous	Onerous	Non-Onerous	Onerous
New business insurance contracts								
Estimates of present value of cash outflows	$ 16,209	$ 2,399	$ 3,478	$ 271	$ 2,524	$ 1,126	$ 22,211	$ 3,796
Insurance acquisition cash flows	*3,011*	*322*	*608*	*68*	*676*	*233*	*4,295*	*623*
Claims and other insurance service expenses payable	*13,198*	*2,077*	*2,870*	*203*	*1,848*	*893*	*17,916*	*3,173*
Estimates of present value of cash inflows	(18,765)	(2,330)	(3,823)	(286)	(2,953)	(1,145)	(25,541)	(3,761)
Risk adjustment for non-financial risk	679	89	115	41	168	88	962	218
Contractual service margin	1,877	-	230	-	261	-	2,368	-
Amount included in insurance contract liabilities for the year	$ -	$ 158	$ -	$ 26	$ -	$ 69	$ -	$ 253

The following tables present components of new business for reinsurance contracts held portfolios for the years presented.

As at December 31, 2024	Asia	Canada	U.S.	Total
New business reinsurance contracts				
Estimates of present value of cash outflows	**$ (7,144)**	**$ (6,153)**	**$ (7,519)**	**$ (20,816)**
Estimates of present value of cash inflows	**6,950**	**5,876**	**6,164**	**18,990**
Risk adjustment for non-financial risk	**189**	**68**	**1,004**	**1,261**
Contractual service margin	**21**	**217**	**384**	**622**
Amount included in reinsurance assets for the year	**$ 16**	**$ 8**	**$ 33**	**$ 57**

As at December 31, 2023	Asia	Canada	U.S.	Total
New business reinsurance contracts				
Estimates of present value of cash outflows	$ (916)	$ (331)	$ (750)	$ (1,997)
Estimates of present value of cash inflows	815	319	799	1,933
Risk adjustment for non-financial risk	170	76	153	399
Contractual service margin	(57)	(51)	(155)	(263)
Amount included in reinsurance assets for the year	$ 12	$ 13	$ 47	$ 72

(e)Expected recognition of contractual service margin

The following tables present expectations for the timing of recognition of CSM in income in future years.

As at December 31, 2024	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	More than 20 years	Total
Canada						
Insurance contracts issued	**$ 426**	**$ 1,347**	**$ 1,116**	**$ 1,173**	**$ 677**	**$ 4,739**
Reinsurance contracts held	**(53)**	**(150)**	**(126)**	**(144)**	**(156)**	**(629)**
	373	**1,197**	**990**	**1,029**	**521**	**4,110**
U.S.						
Insurance contracts issued	**474**	**1,510**	**1,194**	**1,023**	**360**	**4,561**
Reinsurance contracts held	**(278)**	**(835)**	**(569)**	**(381)**	**(30)**	**(2,093)**
	196	**675**	**625**	**642**	**330**	**2,468**
Asia						
Insurance contracts issued	**1,527**	**5,006**	**2,861**	**2,815**	**5,396**	**17,605**
Reinsurance contracts held	**(72)**	**(295)**	**(194)**	**(58)**	**(149)**	**(768)**
	1,455	**4,711**	**2,667**	**2,757**	**5,247**	**16,837**
Corporate						
Insurance contracts issued	**(10)**	**(36)**	**(35)**	**(42)**	**(17)**	**(140)**
Reinsurance contracts held	**13**	**67**	**59**	**11**	**(1)**	**149**
	3	**31**	**24**	**(31)**	**(18)**	**9**
Total	**$ 2,027**	**$ 6,614**	**$ 4,306**	**$ 4,397**	**$ 6,080**	**$ 23,424**

As at December 31, 2023	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	More than 20 years	Total
Canada						
Insurance contracts issued	$ 379	$ 1,213	$ 1,016	$ 1,084	$ 651	$ 4,343
Reinsurance contracts held	(36)	(83)	(52)	(46)	(65)	(282)
	343	1,130	964	1,038	586	4,061
U.S.						
Insurance contracts issued	388	1,235	968	823	288	3,702
Reinsurance contracts held	(50)	(139)	(35)	90	169	35
	338	1,096	933	913	457	3,737
Asia						
Insurance contracts issued	1,273	4,066	3,320	3,308	2,204	14,171
Reinsurance contracts held	(44)	(202)	(173)	(105)	(169)	(693)
	1,229	3,864	3,147	3,203	2,035	13,478
Corporate						
Insurance contracts issued	(8)	(28)	(28)	(34)	(14)	(112)
Reinsurance contracts held	10	51	53	19	4	137
	2	23	25	(15)	(10)	25
Total	$ 1,912	$ 6,113	$ 5,069	$ 5,139	$ 3,068	$ 21,301

(f)Investment income and insurance finance income and expenses

For the year ended December 31, 2024	Insurance contracts	Non-insurance[1]	Total
Investment return			
Investment-related income	**$ 14,214**	**$ 3,268**	**$ 17,482**
Net gains (losses) on financial assets at FVTPL	**1,788**	**63**	**1,851**
Unrealized gains (losses) on FVOCI assets	**5,590**	**(6,803)**	**(1,213)**
Impairment and recovery (loss) on financial assets	**137**	**(28)**	**109**
Investment expenses	**(644)**	**(704)**	**(1,348)**
Interest on required surplus	**672**	**(672)**	**-**
Total investment return	**21,757**	**(4,876)**	**16,881**
Portion recognized in income (expenses)	**16,489**	**2,622**	**19,111**
Portion recognized in OCI	**5,268**	**(7,498)**	**(2,230)**
Insurance finance income (expenses) from insurance contracts issued and effect of movement in exchange rates			
Interest accreted to insurance contracts	**(10,283)**	**26**	**(10,257)**
Due to changes in interest rates and other financial assumptions	**10,199**	**(67)**	**10,132**
Changes in fair value of underlying items of direct participation contracts	**(5,231)**	**-**	**(5,231)**
Effects of risk mitigation option	**1,755**	**-**	**1,755**
Net foreign exchange income (expenses)	**(2)**	**-**	**(2)**
Hedge accounting offset from insurance contracts issued	**(128)**	**-**	**(128)**
Reclassification of derivative OCI to IFIE – cash flow hedges	**52**	**-**	**52**

For the year ended December 31, 2023	Insurance contracts	Non-insurance[1]	Total
Investment return			
Investment-related income	$ 13,036	$ 3,079	$ 16,115
Net gains (losses) on financial assets at FVTPL	2,176	506	2,682
Unrealized gains (losses) on FVOCI assets	11,212	1,018	12,230
Impairment and recovery (loss) on financial assets	(247)	(57)	(304)
Investment expenses	(540)	(757)	(1,297)
Interest on required surplus	521	(521)	-
Total investment return	26,158	3,268	29,426
Portion recognized in income (expenses)	15,830	2,191	18,021
Portion recognized in OCI	10,328	1,077	11,405
Insurance finance income (expenses) from insurance contracts issued and effect of movement in exchange rates			
Interest accreted to insurance contracts	(8,214)	28	(8,186)
Due to changes in interest rates and other financial assumptions	(11,008)	21	(10,987)
Changes in fair value of underlying items of direct participation contracts	(7,384)	-	(7,384)
Effects of risk mitigation option	1,267	-	1,267
Net foreign exchange income (expenses)	(80)	-	(80)
Hedge accounting offset from insurance contracts issued	(41)	-	(41)
Reclassification of derivative OCI to IFIE – cash flow hedges	(3)	-	(3)
Reclassification of derivative income (loss) changes to IFIE – fair value hedge	185	-	185
Other	237	-	237
Total insurance finance income (expenses) from insurance contracts issued	(25,041)	49	(24,992)
Effect of movements in foreign exchange rates	(952)	-	(952)
Total insurance finance income (expenses) from insurance contracts issued and effect of movement in foreign exchange rates	(25,993)	49	(25,944)
Portion recognized in income (expenses), including effects of exchange rates	(13,930)	36	(13,894)
Portion recognized in OCI, including effects of exchange rates	(12,063)	13	(12,050)
Reinsurance finance income (expenses) from reinsurance contracts held and effect of movement in foreign exchange rates			
Interest accreted to insurance contracts	241	(12)	229
Due to changes in interest rates and other financial assumptions	598	(28)	570
Changes in risk of non-performance of reinsurers	(15)	-	(15)
Other	(159)	-	(159)
Total reinsurance finance income (expenses) from reinsurance contracts held	665	(40)	625
Effect of movements in foreign exchange rates	(120)	-	(120)
Total reinsurance finance income (expenses) from reinsurance contracts held and effect of movement in foreign exchange rates	545	(40)	505
Portion recognized in income (expenses), including effects of foreign exchange rates	(719)	(15)	(734)
Portion recognized in OCI, including effects of exchange rates	1,264	(25)	1,239
Decrease (increase) in investment contract liabilities	(17)	(418)	(435)
Total net investment income (loss), insurance finance income (expenses) and reinsurance finance income (expenses)	693	2,859	3,552
Amounts recognized in income (expenses)	1,164	1,794	2,958
Amounts recognized in OCI	(471)	1,065	594

[1] Non-insurance includes consolidations and eliminations of transactions between operating segments.

The following tables present Investment income and insurance finance income and expenses recognized in income or expenses or other comprehensive income, by reporting segments for the years ended December 31, 2024 and December 31, 2023.

For the year ended December 31, 2024	Insurance and reinsurance contracts					
	Asia	Canada	U.S.	Corporate	Non-insurance[1]	Total
Total investment return						
Portion recognized in income (expenses)	**$ 7,994**	**$ 3,529**	**$ 4,943**	**$ 23**	**$ 2,622**	**$ 19,111**
Portion recognized in OCI	**801**	**5,876**	**(1,411)**	**2**	**(7,498)**	**(2,230)**
	8,795	**9,405**	**3,532**	**25**	**(4,876)**	**16,881**
Total insurance finance income (expenses) from insurance contracts issued and effect of movement in foreign exchange rates						
Portion recognized in income (expenses), including effects of exchange rates	**(7,334)**	**(3,650)**	**(5,278)**	**10**	**33**	**(16,219)**
Portion recognized in OCI, including effects of exchange rates	**(977)**	**473**	**8,749**	**-**	**(74)**	**8,171**
	(8,311)	**(3,177)**	**3,471**	**10**	**(41)**	**(8,048)**
Total reinsurance finance income (expenses) from reinsurance contracts held and effect of movement in foreign exchange rates						
Portion recognized in income (expenses), including effects of foreign exchange rates	**604**	**347**	**185**	**(3)**	**-**	**1,133**
Portion recognized in OCI, including effects of exchange rates	**(168)**	**59**	**(2,677)**	**-**	**4**	**(2,782)**
	436	**406**	**(2,492)**	**(3)**	**4**	**(1,649)**

[1] Non-insurance includes consolidations and eliminations of transactions between operating segments.

For the year ended December 31, 2023	Insurance and reinsurance contracts					
	Asia	Canada	U.S.	Corporate	Non-insurance[1]	Total
Total investment return						
Portion recognized in income (expenses)	$ 7,095	$ 3,514	$ 5,193	$ 28	$ 2,191	$ 18,021
Portion recognized in OCI	4,675	2,454	3,197	2	1,077	11,405
	11,770	5,968	8,390	30	3,268	29,426
Total insurance finance income (expenses) from insurance contracts issued and effect of movement in foreign exchange rates						
Portion recognized in income (expenses), including effects of exchange rates	(6,436)	(3,315)	(4,868)	689	36	(13,894)
Portion recognized in OCI, including effects of exchange rates	(4,601)	(2,394)	(5,068)	-	13	(12,050)
	(11,037)	(5,709)	(9,936)	689	49	(25,944)
Total reinsurance finance income (expenses) from reinsurance contracts held and effect of movement in foreign exchange rates						
Portion recognized in income (expenses), including effects of foreign exchange rates	(105)	57	11	(682)	(15)	(734)
Portion recognized in OCI, including effects of exchange rates	117	33	1,114	-	(25)	1,239
	12	90	1,125	(682)	(40)	505

[1] Non-insurance includes consolidations and eliminations of transactions between operating segments.

(g)Significant judgements and estimates

(I)Fulfilment cash flows

Fulfilment cash flows have three major components:

- 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
- A risk adjustment for non-financial risk

The determination of insurance fulfilment cash flows involves the use of estimates and assumptions. A comprehensive review of valuation assumptions and methods is performed annually. The review reduces the Company's exposure to uncertainty by ensuring assumptions for liability risks remain appropriate. This is accomplished by monitoring experience and updating assumptions which 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 current best estimates and assessment of risk, the ongoing monitoring of experience and the changes in the economic environment are likely to result in future changes to the actuarial assumptions, which could materially impact the insurance contract liabilities.

Method used to measure insurance and reinsurance contract fulfilment cash flows

The Company primarily uses deterministic projections using best estimate assumptions to determine the present value of future cash flows. For product features such as universal life minimum crediting rates guarantees, participating life zero dividend floor implicit guarantees and variable annuities guarantees, the Company developed a stochastic approach to capture the asymmetry of the risk.

Determination of assumptions used

For the deterministic projections, assumptions are made with respect to mortality, morbidity, rates of policy termination, operating expenses and certain taxes. Actual experience is monitored to ensure that assumptions remain appropriate and assumptions are changed as warranted. Assumptions are discussed in more detail in the following table.

Nature of factors and assumption methodology		Risk management

Mortality

Nature of factors and assumption methodology		Risk management

The best estimate projections for policyholder dividends and experience rating refunds, and other adjustable elements of policy benefits are determined to be consistent with management's expectation of how these elements will be managed should experience emerge consistently with the best estimate assumptions.

Taxes reflect assumptions for future premium taxes and other non-income related taxes.

The Company prices its products to cover the expected cost of taxes.

The Company monitors policy experience and adjusts policy benefits and other adjustable elements to reflect this experience. Policyholder dividends are reviewed annually for all businesses under a framework of Board-approved policyholder dividend policies.

Tax

Policyholder dividends, experience rating refunds, and other adjustable policy elements

The Company reviews actuarial methods and assumptions on an annual basis. If changes are made to non-economic assumptions, the impact based on locked-in economic assumptions would adjust the contractual service margin for general model and VFA contracts if there is any remaining contractual service margin for the group of policies where the change was made. This amount would then be recognized in income over the period of service provided. Changes could also impact net income and other comprehensive income to the extent that the contractual service margin has been depleted, or discount rates are different than the locked-in rates used to quantify changes to the contractual service margin.

(II)Determination of discretionary changes

The terms of some contracts measured under the GMM give the Company discretion over the cash flows to be paid to the policyholders, either in timing or amount. Changes in discretionary cash flows are regarded as relating to future service and accordingly adjust the CSM. The Company determines how to identify a change in discretionary cash flows by specifying the basis on which it expects to determine its commitment under the contract; for example, based on a fixed interest rate or on returns that vary based on specified asset returns. This determination is specified at the inception of the contract.

Amounts presented in income for policies where changes in assumptions that relate to financial risk do not have a substantial impact on amounts paid to policyholders reflect discount rates locked in beginning with the adoption of IFRS 17 or locked in at issue for later insurance contracts. These policies include term insurance, guaranteed whole life insurance, and health products including critical illness and long-term care. For policies where changes in assumptions to financial risk have a substantial impact on amounts paid to policyholders, discount rates are updated as future cash flows change due to changes in financial risk, so that the amount presented in income from future changes in financial variables is $nil. These policies include adjustable universal life contracts. Impacts from differences between current period rates and discount rates used to determine income are presented in other comprehensive income.

(IV) Risk adjustment and confidence level used to determine risk adjustment

Risk adjustment for non-financial risk represents the compensation the Company requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the Company fulfils insurance contracts. The risk adjustment process considers insurance, lapse and expense risks, includes both favourable and unfavourable outcomes, and reflects diversification benefits from the insurance contracts issued.

The Company estimates the risk adjustment using a margin approach. This approach applies a margin for adverse deviation, typically in terms of a percentage of best estimate assumptions, where future cash flows are uncertain. The resulting cash flows are discounted at rates consistent with the best estimate cash flows to arrive at the total risk adjustment. The ranges for these margins are set by the Company and reviewed periodically.

The risk adjustment for non-financial risk for insurance contracts corresponds to a 90 – 95% confidence level for all segments.

(V)Investment component, Investment-return service and Investment-related service

The Company identifies the investment component, investment-return service (contract without direct participation features) and investment-related service (contract with direct participation features) of a contract as part of the product governance process. Investment components are amounts that are to be paid to the policyholder under all circumstances. Investment components are excluded from insurance revenue and insurance service expenses.

Investment-return services and investment-related services are investment services rendered as part of an insurance contract and are part of the insurance contract services provided to the policyholder.

(VI) Relative weighting of the benefit provided by insurance coverage, investment-return service and investment-related service

The contractual service margin is released into income, when insurance contract services are provided, by using coverage units. Coverage units represent the quantity of service (insurance coverage, investment-return and investment-related services) provided and are determined by considering the benefit provided under the contract and its expected coverage duration. When the relative size of the investment-related service coverage or the investment-return service coverage unit is disproportionate compared to the insurance service coverage unit, or vice versa, the Company must determine a relative weighting of the services to reflect the delivery of each of those services. The Company identifies the coverage units as part of the product governance process and did not identify contracts where such weighting was required.

(h)Sensitivity of insurance contract liabilities to changes in non-economic 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 method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

The analysis is based on a simultaneous change in assumptions across all businesses and holds all other assumptions constant. In practice, experience for each assumption will frequently vary by geographic market and business, and assumption updates are specifically made on a business and geographic 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 the Company's 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[1]

As at December 31, 2024	CSM net of NCI		Net income attributed to shareholders		Other comprehensive income attributed to shareholders		Total comprehensive income attributed to shareholders	
(post-tax except CSM)	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Policy related assumptions								
2% adverse change in future mortality rates[2],[3],[5]								
Portfolios where an increase in rates increases insurance contract liabilities	**$ (700)**	**$ (200)**	**$ (700)**	**$ (300)**	**$ 200**	**$ 100**	**$ (500)**	**$ (200)**
Portfolios where a decrease in rates increases insurance contract liabilities	**(100)**	**(600)**	**-**	**-**	**100**	**200**	**100**	**200**
5% adverse change in future morbidity rates[4],[5],[6] (incidence and termination)	**(2,200)**	**(1,800)**	**(3,000)**	**(2,700)**	**700**	**600**	**(2,300)**	**(2,100)**
10% change in future policy termination rates[3],[5]								
Portfolios where an increase in rates increases insurance contract liabilities	**(700)**	**(600)**	**(100)**	**(100)**	**(200)**	**(200)**	**(300)**	**(300)**
Portfolios where a decrease in rates increases insurance contract liabilities	**(900)**	**(700)**	**(700)**	**(400)**	**400**	**300**	**(300)**	**(100)**
5% increase in future expense levels	**(600)**	**(600)**	**(100)**	**(100)**	**100**	**100**	**-**	**-**

As at December 31, 2023	CSM net of NCI		Net income attributed to shareholders		Other comprehensive income attributed to shareholders		Total comprehensive income attributed to shareholders	
(post-tax except CSM)	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Policy related assumptions								
2% adverse change in future mortality rates[2],[3],[5]								
Portfolios where an increase in rates increases insurance contract liabilities	$ (800)	$ (200)	$ (400)	$ (200)	$ -	$ -	$ (400)	$ (200)
Portfolios where a decrease in rates increases insurance contract liabilities	-	(500)	-	-	-	100	-	100
5% adverse change in future morbidity rates[4],[5],[6] (incidence and termination)	(1,500)	(1,300)	(3,300)	(3,300)	500	400	(2,800)	(2,900)
10% change in future policy termination rates[3],[5]								
Portfolios where an increase in rates increases insurance contract liabilities	(600)	(500)	(100)	(100)	(100)	(100)	(200)	(200)
Portfolios where a decrease in rates increases insurance contract liabilities	(1,200)	(800)	(400)	(300)	300	200	(100)	(100)
5% increase in future expense levels	(600)	(600)	-	-	-	-	-	-

[1]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 on the CSM and shareholder income.

[2]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.

[3]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.

[4]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.

[5]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, the Company would plan to file for rate increases equal to the amount of deterioration resulting from the sensitivity.

[6]This includes a 5% deterioration in incidence rates and a 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[1]

As at December 31, 2024	CSM net of NCI		Net income attributed to shareholders		Other comprehensive income attributed to shareholders		Total comprehensive income attributed to shareholders	
(post-tax except CSM)	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Policy related assumptions								
2% adverse change in future mortality rates[2],[3]	**$ (300)**	**$ (300)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
5% adverse change in future morbidity incidence rates[2],[3]	**(1,400)**	**(1,300)**	**(500)**	**(400)**	**200**	**200**	**(300)**	**(200)**
5% adverse change in future morbidity claims termination rates[2],[3]	**(1,400)**	**(1,300)**	**(1,300)**	**(1,100)**	**500**	**400**	**(800)**	**(700)**
10% adverse change in future policy termination rates[2],[3]	**(400)**	**(400)**	**-**	**-**	**100**	**100**	**100**	**100**
5% increase in future expense levels[3]	**(100)**	**(100)**	**-**	**-**	**-**	**-**	**-**	**-**
As at December 31, 2023	CSM net of NCI		Net income attributed to shareholders		Other comprehensive income attributed to shareholders		Total comprehensive income attributed to shareholders	
(post-tax except CSM)	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Policy related assumptions								
2% adverse change in future mortality rates[2],[3]	$ (300)	$ (300)	$ -	$ -	$ -	$ -	$ -	$ -
5% adverse change in future morbidity incidence rates[2],[3]	(900)	(900)	(800)	(800)	100	100	(700)	(700)
5% adverse change in future morbidity claims termination rates[2],[3]	(900)	(900)	(1,600)	(1,600)	200	200	(1,400)	(1,400)
10% adverse change in future policy termination rates[2],[3]	(400)	(400)	-	-	-	-	-	-
5% increase in future expense levels[3]	(100)	(100)	-	-	-	-	-	-

[1]The potential impacts on CSM were translated from US$ at 1.4382 (2023 – 1.3186) and the potential impacts on net income attributed to shareholders, OCI attributed to shareholders and total comprehensive income attributed to shareholders were translated from US$ at 1.3987 (2023 – 1.3612).

[2]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, the Company would plan to file for rate increases equal to the amount of deterioration resulting from the sensitivities.

[3]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[1]

As at December 31, 2024 (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
Financial assumptions				
10 basis point reduction in ultimate spot rate	**$ (300)**	**$ -**	**$ (200)**	**$ (200)**
50 basis point increase in interest rate volatility[2]	**(100)**	**-**	**-**	**-**
50 basis point increase in non-fixed income return volatility[2]	**(100)**	**-**	**-**	**-**

As at December 31, 2023 (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
Financial assumptions				
10 basis point reduction in ultimate spot rate	$ (200)	$ -	$ (300)	$ (300)
50 basis point increase in interest rate volatility[2]	-	-	-	-
50 basis point increase in non-fixed income return volatility[2]	(100)	-	-	-

[1]Note that the impact of these assumptions is not linear.

[2]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.

(i)Actuarial methods and assumptions

The Company performs a comprehensive review of actuarial methods and assumptions annually. The review is designed to reduce the Company's exposure to uncertainty by ensuring assumptions for insurance contract liability risks remain appropriate. This is accomplished by monitoring experience and updating assumptions that represent a best estimate of expected future experience, and maintaining a risk adjustment that is 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 net liabilities. The changes implemented from the review are generally implemented in the third quarter of each year, though updates may be made outside the third quarter in certain circumstances.

2024 review of actuarial methods and assumptions

The completion of the 2024 annual review of actuarial methods and assumptions resulted in a decrease in pre-tax fulfilment cash flows of $174, excluding the portion related to non-controlling interests. These changes resulted in a decrease in pre-tax net income attributed to shareholders of $250 ($199 post-tax), an increase in pre-tax net income attributed to participating policyholders of $29 ($21 post-tax), a decrease in CSM of $421, an increase in pre-tax other comprehensive income attributed to shareholders of $771 ($632 post-tax), and an increase in pre-tax other comprehensive income attributed to participating policyholders of $45 ($32 post-tax).

Impact of changes in actuarial methods and assumptions on pre-tax fulfilment cash flows[1]

For the year ended December 31, 2024	Total
Lapse and policyholder behaviour updates	**$ 620**
Reinsurance contract and other risk adjustment review	**427**
Expense updates	**(406)**
Financial related updates	**(386)**
Mortality and morbidity updates	**(273)**
Methodology and other updates	**(156)**
Impact of changes in actuarial methods and assumptions, pre-tax	**$ (174)**

[1]Excludes the portion related to non-controlling interests of $(215). The impact of changes in actuarial methods and assumptions on pre-tax fulfilment cash flows, including the portion related to non-controlling interests, would be $(389).

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[1]

For the year ended December 31, 2024	Total
Portion recognized in net income (loss) attributed to:	
Participating policyholders	**$ 29**
Shareholders	**(250)**
	(221)
Portion recognized in OCI attributed to:	
Participating policyholders	**45**
Shareholders	**771**
	816
Portion recognized in CSM	**(421)**
Impact of changes in actuarial methods and assumptions, pre-tax	**$ 174**

[1]Excludes the portion related to non-controlling interests of $215. The impact of changes in actuarial methods and assumptions on pre-tax fulfilment cash flows, including the portion related to non-controlling interests, would be $389.

Lapse and policyholder behaviour updates

Updates to lapses and policyholder behaviour assumptions resulted in an increase in pre-tax fulfilment cash flows of $620.
The increase was primarily driven by a detailed review of the lapse assumptions for the Company's non-participating products in its U.S. life insurance business and its International High Net Worth business in Asia segment. For U.S. protection products, lapse rates declined during the COVID-19 pandemic and continue to remain low, while for U.S. indexed universal life, U.S. bank-owned life insurance, and Asia's International High Net Worth business, lapse rates increased due to the impact of higher short-term interest rates. The Company updated its lapse assumptions to reflect these experience trends. The ultimate lapse rates for products with no-lapse guarantees were not changed.

Reinsurance contract and other risk adjustment review

The review of the Company's reinsurance contracts and risk adjustment, excluding changes that were a direct result of other assumption updates, resulted in an increase in pre-tax fulfilment cash flows of $427.
The increase was driven by updates to the Company's reinsurance contract fulfilment cash flows to reflect current reinsurance market conditions and the resulting expected cost on older U.S. mortality reinsurance, partially offset by updates to the Company's risk adjustment methodology in North America related to non-financial risk.
The Company's overall risk adjustment continues to be within the 90 – 95% confidence level.

Expense updates

Expense updates resulted in a decrease in pre-tax fulfilment cash flows of $406.
The decrease was driven by a detailed review of the Company's global expenses, including investment expenses. The Company aligned them with its current cost structure and included the impact of changes in classification of certain expenses from directly attributable to non-directly attributable.

Financial related updates

Financial related updates resulted in a decrease in pre-tax fulfilment cash flows of $386.
The decrease was driven by a review of the discount rates used in the valuation of the Company's non-participating business, which included increases to ultimate risk-free rates in the U.S. to align with historical averages, as well as updates to parameters

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 the Company's assumptions, the Company's 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.

Impact of changes in actuarial methods and assumptions on pre-tax fulfilment cash flows[1]

	For the three and nine months ended September 30, 2023	For the three months ended December 31, 2023	For the year ended December 31, 2023
Canada variable annuity product review	$ (133)	$ -	$ (133)
Mortality and morbidity updates	265	-	265
Lapse and policyholder behaviour updates	98	-	98
Methodology and other updates	(577)	-	(577)
Risk adjustment review	-	(2,850)	(2,850)
Impact of changes in actuarial methods and assumptions, pre-tax	$ (347)	$ (2,850)	$ (3,197)

[1]Excludes the portion related to non-controlling interests of $103 for the three and nine months ended September 30, 2023, and $97 for the three months ended December 31, 2023, respectively.

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[1]

	For the three and nine months ended September 30, 2023	For the three months ended December 31, 2023	For the year ended December 31, 2023
Portion recognized in net income (loss) attributed to:			
Participating policyholders	$ 58	$ 115	$ 173
Shareholders	27	144	171
	85	259	344
Portion recognized in OCI attributed to:			
Participating policyholders	-	(21)	(21)
Shareholders	146	(26)	120
	146	(47)	99
Portion recognized in CSM	116	2,638	2,754
Impact of changes in actuarial methods and assumptions, pre-tax	$ 347	$ 2,850	$ 3,197

[1]Excludes the portion related to non-controlling interests, of which $72 is related to CSM for the three and nine months ended September 30, 2023, and $87 is related to CSM for the three months ended December 31, 2023.

Canada variable annuity product review

The review of the Company's variable annuity products in Canada resulted in a decrease in pre-tax fulfilment cash flows of $133. 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.

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 the Company's 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.

The increase was primarily driven by a detailed review of lapse assumptions for the Company's 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 $3,427.

In the third quarter of 2023, methodology and other updates resulted in a decrease in pre-tax fulfilment cash flows of $577. 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 the Company's U.S. life insurance business.

In the fourth quarter of 2023, methodology and other updates resulted in a decrease in pre-tax fulfilment cash flows of $2,850. The decrease was driven by a decrease in the overall level of the risk adjustment for non-financial risk. This change moves the risk adjustment to approximately the middle of the Company's existing 90 – 95% confidence level range.

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

For the three and nine months ended September 30, 2023

The impact of changes in actuarial methods and assumptions in Canada resulted in a decrease in pre-tax fulfilment cash flows of $159. The decrease was driven by updates to the Company's variable annuity product assumptions, as well as by updates to its valuation models for participating products, driven by the annual dividend recalibration, partially offset by a reduction in lapse rates on its 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 ($37 post-tax), an increase in CSM of $142, and an increase in pre-tax other comprehensive income attributed to shareholders of $2 ($1 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. The increase was related to the Company's 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 ($106 post-tax), a decrease in CSM of $600, and an increase in pre-tax other comprehensive income attributed to shareholders of $196 ($155 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. 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 ($157 post-tax), an increase in CSM of $574, and a decrease in pre-tax other comprehensive income attributed to shareholders of $53 ($47 post-tax).
The impact of changes in actuarial methods and assumptions in Corporate and Other (which includes the Company's property and casualty reinsurance businesses, run-off insurance operations including variable annuities and health, and consolidation adjustments including intercompany eliminations) resulted in a decrease in pre-tax fulfilment cash flows of $1. These changes resulted in no impacts to pre-tax net income attributed to shareholders or CSM, and an increase in pre-tax other comprehensive income attributed to shareholders of $1 ($1 post-tax).

For the three months ended December 31, 2023

The reduction in the risk adjustment level resulted in the following impacts by segment:
The impact of changes in actuarial methods and assumptions in Canada resulted in a decrease in pre-tax fulfilment cash flows of $246. These changes resulted in an increase in pre-tax net income attributed to shareholders of $4 ($3 post-tax), an increase in pre-tax net income attributed to policyholder of $40 ($29 post-tax), an increase in CSM of $213, and a decrease in pre-tax other comprehensive income of $11 ($8 post-tax).
The impact of changes in actuarial methods and assumptions in the U.S. resulted in a decrease in pre-tax fulfilment cash flows of $91. These changes resulted in an increase in pre-tax net income attributed to shareholders of $33 ($26 post-tax), an increase in CSM of $78, and a decrease in pre-tax other comprehensive income of $20 ($15 post-tax).
The impact of changes in actuarial methods and assumptions in Asia resulted in a decrease in pre-tax fulfilment cash flows of $2,513. These changes resulted in an increase in pre-tax net income attributed to shareholders of $107 ($90 post-tax), an increase in pre-tax net income attributed to policyholders of $75 ($62 post-tax), an increase in CSM of $2,348, and a decrease in pre-tax other comprehensive income of $17 ($14 post-tax).

(j)Composition of underlying items

The following table sets out the composition and fair value of the underlying items supporting the Company's liabilities for direct participation contracts as at the dates presented.

	2024			2023		
As at December 31,	Participating	Variable annuity	Unit linked	Participating	Variable annuity	Unit linked
Underlying assets						
Debt securities	**$ 54,238**	**$ -**	**$ -**	$ 44,682	$ -	$ -
Public equities	**19,846**	**-**	**-**	14,442	-	-
Mortgages	**4,535**	**-**	**-**	4,449	-	-
Private placements	**8,398**	**-**	**-**	6,720	-	-
Real estate	**4,525**	**-**	**-**	3,907	-	-
Other(1)(2)	**31,952**	**72,061**	**18,771**	27,017	68,749	15,539
Total	**$ 123,494**	**$ 72,061**	**$ 18,771**	$ 101,217	$ 68,749	$ 15,539

(1)Other for participating life insurance contracts include derivatives, reinsurance contract held assets, and other invested assets.
(2)Other for variable annuity contracts and unit linked contracts include investments in segregated funds.

(k)Asset for insurance acquisition cash flow

The following table presents the expected future derecognition of asset for insurance acquisition cash flow as at the dates presented.

	2024				2023			
As at December 31,	Less than 1 year	1 to 5 years	More than 5 years	Total	Less than 1 year	1 to 5 years	More than 5 years	Total
Asia	**$ 65**	**$ 168**	**$ 57**	**$ 290**	$ 59	$ 150	$ 62	$ 271
Canada	**72**	**213**	**303**	**588**	72	205	272	549
Total	**$ 137**	**$ 381**	**$ 360**	**$ 878**	$ 131	$ 355	$ 334	$ 820

(l)Insurance and reinsurance contracts contractual obligations – maturity analysis and amounts payable on demand

The tables below represent the maturities of the insurance contract and reinsurance contract held liabilities as at the dates presented.

As at December 31, 2024 Payments due by period	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Insurance contract liabilities(1)	**$ 4,223**	**$ 3,711**	**$ 6,266**	**$ 8,741**	**$ 12,644**	**$ 1,348,354**	**$ 1,383,939**
Reinsurance contract held liabilities(1)	**250**	**395**	**530**	**419**	**373**	**(11,450)**	**(9,483)**

As at December 31, 2023 Payments due by period	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Insurance contract liabilities(1)	$ 3,400	$ 5,546	$ 6,766	$ 8,849	$ 11,320	$ 1,074,764	$ 1,110,645
Reinsurance contract held liabilities(1)	332	460	492	592	475	6,097	8,448

[(1)] Insurance contract liabilities cash flows include estimates related to the timing and payment of death and disability claims, policy surrenders, policy maturities, annuity payments, minimum guarantees on segregated fund products, policyholder dividends, commissions and premium taxes offset by contractual future premiums on in-force contracts and exclude amounts from insurance contract liabilities for account of segregated fund holders. These estimated cash flows are based on the best estimate assumptions used in the determination of insurance contract liabilities. These amounts are undiscounted. Reinsurance contract held liabilities cash flows include estimates related to the timing and payment of future reinsurance premiums offset by recoveries on in-force reinsurance agreements. Due to the use of assumptions, actual cash flows may differ from these estimates. Cash flows include embedded derivatives measured separately at fair value.

The amounts from insurance contract liabilities that are payable on demand are set out below as at the dates presented.

As at December 31,	2024		2023	
	Amounts payable on demand	Carrying amount	Amounts payable on demand	Carrying amount
Asia	**$ 121,197**	**$ 131,829**	$ 100,060	$ 129,117
Canada	**31,100**	**53,224**	28,264	56,887
U.S.	**48,918**	**66,524**	44,360	63,092
Total	**$ 201,215**	**$ 251,577**	$ 172,684	$ 249,096

The amounts payable on demand represent the policyholders' cash and / or account values less applicable surrender fees as at the time of the reporting date. Segregated fund insurance liabilities for account of segregated fund holders are excluded from the amounts payable on demand and the carrying amount.

(m) Reinsurance transactions

Agreement with Global Atlantic Financial Group

On December 11, 2023, the Company announced it entered into agreements with Global Atlantic Financial Group Ltd. ("GA") to reinsure policies from the U.S. long-term care ("LTC"), U.S. structured settlements, and Japan whole life legacy blocks. Under the terms of the transaction, the Company retained responsibility for the administration of the policies, with no intended impact to policyholders. The transaction was structured as coinsurance of an 80% quota share for the LTC block and 100% quota shares for the other blocks.

The transaction closed on February 22, 2024, with the Company transferring invested assets measured at FVOCI of $13.4 billion and reinsuring insurance and investment contract net liabilities of $13.2 billion. The Company recognized a reinsurance contractual service margin of $308 and financial assets of $134.

Agreement with RGA Life Reinsurance Company of Canada

On March 25, 2024, the Company announced it entered into an agreement with RGA Life Reinsurance Company of Canada ("RGA Canada") to reinsure policies from its Canadian universal life block. Under the terms of the transaction, the Company retained responsibility for the administration of the policies, with no intended impact to policyholders. The transaction was structured as coinsurance with a 100% quota share.

The transaction closed on April 2, 2024, with the Company transferring invested assets measured at FVOCI of $5.5 billion and reinsuring insurance contract liabilities of $5.4 billion. The Company recognized a reinsurance contractual service margin of $213.

Agreement with Reinsurance Group of America

On November 20, 2024, the Company announced it entered into an agreement with Reinsurance Group of America, Incorporated ("RGA") to reinsure policies from the U.S. LTC and U.S. structured settlement legacy blocks. Under the terms of the transaction, the Company retained responsibility for the administration of the policies, with no intended impact to policyholders. The transaction was structured as a 75% quota share for both the LTC and structured settlements blocks.

The transaction closed on January 2, 2025, with an effective date of January 1, 2025, with the Company transferring invested assets of $5.4 billion and reinsuring insurance contract liabilities of $5.4 billion.

Note 7 Investment Contract Liabilities

Investment contract liabilities are contractual financial obligations of the Company that do not contain significant insurance risk. Those contracts are subsequently measured either at fair value or at amortized cost.

(a) Investment contract liabilities measured at fair value

Investment contract liabilities measured at fair value include certain investment savings and pension products which are designated as FVTPL on initial recognition. The Company has no investment contract liabilities that are mandatorily designated as FVTPL.

The following table presents the movement in investment contract liabilities measured at fair value.

For the years ended December 31,	2024	2023
Balance, excluding those for account of segregated fund holders, January 1	**$ 749**	$ 798
New contracts	**70**	48
Changes in market conditions	**67**	47
Redemptions, surrenders and maturities	**(154)**	(122)
Impact of changes in foreign exchange rates	**76**	(22)
Balance, excluding those for account of segregated fund holders, December 31	**808**	749
Investment contract liabilities for account of segregated fund holders	**309,443**	263,401
Balance, December 31	**$ 310,251**	$ 264,150

The amount due to contract holders is contractually determined based on specified assets and therefore, the fair value of the liabilities is subject to asset specific performance risk but not to the Company's own credit risk, being fully collateralized by the specified assets. The Company has determined that any residual credit risk is insignificant and has no significant impact on the fair value of the liabilities.

(b) Investment contract liabilities measured at amortized cost

Investment contract liabilities measured at amortized cost include fixed annuity products that provide guaranteed income payments for contractually determined periods and are not contingent on survivorship.

The following table presents carrying and fair values of investment contract liabilities measured at amortized cost, by reporting segment.

As at December 31,	2024 Amortized cost	2024 Fair value	2023 Amortized cost	2023 Fair value
Asia	**$ 325**	**$ 315**	$ 451	$ 438
Canada	**7,571**	**7,548**	7,642	7,534
U.S.	**1,406**	**1,375**	1,381	1,440
GWAM	**3,388**	**3,557**	1,593	1,582
Investment contract liabilities	**$ 12,690**	**$ 12,795**	$ 11,067	$ 10,994

The following table presents the movement in investment contract liabilities measured at amortized cost, by business activity.

For the years ended December 31,	2024	2023
Balance, January 1	**$ 11,067**	$ 9,281
Policy deposits	**3,218**	3,365
Interest	**316**	218
Withdrawals	**(2,240)**	(1,629)
Fees	**-**	1
Impact of changes in foreign exchange rates	**351**	(108)
Other	**(22)**	(61)
Balance, December 31	**$ 12,690**	$ 11,067

Carrying value reflects amortization at rates that exactly discount the projected cash flows to the net carrying amount of the liabilities at the dates of issue.

Fair value is determined by projecting cash flows according to the contract terms and discounting the cash flows at current market rates adjusted for the Company's own credit standing. As at December 31, 2024 and 2023, the fair value of all investment contract liabilities was determined using Level 2 valuation techniques.

(c)Investment contracts contractual obligations

The following table presents the Company's contractual obligations and commitments relating to these investment contracts as at December 31, 2024 and 2023.

Investment contract liabilities[1]

As at December 31, Payments due by period	Less than 1 year[2]	1 to 3 years	3 to 5 years	Over 5 years	Total
2024	**$ 316,119**	**$ 2,766**	**$ 1,170**	**$ 2,738**	**$ 322,793**
2023	268,537	2,978	1,408	3,488	276,411

[1] Due to the nature of the products, the timing of net cash flows may be before contract maturity. Cash flows are undiscounted.

[2] Includes amounts which have no specific maturity, being payable on demand.

(d)Reinsurance contract assets backing investment contract liabilities

The Company holds reinsurance contracts backing investment contract liabilities described above. These reinsurance contracts do not expose the reinsurer to significant insurance risk and are measured at FVOCI or amortized cost. There are no reinsurance contract assets measured at FVTPL.

Fair value for all reinsurance contract assets backing investment contract liabilities is determined by projecting cash flows according to the contract terms and discounting these cash flows at current market rates. As at December 31, 2024 and 2023, the fair value of all reinsurance contract assets backing investment contract liabilities was determined using Level 2 valuation techniques.

As at December 31, 2024, the fair value of reinsurance contract assets measured at FVOCI was $669 (2023 – $nil). The fair value and carrying value of reinsurance contract assets measured at amortized cost were $978 and $1,052, respectively (2023 – $27 and $27, respectively).

For contracts measured at FVOCI, interest income of $29 was recorded in the Consolidated Statements of Income and changes in fair value of $24 was recorded in OCI for the year ended December 31, 2024 (2023 – $nil and $nil, respectively). There were no amounts reclassified from AOCI to the Consolidated Statements of Income during the years presented.

For contracts measured at amortized cost, interest income of $41 was recorded in the Consolidated Statements of Income for the year ended December 31, 2024 (2023 – $2).

Note 8 Risk Management

Manulife offers insurance, wealth and asset management products and other financial services, which subjects the Company to a broad range of risks. Manulife manages these risks within an enterprise-wide risk management framework. Manulife's goal in managing risk is to strategically optimize risk taking and risk management to support long-term revenue, earnings and capital growth. Manulife seeks to achieve this by capitalizing on business opportunities and strategies with appropriate risk/return profiles; ensuring sufficient management expertise is in place to effectively execute strategies, and to identify, understand and manage underlying inherent risks; ensuring strategies and activities align with its corporate and ethical standards and operational capabilities; pursuing opportunities and risks that enhance diversification; and in making all risk taking decisions with analyses of inherent risks, risk controls and mitigations, and risk / return trade-off.

(a)Market and liquidity risk

Market risk is the risk of loss resulting from market price volatility, interest rate change, credit and swap spread changes, and adverse foreign currency exchange rate movements. Market price volatility primarily relates to changes in prices of publicly traded equities and alternative long-duration assets. The profitability of the Company's insurance and annuity products, as well as the fees the Company earns in its investment management business, are subject to market risk.

Liquidity risk is the risk of loss resulting from the inability to access sufficient funds or liquid assets to meet expected and unexpected cash and collateral demands.

Please read below for details on factors that could impact the level of market risk and the strategies used to manage this risk:

Market and liquidity risk management strategy

Market and liquidity risk management strategy is governed by the Global Asset Liability Committee which oversees the market and liquidity risk program. The Company's overall strategy to manage its market & liquidity risks incorporates several component strategies, each targeted to manage one or more of the market & liquidity risks arising from the Company's businesses. At an

enterprise level, these strategies are designed to manage the Company's aggregate exposures to market & liquidity risks against limits associated with earnings and capital volatility.

The following table outlines the Company's key market & liquidity risks and identifies the risk management strategies which contribute to managing these risks.

Risk Management Strategy	Key Market & Liquidity Risk				
	Public Equity Risk	Interest Rate and Spread Risk	ALDA Risk	Foreign Currency Exchange Risk	Liquidity Risk
Product design and pricing	ü	ü	ü	ü	ü
Variable annuity guarantee dynamic hedging	ü	ü		ü	ü
Macro equity risk hedging	ü			ü	ü
Asset liability management	ü	ü	ü	ü	ü
Foreign currency exchange management				ü	ü
Liquidity risk management					ü

Product design and pricing strategy

The Company's policies, standards, and guidelines, with respect to product design and pricing, are designed with the objective of aligning its product offerings with its risk taking philosophy and risk appetite, and in particular, ensuring that incremental risk generated from new sales aligns with its strategic risk objectives and risk limits. The specific design features of Manulife's product offerings, including level of benefit guarantees, policyholder options, fund offerings and availability restrictions as well as its associated investment strategies, help to mitigate the level of underlying risk. Manulife regularly reviews and modifies key features within its product offerings, including premiums and fee charges with a goal of meeting profit targets and staying within risk limits. Certain of the Company's general fund adjustable benefit products have minimum rate guarantees. The rate guarantees for any particular policy are set at the time the policy is issued and governed by insurance regulation in each jurisdiction where the products are sold. The contractual provisions allow crediting rates to be reset at pre-established intervals subject to the established minimum crediting rate guarantees. The Company may partially mitigate the interest rate exposure by setting new rates on new business and by adjusting rates on in-force business where permitted. In addition, the Company partially mitigates this interest rate risk through its asset liability management process, product design elements, and crediting rate strategies. All material new product, reinsurance and underwriting initiatives must be reviewed and approved by the Chief Risk Officer or key individuals within risk management functions.

Hedging strategies for variable annuity and other equity risks

The Company's exposure to movement in public equity market values primarily arises from insurance contract liabilities related to variable annuity guarantees and general fund public equity investments.

Dynamic hedging is the primary hedging strategy for variable annuity market risks. Dynamic hedging is employed for new variable annuity guarantees business when written or as soon as practical thereafter.

Manulife seeks to manage public equity risk arising from unhedged exposures in its insurance contract liabilities through the macro equity risk hedging strategy. The Company seeks to manage interest rate risk arising from variable annuity business not dynamically hedged through its asset liability management strategy.

Variable annuity dynamic hedging strategy

The variable annuity dynamic hedging strategy is designed to hedge the sensitivity of variable annuity guarantee insurance contract liabilities to fund performance (both public equity and bond funds) and interest rate movements. The objective of the variable annuity dynamic hedging strategy is to offset, as closely as possible, the change in the economic value of guarantees with the profit and loss from the hedge asset portfolio.

The Company's variable annuity hedging program uses a variety of exchange-traded and over-the-counter ("OTC") derivative contracts to offset the change in value of variable annuity guarantees. The main derivative instruments used are equity index futures, government bond futures, currency futures, interest rate swaps, total return swaps, equity options, and interest rate swaptions. The hedge instruments' positions against insurance contract liabilities are continuously monitored as market conditions change. As necessary, the hedge asset positions will be dynamically rebalanced to stay within established limits. The Company may also utilize other derivatives with the objective to improve hedge effectiveness opportunistically.

The Company's 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 profit (loss) on the hedge instruments will not completely offset the underlying losses (gains) related to the guarantee liabilities hedged because:

- Policyholder behaviour and mortality experience are not hedged;
- Risk adjustment related to cost of guarantees in the insurance contract liabilities is largely hedged;
- A portion of interest rate risk is not hedged;
- Credit spreads may widen and actions might not be taken to adjust accordingly;
- Fund performance on a small portion of the underlying funds is not hedged due to lack of availability of effective exchange-traded hedge instruments;
- Performance of the underlying funds hedged may differ from the performance of the corresponding hedge instruments;
- Correlations between interest rates and equity markets could lead to unfavourable material impacts;

•Unfavourable hedge rebalancing costs can be incurred during periods of high volatility from equity markets, bond markets, and / or interest rates, which is magnified when these impacts occur concurrently; and
•Not all other risks are hedged.
Differences in the profit (loss) on the hedge instruments versus the underlying losses (gains) related to the guarantee liabilities hedged are reported in CSM.

Macro equity risk hedging strategy

The objective of the macro equity risk hedging program is to maintain the Company's overall earnings sensitivity to public equity market movements within the Board approved risk appetite limits. The macro equity risk hedging program is designed to hedge earnings sensitivity due to movements in public equity markets arising from all sources (outside of dynamically hedged exposures). Sources of equity market sensitivity addressed by the macro equity risk hedging program include general fund equity holdings backing guaranteed, and adjustable liabilities.

Asset liability management strategy

Manulife's asset liability management strategy is designed to help ensure that the market risks embedded in its assets and liabilities held in the Company's general fund are effectively managed and that risk exposures arising from these assets and liabilities are maintained within risk limits. The embedded market risks include risks related to the level and movement of interest rates and credit and swap spreads, public equity market performance, ALDA performance, and foreign currency exchange rate movements.

General fund product liabilities are categorized into groups with similar characteristics in order to support them with a specific asset strategy. The Company seeks to align the asset strategy for each group to the premium and benefit patterns, policyholder options and guarantees, and crediting rate strategies of the products they support. The strategies are set using portfolio analysis techniques intended to optimize returns, subject to considerations related to regulatory and economic capital requirements, and risk tolerances. They are designed to achieve broad diversification across asset classes and individual investment risks while being suitably aligned with the liabilities they support. The strategies encompass asset mix, quality rating, term profile, liquidity, currency, and industry concentration targets.

Foreign currency exchange risk management strategy

Manulife's policy is to generally match the currency of its assets with the currency of the liabilities they support. Where assets and liabilities are not currency matched, the Company seeks to hedge this exposure where appropriate to stabilize its earnings and consolidated capital positions and remain within its enterprise foreign exchange risk limits.

Liquidity risk management strategy

Global liquidity management policies and procedures are designed to provide adequate liquidity to cover cash and collateral obligations as they come due, and to sustain and grow operations in both normal and stressed conditions. They consider legal, regulatory, tax, operational or economic impediments to inter-entity funding. The asset mix of the Company's balance sheet takes into account the need to hold adequate unencumbered and appropriate liquid assets to satisfy the requirements arising under stressed scenarios and to allow Manulife's liquidity ratios to remain strong. Manulife manages liquidity centrally and closely monitors the liquidity positions of its principal subsidiaries.

Manulife seeks to mitigate liquidity risk by diversifying its business across different products, markets, geographical regions, and policyholders. The Company designs insurance products to encourage policyholders to maintain their policies in-force, to help generate a diversified and stable flow of recurring premiums. The Company designs the policyholder termination features with the goal of mitigating the financial exposure and liquidity risk related to unexpected policyholder terminations. The Company establishes and implements investment strategies intended to match the term profile of the assets to the liabilities they support, taking into account the potential for unexpected policyholder terminations and resulting liquidity needs. Liquid assets represent a large portion of the Company's total assets. Manulife aims to reduce liquidity risk in the Company's businesses by diversifying its funding sources and appropriately managing the term structure of its funding. The Company forecasts and monitors daily operating liquidity and cash movements in various individual entities and operations as well as centrally, aiming to ensure liquidity is available and cash is employed optimally.

The Company also maintains centralized cash pools and access to other sources of liquidity and contingent liquidity such as repurchase funding agreements. Manulife's centralized cash pools consist of cash or near-cash, high quality short-term investments that are continually monitored for their credit quality and market liquidity.

Manulife has established a variety of contingent liquidity sources. These include, among others, a $500 committed unsecured revolving credit facility with certain Canadian chartered banks available for the Company, and a US$500 committed unsecured revolving credit facility with certain U.S. banks available to the Company and certain of its U.S. subsidiaries. There were no outstanding borrowings under these facilities as at December 31, 2024 (2023 – $nil). In addition, John Hancock Life Insurance Company (U.S.A.) ("JHUSA") is a member of the Federal Home Loan Bank of Indianapolis ("FHLBI"), which enables the Company to obtain loans from FHLBI as an alternative source of liquidity that is collateralizable by qualifying mortgage loans, mortgage-backed securities, municipal bonds, and U.S. Treasury and Agency securities. As at December 31, 2024, JHUSA had an estimated maximum borrowing capacity of US$3.8 billion (2023 – US$4.3 billion) based on regulatory limitations with an outstanding balance of US$500 (2023 – US$500) under the FHLBI facility.

The following table outlines the maturity of the Company's significant financial liabilities.

Maturity of financial liabilities[1]

As at December 31, 2024	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Long-term debt	**$ -**	**$ 2,829**	**$ -**	**$ 3,800**	**$ 6,629**
Capital instruments	**-**	**-**	**-**	**7,532**	**7,532**
Derivatives	**2,320**	**2,304**	**1,244**	**8,379**	**14,247**
Deposits from Bank clients[2]	**15,690**	**3,774**	**2,599**	**-**	**22,063**
Lease liabilities	**105**	**151**	**52**	**47**	**355**

[1]The amounts shown above are net of the related unamortized deferred issue costs.

[2]Carrying value and fair value of deposits from Bank clients as at December 31, 2024 were $22,063 and $22,270, respectively (2023 – $21,616 and $21,518 respectively). Fair value is determined by discounting contractual cash flows, using market interest rates currently offered for deposits with similar terms and conditions. All deposits from Bank clients were categorized in Level 2 of the fair value hierarchy (2023 – Level 2).

Through the normal course of business, pledging of assets is required to comply with jurisdictional regulatory and other requirements including collateral pledged to partially mitigate derivative counterparty credit risk, assets pledged to exchanges as initial margin, and assets held as collateral for repurchase funding agreements. Total unencumbered assets were $516.6 billion as at December 31, 2024 (2023 – $470.2 billion).

(b)Market risk sensitivities and market risk exposure measures

Variable annuity and segregated fund guarantees sensitivities and risk exposure measures

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 2025 to 2044.

Manulife seeks to mitigate a portion of the risks embedded in the Company's retained (i.e., net of reinsurance) variable annuity and segregated fund guarantee business through the combination of dynamic and macro hedging strategies (see "Publicly traded equity performance risk sensitivities and exposure measures" 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

	2024			2023		
As at December 31,	Guarantee value[1]	Fund value	Net amount at risk[1],[2],[3]	Guarantee value[1]	Fund value	Net amount at risk[1],[2],[3]
Guaranteed minimum income benefit	**$ 3,628**	**$ 2,780**	**$ 918**	$ 3,864	$ 2,735	$ 1,156
Guaranteed minimum withdrawal benefit	**33,473**	**33,539**	**3,339**	34,833	33,198	4,093
Guaranteed minimum accumulation benefit	**18,987**	**19,097**	**70**	18,996	19,025	116
Gross living benefits[4]	**56,088**	**55,416**	**4,327**	57,693	54,958	5,365
Gross death benefits[5]	**8,612**	**19,851**	**644**	9,133	17,279	975
Total gross of reinsurance	**64,700**	**75,267**	**4,971**	66,826	72,237	6,340
Living benefits reinsured	**23,768**	**23,965**	**3,016**	24,208	23,146	3,395
Death benefits reinsured	**3,430**	**2,776**	**289**	3,400	2,576	482
Total reinsured	**27,198**	**26,741**	**3,305**	27,608	25,722	3,877
Total, net of reinsurance	**$ 37,502**	**$ 48,526**	**$ 1,666**	$ 39,218	$ 46,515	$ 2,463

[1]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.

[2]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.

[3]The amount at risk net of reinsurance at December 31, 2024 was $1,666 (December 31, 2023 – $2,463) of which: US$293 (December 31, 2023 – US$391) was on the Company's U.S. business, $1,021 (December 31, 2023 – $1,559) was on the Company's Canadian business, US$100 (December 31, 2023 – US$140) was on the Company's Japan business, and US$56 (December 31, 2023 – US$155) was related to Asia (other than Japan) and the Company's run-off reinsurance business.

[4]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.

[5]Death benefits include stand-alone guarantees and guarantees in excess of living benefit guarantees where both death and living benefits are provided on a policy.

Investment categories for variable contracts with guarantees

Variable contracts with guarantees, including variable annuities and variable life, are invested at the policyholder's discretion subject to contract limitations, in various fund types within the segregated fund accounts and other investments. The account balances by investment category are set out below.

As at December 31,	2024	2023
Investment category		
Equity funds	**$ 51,457**	$ 45,593
Balanced funds	**37,381**	35,801
Bond funds	**9,017**	8,906
Money market funds	**1,712**	1,559
Other debt investments	**2,082**	1,907
Total	**$ 101,649**	$ 93,766

Caution related to sensitivities

In the sections that follow, the Company provides 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 the Company's 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, the Company 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 will be as indicated.

Publicly traded equity performance risk sensitivities and exposure measures

The tables below include the potential impacts from an immediate 10%, 20% and 30% change in market values of publicly traded equities on net income attributed to shareholders, CSM, 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 the Company cannot reliably estimate the amount of the change in dynamically hedged variable annuity and segregated fund guarantee liabilities that will not be offset by the change in the dynamic hedge assets, the Company makes 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 and segregated fund 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 occurs 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 method used for deriving sensitivity information and significant assumptions did not change from the previous period.

Potential immediate impact on net income attributed to shareholders arising from changes to public equity returns[(1)]

	Net income attributed to shareholders					
As at December 31, 2024	-30%	-20%	-10%	+10%	+20%	+30%
Underlying sensitivity						
Variable annuity and segregated fund guarantees[2]	**$ (2,050)**	**$ (1,240)**	**$ (560)**	**$ 470**	**$ 860**	**$ 1,190**
General fund equity investments[3]	**(1,240)**	**(820)**	**(400)**	**390**	**780**	**1,180**
Total underlying sensitivity before hedging	**(3,290)**	**(2,060)**	**(960)**	**860**	**1,640**	**2,370**
Impact of macro and dynamic hedge assets[4]	**720**	**430**	**190**	**(150)**	**(260)**	**(360)**
Net potential impact on net income attributed to shareholders after impact of hedging and before impact of reinsurance	**(2,570)**	**(1,630)**	**(770)**	**710**	**1,380**	**2,010**
Impact of reinsurance	**1,320**	**810**	**370**	**(320)**	**(590)**	**(830)**
Net potential impact on net income attributed to shareholders after impact of hedging and reinsurance	**$ (1,250)**	**$ (820)**	**$ (400)**	**$ 390**	**$ 790**	**$ 1,180**

	Net income attributed to shareholders					
As at December 31, 2023	-30%	-20%	-10%	+10%	+20%	+30%
Underlying sensitivity						
Variable annuity and segregated fund guarantees[2]	$ (2,370)	$ (1,460)	$ (670)	$ 550	$ 1,010	$ 1,390
General fund equity investments[3]	(1,170)	(770)	(390)	380	760	1,140
Total underlying sensitivity before hedging	(3,540)	(2,230)	(1,060)	930	1,770	2,530
Impact of macro and dynamic hedge assets[4]	880	530	240	(190)	(340)	(460)
Net potential impact on net income attributed to shareholders after impact of hedging and before impact of reinsurance	(2,660)	(1,700)	(820)	740	1,430	2,070
Impact of reinsurance	1,470	900	420	(350)	(650)	(910)
Net potential impact on net income attributed to shareholders after impact of hedging and reinsurance	$ (1,190)	$ (800)	$ (400)	$ 390	$ 780	$ 1,160

[1] See "Caution related to sensitivities" above.

[2] For variable annuity contracts measured under the VFA approach, 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.

[3] This impact for general fund equity investments includes general fund investments supporting the Company's 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.

[4] Includes the impact of assumed rebalancing of equity hedges in the macro and dynamic hedging program. The impact of dynamic hedging 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 and interest rate correlations different from expected among other factors).

Potential immediate impact on contractual service margin, other comprehensive income to shareholders and total comprehensive income to shareholders from changes to public equity market values[1],[2],[3]

As at December 31, 2024	-30%	-20%	-10%	+10%	+20%	+30%
Variable annuity and segregated fund guarantees reported in CSM	**$ (3,420)**	**$ (2,110)**	**$ (970)**	**$ 840**	**$ 1,580**	**$ 2,250**
Impact of risk mitigation - hedging[4]	**940**	**560**	**250**	**(190)**	**(350)**	**(470)**
Impact of risk mitigation - reinsurance[4]	**1,670**	**1,020**	**470**	**(400)**	**(740)**	**(1,050)**
VA net of risk mitigation	**(810)**	**(530)**	**(250)**	**250**	**490**	**730**
General fund equity	**(1,140)**	**(740)**	**(370)**	**370**	**750**	**1,110**
Contractual service margin (pre-tax)	**$ (1,950)**	**$ (1,270)**	**$ (620)**	**$ 620**	**$ 1,240**	**$ 1,840**
Other comprehensive income attributed to shareholders (post-tax)[5]	**$ (840)**	**$ (560)**	**$ (280)**	**$ 270**	**$ 530**	**$ 790**
Total comprehensive income attributed to shareholders (post-tax)	**$ (2,090)**	**$ (1,380)**	**$ (680)**	**$ 660**	**$ 1,320**	**$ 1,970**

As at December 31, 2023	-30%	-20%	-10%	+10%	+20%	+30%
Variable annuity and segregated fund guarantees reported in CSM	$ (3,810)	$ (2,370)	$ (1,100)	$ 940	$ 1,760	$ 2,470
Impact of risk mitigation - hedging[4]	1,150	700	310	(250)	(450)	(600)
Impact of risk mitigation - reinsurance[4]	1,850	1,140	530	(450)	(830)	(1,150)
VA net of risk mitigation	(810)	(530)	(260)	240	480	720
General fund equity	(940)	(610)	(300)	290	590	870
Contractual service margin (pre-tax)	$ (1,750)	$ (1,140)	$ (560)	$ 530	$ 1,070	$ 1,590
Other comprehensive income attributed to shareholders (post-tax)[5]	$ (730)	$ (490)	$ (240)	$ 230	$ 460	$ 680
Total comprehensive income attributed to shareholders (post-tax)	$ (1,920)	$ (1,290)	$ (640)	$ 620	$ 1,240	$ 1,840

[1] See "Caution related to sensitivities" above.

[2] This estimate assumes that the performance of the dynamic hedging program would not completely offset the gain/loss from the dynamically hedged variable annuity and segregated fund 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.

[3]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.

[4]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.

[5]The impact of financial risk and changes to interest rates for variable annuity contracts is not expected to generate sensitivity in Other Comprehensive Income.

Interest rate and spread risk sensitivities and exposure measures

As at December 31, 2024, the Company estimated the sensitivity of net income attributed to shareholders to a 50 basis point parallel decline in interest rates to be a benefit of $100, and to a 50 basis point parallel increase in interest rates to be a charge of $100.

The table below shows the potential impacts from a 50 basis point parallel move in interest rates on CSM, 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 method used for deriving sensitivity information and significant assumptions did not change from the previous period.

The disclosed interest rate sensitivities reflect the accounting designations of the Company’s financial assets and corresponding insurance contract liabilities. In most cases these assets and liabilities are designated as 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 impact 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 the Company’s 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.

Foreign exchange risk sensitivities and exposure measures

The Company generally matches the currency of its assets with the currency of the insurance and investment contract liabilities they support. As at December 31, 2024, the Company did not have a material unmatched currency exposure.

Liquidity risk exposure strategy

Manulife manages liquidity levels of the consolidated group and key subsidiaries against established thresholds, which are based on extreme but plausible liquidity stress scenarios over varying time horizons.

The Company's use of derivatives for hedging purposes is a significant source of liquidity risk through collateral and cash settlement requirements for OTC bilateral and centrally cleared derivatives under adverse market conditions. To assess these potential liquidity needs, the Company regularly stress tests the market value of its derivative portfolio under various stress scenarios and measures and monitors the contingent requirements against its liquid asset holdings. Additionally, the Company maintains a liquidity contingency plan with diverse sources of contingent liquidity that can be utilized under severe stress conditions.

(c)Credit risk

Credit risk is the risk of loss due to inability or unwillingness of a borrower, or counterparty, to fulfill its payment obligations. Worsening regional and global economic conditions, segment or industry sector challenges, or company specific factors could result in defaults or downgrades and could lead to increased provisions or impairments related to the Company's general fund invested assets.

The Company's exposure to credit risk is managed through risk management policies and procedures which include a defined credit evaluation and adjudication process, delegated credit approval authorities and established exposure limits by borrower, corporate connection, credit rating, industry and geographic region. The Company measures derivative counterparty exposure as net potential credit exposure, which takes into consideration fair values of all transactions with each counterparty, net of any collateral held, and an allowance to reflect future potential exposure. Reinsurance counterparty exposure is measured reflecting the level of ceded liabilities. The Company also ensures where warranted, that mortgages, private placements and loans to Bank clients are secured by collateral, the nature of which depends on the credit risk of the counterparty.

Credit risk associated with derivative counterparties is discussed in note 8 (f) and credit risk associated with reinsurance counterparties is discussed in note 8 (k).

(I)Credit quality

The following tables present financial instruments subject to credit exposure, without considering any collateral held or other credit enhancements, and other significant credit risk exposures from loan commitments, with allowances, presenting separately Stage 1, Stage 2, and Stage 3 credit risk profiles. For each asset type presented in the table, amortized cost and FVOCI financial instruments are presented together. Amortized cost financial instruments are shown gross of the allowance for credit losses, which is shown separately. FVOCI financial instruments are shown at fair value with the allowance for credit losses shown separately.

As at December 31, 2024	Stage 1	Stage 2	Stage 3	Total
Debt securities, measured at FVOCI				
Investment grade	$ 197,840	$ 1,338	$ -	$ 199,178
Non-investment grade	5,625	363	-	5,988
Total carrying value	203,465	1,701	-	205,166
Allowance for credit losses	228	42	-	270
Debt securities, measured at amortized cost				
Investment grade	1,496	-	-	1,496
Non-investment grade	-	-	-	-
Total	1,496	-	-	1,496
Allowance for credit losses	1	-	-	1
Total carrying value, net of allowance	1,495	-	-	1,495
Private placements, measured at FVOCI				
Investment grade	41,796	721	-	42,517
Non-investment grade	5,004	1,133	148	6,285
Total carrying value	46,800	1,854	148	48,802
Allowance for credit losses	126	127	123	376
Commercial mortgages, measured at FVOCI				
AAA	205	-	-	205
AA	7,234	-	-	7,234
A	14,035	-	-	14,035
BBB	5,679	873	-	6,552
BB	11	663	-	674
B and lower	-	21	71	92
Total carrying value	27,164	1,557	71	28,792
Allowance for credit losses	41	39	55	135
Commercial mortgages, measured at amortized cost				
AAA	-	-	-	-
AA	-	-	-	-
A	225	15	-	240
BBB	-	-	-	-
BB	-	-	-	-
B and lower	112	5	5	122
Total	337	20	5	362
Allowance for credit losses	1	1	-	2
Total carrying value, net of allowance	336	19	5	360
Residential mortgages, measured at amortized cost				
Performing	22,870	1,151	-	24,021
Non-performing	-	-	41	41
Total	22,870	1,151	41	24,062
Allowance for credit losses	3	2	1	6
Total carrying value, net of allowance	22,867	1,149	40	24,056
Loans to Bank clients, measured at amortized cost				
Performing	2,265	38	-	2,303
Non-performing	-	-	10	10
Total	2,265	38	10	2,313
Allowance for credit losses	1	1	1	3
Total carrying value, net of allowance	2,264	37	9	2,310
Other invested assets, measured at FVOCI				
Investment grade	-	-	-	-
Non-investment grade	389	-	-	389
Total carrying value	389	-	-	389
Allowance for credit losses	22	-	-	22
Other invested assets, measured at amortized cost				
Investment grade	4,302	-	-	4,302
Non-investment grade	-	-	-	-
Total	4,302	-	-	4,302
Allowance for credit losses	2	-	-	2
Total carrying value, net of allowance	4,300	-	-	4,300
Loan commitments				
Allowance for credit losses	9	1	1	11
Total carrying value, net of allowance	$ 309,080	$ 6,317	$ 273	$ 315,670

As at December 31, 2023	Stage 1	Stage 2	Stage 3	Total
Debt securities, measured at FVOCI				
Investment grade	$ 197,562	$ 2,252	$ -	$ 199,814
Non-investment grade	5,367	596	-	5,963
Total carrying value	202,929	2,848	-	205,777
Allowance for credit losses	283	54	6	343
Debt securities, measured at amortized cost				
Investment grade	1,373	-	-	1,373
Non-investment grade	-	-	-	-
Total	1,373	-	-	1,373
Allowance for credit losses	1	-	-	1
Total carrying value, net of allowance	1,372	-	-	1,372
Private placements, measured at FVOCI				
Investment grade	37,722	1,644	-	39,366
Non-investment grade	5,210	295	81	5,586
Total carrying value	42,932	1,939	81	44,952
Allowance for credit losses	126	108	83	317
Commercial mortgages, measured at FVOCI				
AAA	279	-	-	279
AA	6,815	-	-	6,815
A	14,111	86	-	14,197
BBB	5,513	984	-	6,497
BB	10	532	-	542
B and lower	-	36	107	143
Total carrying value	26,728	1,638	107	28,473
Allowance for credit losses	40	42	143	225
Commercial mortgages, measured at amortized cost				
AAA	-	-	-	-
AA	-	-	-	-
A	148	48	-	196
BBB	-	-	-	-
BB	-	-	-	-
B and lower	145	35	-	180
Total	293	83	-	376
Allowance for credit losses	1	2	-	3
Total carrying value, net of allowance	292	81	-	373
Residential mortgages, measured at amortized cost				
Performing	20,898	1,570	-	22,468
Non-performing	-	-	60	60
Total	20,898	1,570	60	22,528
Allowance for credit losses	4	2	2	8
Total carrying value, net of allowance	20,894	1,568	58	22,520
Loans to Bank clients, measured at amortized cost				
Performing	2,387	44	-	2,431
Non-performing	-	-	8	8
Total	2,387	44	8	2,439
Allowance for credit losses	2	-	1	3
Total carrying value, net of allowance	2,385	44	7	2,436
Other invested assets, measured at FVOCI				
Investment grade	-	-	-	-
Non-investment grade	360	-	-	360
Total carrying value	360	-	-	360
Allowance for credit losses	16	-	-	16
Other invested assets, measured at amortized cost				
Investment grade	3,791	-	-	3,791
Non-investment grade	-	-	-	-
Total	3,791	-	-	3,791
Allowance for credit losses	1	-	-	1
Total carrying value, net of allowance	3,790	-	-	3,790
Loan commitments				
Allowance for credit losses	9	1	2	12
Total carrying value, net of allowance	$ 301,682	$ 8,118	$ 253	$ 310,053

(II)Allowance for credit losses

The following tables provide details on the allowance for credit losses by stage as at and for the year ended December 31, 2024 and 2023.

As at December 31, 2024	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of year	**$ 483**	**$ 209**	**$ 237**	**$ 929**
Net re-measurement due to transfers	**4**	**(22)**	**18**	**-**
Transfer to stage 1	***12***	***(12)***	***-***	***-***
Transfer to stage 2	***(7)***	***7***	***-***	***-***
Transfer to stage 3	***(1)***	***(17)***	***18***	***-***
Net originations, purchases, disposals and repayments	**36**	**(8)**	**(159)**	**(131)**
Changes to risk, parameters, and models	**(107)**	**21**	**81**	**(5)**
Foreign exchange and other adjustments	**18**	**13**	**4**	**35**
Balance, end of year	**$ 434**	**$ 213**	**$ 181**	**$ 828**

As at December 31, 2023	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of year	$ 511	$ 141	$ 72	$ 724
Net re-measurement due to transfers	4	6	(10)	-
Transfer to stage 1	*12*	*(11)*	*(1)*	*-*
Transfer to stage 2	*(6)*	*28*	*(22)*	*-*
Transfer to stage 3	*(2)*	*(11)*	*13*	*-*
Net originations, purchases, disposals and repayments	45	8	(23)	30
Changes to risk, parameters, and models	(71)	48	233	210
Foreign exchange and other adjustments	(6)	6	(35)	(35)
Balance, end of year	$ 483	$ 209	$ 237	$ 929

(III)Significant judgements and estimates

The following tables show certain key macroeconomic variables used to estimate the ECL allowances by market. For the base case, upside and downside scenarios, the projections are provided for the next 12 months and then for the remaining forecast period, which represents a medium-term view.

		Base case scenario		Upside scenario		Downside scenario 1		Downside scenario 2	
As at December 31, 2024	Current quarter	Next 12 months	Ensuing 4 years	Next 12 months	Ensuing 4 years	Next 12 months	Ensuing 4 years	Next 12 months	Ensuing 4 years
Canada									
Gross Domestic Product (GDP), in U.S. $ billions	**$ 1,983**	**1.8%**	**2.0%**	**3.3%**	**2.3%**	**(2.0)%**	**2.3%**	**(3.9)%**	**2.2%**
Unemployment rate	**6.7%**	**6.8%**	**6.3%**	**6.5%**	**5.8%**	**8.1%**	**8.2%**	**8.5%**	**10.0%**
NYMEX Light Sweet Crude Oil, in U.S. dollars, per barrel	**$ 76.0**	**$ 75.0**	**$ 72.0**	**$ 79.0**	**$ 74.0**	**$ 59.0**	**$ 66.0**	**$ 50.0**	**$ 61.0**
U.S.									
Gross Domestic Product (GDP), in U.S. $ billions	**$ 23,534**	**2.1%**	**2.2%**	**3.6%**	**2.3%**	**(2.0)%**	**2.7%**	**(4.2)%**	**2.5%**
Unemployment rate	**4.2%**	**4.1%**	**4.0%**	**3.3%**	**3.3%**	**7.3%**	**6.1%**	**7.8%**	**8.1%**
7-10 Year BBB U.S. Corporate Index	**5.5%**	**6.1%**	**6.1%**	**5.9%**	**6.2%**	**5.4%**	**5.6%**	**6.0%**	**5.4%**
Japan									
Gross Domestic Product (GDP), in JPY billions	**¥ 563,281**	**0.9%**	**0.7%**	**2.8%**	**0.8%**	**(3.6)%**	**1.0%**	**(7.1)%**	**1.6%**
Unemployment rate	**2.5%**	**2.5%**	**2.2%**	**2.4%**	**2.1%**	**3.1%**	**2.9%**	**3.2%**	**3.5%**
Hong Kong									
Unemployment rate	**3.0%**	**2.9%**	**3.0%**	**2.5%**	**2.7%**	**4.1%**	**3.8%**	**4.6%**	**4.6%**
Hang Seng Index	**19,448**	**7.0%**	**4.1%**	**18.1%**	**3.7%**	**(19.7)%**	**9.9%**	**(37.0)%**	**13.5%**
China									
Gross Domestic Product (GDP), in CNY billions	**¥ 114,931**	**4.0%**	**4.1%**	**6.5%**	**4.3%**	**(3.0)%**	**4.6%**	**(5.7)%**	**3.9%**
FTSE Xinhua A200 Index	**10,938**	**(0.6)%**	**4.8%**	**13.8%**	**2.8%**	**(31.1)%**	**11.7%**	**(40.5)%**	**13.5%**

(IV)Sensitivity to changes in economic assumptions

The following table shows the ECL allowance balance which resulted from all four macroeconomic scenarios (including the more heavily weighted best estimate baseline scenario, one upside and two downside scenarios) weighted by probability of occurrence and shows an ECL allowance resulting from only the baseline scenario.

As at December 31,	**2024**	2023
Probability-weighted ECL	**$ 828**	$ 929
Baseline ECL	**$ 629**	$ 659
Difference - in amount	**$ 199**	$ 270
Difference - in percentage	**24.03%**	29.06%

(d)Securities lending, repurchase and reverse repurchase transactions

The Company engages in securities lending to generate fee income. Collateral exceeding the market value of the loaned securities is retained by the Company until the underlying security has been returned to the Company. The market value of the loaned securities is monitored daily and additional collateral is obtained or refunded as the market value of the underlying loaned securities fluctuates. As at December 31, 2024, the Company had loaned securities (which are included in invested assets) with a market value of $1,021 (2023 – $626). The Company holds collateral with a current market value that exceeds the value of securities lent in all cases.

The Company engages in reverse repurchase transactions to generate fee income to take possession of securities to cover short positions in similar instruments and to meet short-term funding requirements. As at December 31, 2024, the Company had outstanding reverse repurchase transactions of $1,594 (2023 – $466) which are recorded as short-term receivables. In addition, the Company had outstanding repurchase transactions of $668 as at December 31, 2024 (2023 – $202) which are recorded as

payables.

(e)Credit default swaps

The Company replicates exposure to specific issuers by selling credit protection via credit default swaps ("CDS") to complement its cash debt securities investing. The Company does not write CDS protection more than its government bond holdings. A CDS is a derivative instrument representing an agreement between two parties to exchange the credit risk of a single specified entity or an index based on the credit risk of a group of entities (all commonly referred to as the "reference entity" or a portfolio of "reference entities"), in return for a periodic premium. CDS contracts typically have a five-year term.

The following tables present details of the credit default swap protection sold by type of contract and external agency rating for the underlying reference security.

As at December 31, 2024	Notional amount[1]	Fair value	Weighted average maturity (in years)[2]
Single name CDS[3],[4] – Corporate debt			
AA	**$ 23**	**$ 1**	**3**
A	**68**	**1**	**3**
BBB	**23**	**-**	**2**
Total single name CDS	**$ 114**	**$ 2**	**3**
Total CDS protection sold	**$ 114**	**$ 2**	**3**

As at December 31, 2023	Notional amount[1]	Fair value	Weighted average maturity (in years)[2]
Single name CDS[3],[4] – Corporate debt			
AA	$ 23	$ 1	4
A	94	2	3
BBB	14	-	1
Total single name CDS	$ 131	$ 3	3
Total CDS protection sold	$ 131	$ 3	3

[1] Notional amounts represent the maximum future payments the Company would have to pay its counterparties assuming a default of the underlying credit and zero recovery on the underlying issuer obligations.

[2] The weighted average maturity of the CDS is weighted based on notional amounts.

[3] Ratings are based on S&P where available followed by Moody's, Morningstar DBRS, and Fitch. If no rating is available from a rating agency, an internally developed rating is used.

[4] The Company held no purchased credit protection as at December 31, 2024 and 2023.

(f)Derivatives

The Company's point-in-time exposure to losses related to credit risk of a derivative counterparty is limited to the amount of any net gains that may have accrued with the particular counterparty. Gross derivative counterparty exposure is measured as the total fair value (including accrued interest) of all outstanding contracts in a gain position excluding any offsetting contracts in a loss position and the impact of collateral on hand. The Company limits the risk of credit losses from derivative counterparties by:

using investment grade counterparties, entering into master netting arrangements which permit the offsetting of contracts in a loss position in the case of a counterparty default and entering into Credit Support Annex agreements whereby collateral must be provided when the exposure exceeds a certain threshold.

All contracts are held with or guaranteed by investment grade counterparties, the majority of whom are rated A- or higher. As at December 31, 2024, the percentage of the Company's derivative exposure with counterparties rated AA- or higher was 30 per cent (2023 – 33 per cent). As at December 31, 2024, the largest single counterparty exposure, without taking into consideration the impact of master netting agreements or the benefit of collateral held, was $1,319 (2023 – $1,357). The net exposure to this counterparty, after taking into consideration master netting agreements and the fair value of collateral held, was $nil (2023 – $nil).

(g)Offsetting financial assets and financial liabilities

Certain derivatives, securities lent and repurchase agreements have conditional offset rights. The Company does not offset these financial instruments in the Consolidated Statements of Financial Position, as the rights of offset are conditional.

In the case of derivatives, collateral is collected from and pledged to counterparties and clearing houses to manage credit risk exposure in accordance with Credit Support Annexes to swap agreements and clearing agreements. Under master netting agreements, the Company has a right of offset in the event of default, insolvency, bankruptcy or other early termination.

In the case of reverse repurchase and repurchase transactions, additional collateral may be collected from or pledged to counterparties to manage credit exposure according to bilateral reverse repurchase or repurchase agreements. In the event of default by a reverse purchase transaction counterparty, the Company is entitled to liquidate the collateral held to offset against the same counterparty's obligation.

The following tables presents the effect of conditional master netting and similar arrangements. Similar arrangements may include global master repurchase agreements, global master securities lending agreements, and any related rights to financial collateral pledged or received.

As at December 31, 2024	Gross amounts of financial instruments[1]	Related amounts not set off in the Consolidated Statements of Financial Position: Amounts subject to an enforceable master netting arrangement or similar agreements	Related amounts not set off in the Consolidated Statements of Financial Position: Financial and cash collateral pledged (received)[2]	Net amounts including financing entity[3]	Net amounts excluding financing entity
Financial assets					
Derivative assets	**$ 9,048**	**$ (6,633)**	**$ (1,986)**	**$ 429**	**$ 429**
Securities lending	**1,021**	**-**	**(1,021)**	**-**	**-**
Reverse repurchase agreements	**1,594**	**(569)**	**(1,025)**	**-**	**-**
Total financial assets	**$ 11,663**	**$ (7,202)**	**$ (4,032)**	**$ 429**	**$ 429**
Financial liabilities					
Derivative liabilities	**$ (15,026)**	**$ 6,633**	**$ 8,305**	**$ (88)**	**$ (15)**
Repurchase agreements	**(668)**	**569**	**99**	**-**	**-**
Total financial liabilities	**$ (15,694)**	**$ 7,202**	**$ 8,404**	**$ (88)**	**$ (15)**

As at December 31, 2023	Gross amounts of financial instruments[1]	Related amounts not set off in the Consolidated Statements of Financial Position: Amounts subject to an enforceable master netting arrangement or similar agreements	Related amounts not set off in the Consolidated Statements of Financial Position: Financial and cash collateral pledged (received)[2]	Net amounts including financing entity[3]	Net amounts excluding financing entity
Financial assets					
Derivative assets	$ 9,044	$ (6,516)	$ (2,374)	$ 154	$ 154
Securities lending	626	-	(626)	-	-
Reverse repurchase agreements	466	(202)	(264)	-	-
Total financial assets	$ 10,136	$ (6,718)	$ (3,264)	$ 154	$ 154
Financial liabilities					
Derivative liabilities	$ (12,600)	$ 6,516	$ 5,958	$ (126)	$ (57)
Repurchase agreements	(202)	202	-	-	-
Total financial liabilities	$ (12,802)	$ 6,718	$ 5,958	$ (126)	$ (57)

[1] Financial assets and liabilities include accrued interest of $388 and $779 respectively (2023 – $502 and $913 respectively).

[2] Financial and cash collateral exclude over-collateralization. As at December 31, 2024, the Company was over-collateralized on OTC derivative assets, OTC derivative liabilities, securities lending and reverse repurchase agreements and repurchase agreements in the amounts of $641, $2,472, $35 and $nil respectively (2023 – $424, $1,420, $20 and $nil respectively). As at December 31, 2024, collateral pledged (received) does not include collateral-in-transit on OTC instruments or initial margin on exchange-traded contracts or cleared contracts.

[3] Includes derivative contracts entered between the Company and its unconsolidated financing entity. The Company does not exchange collateral on derivative contracts entered with this entity. Refer to note 17.

The Company also has certain credit linked note assets and variable surplus note liabilities which have unconditional offsetting rights. Under the netting agreements, the Company has rights of offset including in the event of the Company's default, insolvency, or bankruptcy. These financial instruments are offset in the Consolidated Statements of Financial Position.
A credit linked note is a debt instrument the term of which, in this case, is linked to a variable surplus note. A surplus note is a subordinated debt obligation that often qualifies as surplus (the U.S. statutory equivalent of equity) by some U.S. state insurance regulators. Interest payments on surplus notes are made after all other contractual payments are made. The following tables present the effect of unconditional netting.

As at December 31, 2024	Gross amounts of financial instruments	Amounts subject to an enforceable netting arrangement	Net amounts of financial instruments
Credit linked note[1]	**$ 1,392**	**$ (1,392)**	**$ -**
Variable surplus note	**(1,392)**	**1,392**	**-**

As at December 31, 2023	Gross amounts of financial instruments	Amounts subject to an enforceable netting arrangement	Net amounts of financial instruments
Credit linked note[1]	$ 1,276	$ (1,276)	$ -
Variable surplus note	(1,276)	1,276	-

[1] As at December 31, 2024 and 2023, the Company had no fixed surplus notes outstanding. Refer to note 18 (g).

(h)Risk concentrations

The Company defines enterprise-wide investment portfolio level targets and limits to ensure that portfolios are diversified across asset classes and individual investment risks. The Company monitors actual investment positions and risk exposures for concentration risk and reports its findings to the Executive Risk Committee and the Risk Committee of the Board of Directors.

As at December 31,	2024	2023
Debt securities and private placements rated as investment grade BBB or higher[1]	**96%**	95%
Government debt securities as a per cent of total debt securities	**40%**	38%
Government private placements as a per cent of total private placements	**9%**	10%
Highest exposure to a single non-government debt security or private placement issuer	**$ 1,121**	$ 1,131
Largest single issuer as a per cent of the total equity portfolio	**2%**	2%
Income producing commercial office properties (2024 – 35% of real estate, 2023 – 37%)	**$ 4,696**	$ 4,829
Largest concentration of mortgages and real estate[2] – Ontario Canada (2024 – 28%, 2023 – 29%)	**$ 19,052**	$ 19,003

[1] Investment grade debt securities and private placements include 37% rated A, 17% rated AA and 15% rated AAA (2023 – 38%, 17% and 15%) investments based on external ratings where available.

[2] Mortgages and real estate investments are diversified geographically and by property type.

The following table presents debt securities and private placements portfolio by sector and industry.

As at December 31,	2024 Carrying value	2024 % of total	2023 Carrying value	2023 % of total
Government and agency	**$ 88,376**	**34%**	$ 84,739	33%
Utilities	**45,812**	**18%**	45,952	18%
Financial	**38,656**	**15%**	39,069	15%
Consumer	**31,529**	**12%**	31,181	12%
Energy	**15,840**	**6%**	15,782	6%
Industrial	**24,233**	**9%**	24,209	9%
Other	**15,843**	**6%**	16,823	7%
Total	**$ 260,289**	**100%**	$ 257,755	100%

(i)Insurance risk

Insurance risk is the risk of loss due to actual experience for mortality and morbidity claims, policyholder behaviour and expenses emerging differently than assumed when a product was designed and priced. A variety of assumptions are made related to these experience factors, for reinsurance costs, and for sales levels when products are designed and priced, as well as in the determination of policy liabilities. Assumptions for future claims are generally based on both Company and industry experience, and assumptions for future policyholder behaviour and expenses are generally based on Company experience. Such assumptions require significant professional judgment, and actual experience may be materially different than the assumptions made by the Company. Claims may be impacted unexpectedly by changes in the prevalence of diseases or illnesses, medical and technology advances, widespread lifestyle changes, natural disasters, large-scale man-made disasters and acts of terrorism. Policyholder behaviour including premium payment patterns, policy renewals, lapse rates and withdrawal and surrender activity are influenced by many factors including market and general economic conditions, and the availability and relative attractiveness of other products in the marketplace. Some reinsurance rates are not guaranteed and may be changed unexpectedly. Adjustments the Company seeks to make to Non-Guaranteed elements to reflect changing experience factors may be

challenged by regulatory or legal action and the Company may be unable to implement them or may face delays in implementation.

The Company manages insurance risk through global policies, standards and best practices with respect to product design, pricing, underwriting and claim adjudication, and a global underwriting manual. Each business unit establishes underwriting policies and procedures, including criteria for approval of risks and claims adjudication policies and procedures. The current global life retention limit is US$30 for individual policies (US$35 for survivorship life policies) and is shared across businesses. Lower limits are applied in some markets and jurisdictions. The Company aims to further reduce exposure to claims concentrations by applying geographical aggregate retention limits for certain covers. Enterprise-wide, the Company aims to reduce the likelihood of high aggregate claims by operating globally, insuring a wide range of unrelated risk events, and reinsuring some risk.

(j)Concentration risk

The geographic concentration of the Company's insurance and investment contract liabilities, including embedded derivatives, is shown below. The disclosure is based on the countries in which the business is written.

As at December 31, 2024	Insurance contract liabilities	Investment contract liabilities	Reinsurance assets	Net liabilities
U.S. and Canada	**$ 342,146**	**$ 305,563**	**$ (52,055)**	**$ 595,654**
Asia and Other	**180,698**	**17,378**	**(6,294)**	**191,782**
Total	**$ 522,844**	**$ 322,941**	**$ (58,349)**	**$ 787,436**

As at December 31, 2023	Insurance contract liabilities	Investment contract liabilities	Reinsurance assets	Net liabilities
U.S. and Canada	$ 327,458	$ 260,046	$ (39,080)	$ 548,424
Asia and Other	154,536	15,171	(1,169)	168,538
Total	$ 481,994	$ 275,217	$ (40,249)	$ 716,962

(k)Reinsurance risk

In the normal course of business, the Company limits the amount of loss on any one policy by reinsuring certain levels of risk with other insurers. In addition, the Company accepts reinsurance from other reinsurers. Reinsurance ceded does not discharge the Company's liability as the primary insurer. Failure of reinsurers to honour their obligations could result in losses to the Company; consequently, allowances are established for amounts deemed uncollectible. To minimize losses from reinsurer insolvency, the Company monitors the concentration of credit risk both geographically and with any one reinsurer. In addition, the Company selects reinsurers with high credit ratings.

As at December 31, 2024, the Company had $58,349 (2023 – $40,249) of reinsurance assets. Of this, 93 per cent (2023 – 91 per cent) were ceded to reinsurers with Standard and Poor's ratings of A- or above. The Company's exposure to credit risk was mitigated by $40,753 fair value of collateral held as security as at December 31, 2024 (2023 – $22,264). Net exposure after considering offsetting agreements and the benefit of the fair value of collateral held was $17,595 as at December 31, 2024 (2023 – $17,984).

Manulife

Note 9 Long Term Debt

(a)Carrying value of long-term debt instruments

	Issue date	Maturity date	Par value	As at December 31, 2024	2023
3.050% Senior notes[1],[2]	August 27, 2020	August 27, 2060	US$ 1,155	**$ 1,659**	$ 1,519
5.375% Senior notes[1],[3]	March 4, 2016	March 4, 2046	US$ 750	**1,067**	977
3.703% Senior notes[1],[4]	March 16, 2022	March 16, 2032	US$ 750	**1,074**	983
2.396% Senior notes[1],[5]	June 1, 2020	June 1, 2027	US$ 200	**287**	263
2.484% Senior notes[1],[5]	May 19, 2020	May 19, 2027	US$ 500	**717**	657
3.527% Senior notes[1],[3]	December 2, 2016	December 2, 2026	US$ 270	**388**	356
4.150% Senior notes[1],[3]	March 4, 2016	March 4, 2026	US$ 1,000	**1,437**	1,316
Total				**$ 6,629**	$ 6,071

[1]These U.S. dollar senior notes have been designated as hedges of the Company's net investment in its U.S. operations which reduces the earnings volatility that would otherwise arise from the re-measurement of these senior notes into Canadian dollars.

[2]MFC may redeem the notes in whole, but not in part, on August 27, 2025, and thereafter on every August 27 at a redemption price equal to par, together with accrued and unpaid interest. Issuance costs are amortized to the earliest par redemption date.

[3]MFC may redeem the senior notes in whole or in part, at any time, at a redemption price equal to the greater of par and a price based on the yield of a comparable U.S. Treasury bond with a tenor approximately equal to the period, from the redemption date to the respective maturity date, plus a specified number of basis points, together with accrued and unpaid interest. The specified number of basis points is as follows: 5.375% notes – 40 bps, 3.527% notes – 20 bps, and 4.150% notes – 35 bps. Issuance costs are amortized over the term of the debt.

[4]MFC may redeem the senior notes in whole or in part, at any time, at a redemption price equal to the greater of par and a price based on the yield of a comparable U.S. Treasury bond with a tenor approximately equal to the period, from the redemption date to December 16, 2031, plus 25 bps, together with accrued and unpaid interest. Issuance costs are amortized over the term of the debt.

[5]MFC may redeem the senior notes in whole or in part, at any time, at a redemption price equal to the greater of par and a price based on the yield of a comparable U.S. Treasury bond with a tenor approximately equal to the period, from the redemption date to two months before the respective maturity date, plus a specified number of basis points, together with accrued and unpaid interest. The specified number of basis points is as follows: 2.396% notes – 30 bps, and 2.484% notes – 30 bps. For the period from two months before the respective maturity date, MFC may redeem the senior notes, in whole or in part, at a redemption price equal to par, together with accrued and unpaid interest. Issuance costs are amortized over the term of the debt.

The cash amount of interest paid on long-term debt during the year ended December 31, 2024 was $233 (2023 – $231).

(b)Fair value measurement

The Company measures its long-term debt at amortized cost in the Consolidated Statements of Financial Position. As at December 31, 2024, the fair value of long-term debt was $5,741 (2023 – $5,525). The fair value of long-term debt was determined using Level 2 valuation techniques (2023 – Level 2).

(c)Aggregate maturities of long-term debt

As at December 31,	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
2024	**$ -**	**$ 2,829**	**$ -**	**$ 3,800**	**$ 6,629**
2023	-	1,672	920	3,479	6,071

Note 10 Capital Instruments

(a)Carrying value of capital instruments

	Issuance date	Earliest par redemption date	Maturity date	Par value	As at December 31, 2024	2023
JHFC Subordinated notes[1],[2]	December 14, 2006	n/a	December 15, 2036	$ 650	**$ 648**	$ 647
2.818% MFC Subordinated debentures[1],[3]	May 12, 2020	May 13, 2030	May 13, 2035	$ 1,000	**997**	996
4.064% MFC Subordinated debentures[4]	December 6, 2024	December 6, 2029	December 6, 2034	$ 1,000	**995**	-
4.275% MFC Subordinated notes[5],[6]	June 19, 2024	June 19, 2029	June 19, 2034	S$ 500	**524**	-
5.054% MFC Subordinated debentures[7]	February 23, 2024	February 23, 2029	February 23, 2034	$ 1,100	**1,095**	-
5.409% MFC Subordinated debentures[8]	March 10, 2023	March 10, 2028	March 10, 2033	$ 1,200	**1,196**	1,195
4.061% MFC Subordinated notes[1],[9],[10]	February 24, 2017	February 24, 2027	February 24, 2032	US$ 750	**1,077**	987
2.237% MFC Subordinated debentures[1],[11]	May 12, 2020	May 12, 2025	May 12, 2030	$ 1,000	**1,000**	999
3.00% MFC Subordinated notes[1],[12],[13]	November 21, 2017	November 21, 2024	November 21, 2029	S$ 500	**-**	499
3.049% MFC Subordinated debentures[1][13]	August 18, 2017	August 20, 2024	August 20, 2029	$ 750	**-**	750
7.375% JHUSA Surplus notes[13]	February 25, 1994	n/a	February 15, 2024	US$ 450	**-**	594
Total					**$ 7,532**	$ 6,667

[1]The Canadian Dollar Offered Rate ("CDOR") was decommissioned on June 28, 2024. On July 1, 2024, capital instruments of $648 (2023 – $647) which had an interest rate referencing CDOR, transitioned to an interest rate referencing CORRA. In addition, capital instruments with interest rates resetting in the future that reference CDOR and the U.S. Dollar Mid-Swap rate (based on London Interbank Offered Rate (LIBOR)) amount to $1,997 and $1,077, respectively (2023 – $2,745 and $987, respectively). Future rate resets for these capital instruments may rely on alternative reference rates such as CORRA, the alternative rate for CDOR, and the Secured Overnight Financing Rate (SOFR) and the alternative rate for USD LIBOR. As at December 31, 2024, the interest rate benchmark reform has not resulted in material changes in the Company's risk management strategy.

[2]Issued by Manulife Holdings (Delaware) LLC ("MHDLL"), now John Hancock Financial Corporation ("JHFC"), a wholly owned subsidiary of MFC, to Manulife Finance (Delaware) LLC ("MFLLC"), a subsidiary of Manulife Finance (Delaware) L.P. ("MFLP"). MFLP and its subsidiaries are wholly owned unconsolidated related parties of the Company. Effective July 1, 2024, the notes bear interest at a floating rate equal to CORRA, plus a spread adjustment of 0.32138%, plus 0.72%. With regulatory approval, JHFC may redeem the note, in whole or in part, at any time, at par, together with accrued and unpaid interest. Refer to note 17.

[3]After May 13, 2030, the interest rate will reset to equal 3-month CDOR plus 1.82%. With regulatory approval, MFC may redeem the debentures, in whole or in part, on or after May 13, 2025, at a redemption price together with accrued and unpaid interest. If the redemption date is on or after May 13, 2025, but prior to May 13, 2030, the redemption price shall be the greater of: (i) the Canada yield price as defined in the prospectus; and (ii) par. If the redemption date is on or after May 13, 2030, the redemption price shall be equal to par.

[4]Issued by MFC during the fourth quarter of 2024, interest is payable semi-annually. After December 6, 2029, the interest rate will reset to equal the Daily Compounded CORRA plus 1.25%. With regulatory approval, MFC may redeem the notes, in whole or in part, on or after December 6, 2029 at a redemption price equal to par, together with accrued and unpaid interest to, but excluding, the date fixed for redemption.

[5]Designated as a hedge of the Company's net investment in its Singapore operations which reduces the earnings volatility that would otherwise arise from the re-measurement of the subordinated notes into Canadian dollars.

[6]Issued by MFC during the second quarter of 2024, interest is payable semi-annually. After June 19, 2029, the interest rate will reset to equal the prevailing 5-year SORA Overnight Indexed Swap (SORA OIS) Rate plus 1.201%. With regulatory approval, MFC may redeem the notes, in whole, but not in part, on June 19, 2029 and on any interest payment date thereafter, at a redemption price equal to par, together with accrued and unpaid interest to, but excluding, the date fixed for redemption.

[7]Issued by MFC during the first quarter of 2024, interest is payable semi-annually. After February 23, 2029, the interest rate will reset to equal the Daily Compounded CORRA plus 1.44%. With regulatory approval, MFC may redeem the debentures, in whole, but not in part, on or after February 23, 2029 at a redemption price equal to par, together with accrued and unpaid interest to, but excluding, the date fixed for redemption.

[8]Issued by MFC, interest is payable semi-annually. After March 10, 2028, the interest rate will reset to equal the Daily Compounded CORRA plus 1.85%. With regulatory approval, MFC may redeem the debentures, in whole or in part, on or after March 10, 2028, at a redemption price equal to par, together with accrued and unpaid interest.

[9]On the earliest par redemption date, the interest rate will reset to equal the 5-Year U.S. Dollar Mid-Swap Rate plus 1.647%. With regulatory approval, MFC may redeem the debentures, in whole, but not in part, on the earliest par redemption date, at a redemption price equal to par, together with accrued and unpaid interest.

[10]Designated as a hedge of the Company's net investment in its U.S. operations which reduces the earnings volatility that would otherwise arise from the re-measurement of the subordinated notes into Canadian dollars.

[11]Issued by MFC, interest is payable semi-annually. After May 12, 2025, the interest rate will reset to equal 3-month CDOR plus 1.49%. With regulatory approval, MFC may redeem the debentures, in whole or in part, on or after May 12, 2025, at a redemption price equal to par, together with accrued and unpaid interest.

[12]On the earliest par redemption date, the interest rate will reset to equal the 5-Year Singapore Dollar Swap Rate plus 0.832%. With regulatory approval, MFC may redeem the debentures, in whole, but not in part, on the earliest par redemption date and thereafter on each interest payment date, at a redemption price equal to par, together with accrued and unpaid interest.

[13]The 3.00% MFC Subordinated notes and 3.049% MFC Subordinated debentures were redeemed at par. The 7.375% JHUSA Surplus notes matured and were redeemed.

(b)Fair value measurement

The Company measures capital instruments at amortized cost in the Consolidated Statements of Financial Position. As at December 31, 2024, the fair value of capital instruments was $7,575 (2023 – $6,483). The fair value of capital instruments was determined using Level 2 valuation techniques (2023 – Level 2).

Manulife

Note 11 Equity Capital and Earnings Per Share

The authorized capital of MFC consists of:

- an unlimited number of common shares without nominal or par value; and
- an unlimited number of Class A, Class B and Class 1 preferred shares without nominal or par value, issuable in series.

(a)Preferred shares and other equity instruments

The following table presents information about the outstanding preferred shares and other equity instruments as at December 31, 2024 and December 31, 2023.

	Issue date	Annual dividend / distribution rate[1]	Earliest redemption date[2],[3]	Number of shares (in millions)	Face amount	Net amount[4] as at December 31,	
						2024	2023
Preferred shares							
Class A preferred shares							
Series 2	February 18, 2005	4.650 %	n/a	14	$ 350	**$ 344**	$ 344
Series 3	January 3, 2006	4.500 %	n/a	12	300	**294**	294
Class 1 preferred shares							
Series 3[5],[6]	March 11, 2011	2.348 %	June 19, 2026	7	163	**160**	160
Series 4[7]	June 20, 2016	floating	June 19, 2026	1	37	**36**	36
Series 9[5],[6]	May 24, 2012	5.978 %	September 19, 2027	10	250	**244**	244
Series 11[5],[6]	December 4, 2012	6.159 %	March 19, 2028	8	200	**196**	196
Series 13[5],[6]	June 21, 2013	6.350 %	September 19, 2028	8	200	**196**	196
Series 15[5],[6],[8]	February 25, 2014	5.775 %	June 19, 2029	8	200	**195**	195
Series 17[5],[6],[9]	August 15, 2014	5.542 %	December 19, 2029	14	350	**343**	343
Series 19[5],[6]	December 3, 2014	3.675 %	March 19, 2025	10	250	**246**	246
Series 25[5],[6]	February 20, 2018	5.942 %	June 19, 2028	10	250	**245**	245
Other equity instruments							
Limited recourse capital notes (LRCN)[10]							
Series 1[11]	February 19, 2021	3.375 %	May 19, 2026	n/a	2,000	**1,982**	1,982
Series 2[11]	November 12, 2021	4.100 %	February 19, 2027	n/a	1,200	**1,189**	1,189
Series 3[11]	June 16, 2022	7.117 %	June 19, 2027	n/a	1,000	**990**	990
Total				102	$ 6,750	**$ 6,660**	$ 6,660

[1] Holders of Class A and Class 1 preferred shares are entitled to receive non-cumulative preferential cash dividends on a quarterly basis, as and when declared by the Board of Directors. Non-deferrable distributions are payable to all LRCN holders semi-annually at the Company's discretion.

[2] Redemption of all preferred shares is subject to regulatory approval. MFC may redeem each series, in whole or in part, at par, on the earliest redemption dates or every five years thereafter, except for Class A Series 2, Class A Series 3 and Class 1 Series 4 preferred shares. Class A Series 2 and Series 3 preferred shares are past their respective earliest redemption date and MFC may redeem these preferred shares, in whole or in part, at par at any time, subject to regulatory approval. MFC may redeem the Class 1 Series 4 preferred shares, in whole or in part, at any time, at $25.00 per share if redeemed on June 19, 2026 (the earliest redemption date) and on June 19 every five years thereafter, or at $25.50 per share if redeemed on any other date after June 19, 2021, subject to regulatory approval.

[3] Redemption of all LRCN series is subject to regulatory approval. MFC may at its option redeem each series in whole or in part, at a redemption price equal to par, together with accrued and unpaid interest. The redemption period for Series 1 is every five years during the period from May 19 and including June 19, commencing in 2026. The redemption period for Series 2 is every five years during the period from February 19 to and including March 19, commencing in 2027. After the first redemption date, the redemption period for Series 3 is every five years during the period from May 19 to and including June 19, commencing in 2032.

[4] Net of after-tax issuance costs.

[5] On the earliest redemption date and every five years thereafter, the annual dividend rate will be reset to the five-year Government of Canada bond yield plus a yield specified for each series. The specified yield for Class 1 preferred shares is: Series 3 – 1.41%, Series 9 – 2.86%, Series 11 – 2.61%, Series 13 – 2.22%, Series 15 – 2.16%, Series 17 – 2.36%, Series 19 – 2.30%, and Series 25 – 2.55%.

[6] On the earliest redemption date and every five years thereafter, Class 1 preferred shares are convertible at the option of the holder into a new series that is one number higher than their existing series, and the holders are entitled to non-cumulative preferential cash dividends, payable quarterly if and when declared by the Board of Directors, at a rate equal to the three-month Government of Canada Treasury bill yield plus the rate specified in footnote 5 above.

[7] The floating dividend rate for the Class 1 Series 4 shares equals the three-month Government of Canada Treasury bill yield plus 1.41%.

[8] MFC did not exercise its right to redeem the outstanding Class 1 Shares Series 15 on June 19, 2024, which was the earliest redemption date. The dividend rate was reset as specified in footnote 5 above to an annual fixed rate of 5.775%, for a five-year period commencing on June 20, 2024.

[9] MFC did not exercise its right to redeem the outstanding Class 1 Shares Series 17 on December 19, 2024, which was the earliest redemption date. The dividend rate was reset as specified in footnote 5 above to an annual fixed rate of 5.542%, for a five-year period commencing on December 20, 2024.

[10] Non-payment of distributions or principal on any LRCN series when due will result in a recourse event. The recourse of each noteholder will be limited to their proportionate amount of the Limited Recourse Trust's assets which comprise of Class 1 Series 27 preferred shares for LRCN Series 1, Class 1 Series 28 preferred shares for LRCN Series 2, and Class 1 Series 29 preferred shares for LRCN Series 3. All claims of the holders of LRCN series against MFC will be extinguished upon receipt of the corresponding trust assets. The Class 1 Series 27, Class 1 Series 28 and Class 1 Series 29 preferred shares are eliminated on consolidation while being held in the Limited Recourse Trust.

[11] The LRCN Series 1 pay a distribution at a fixed rate of 3.375% payable semi-annually, until June 18, 2026; on June 19, 2026 and every five years thereafter until June 19, 2076, the rate will be reset at a rate equal to the five-year Government of Canada yield as defined in the prospectus, plus 2.839%. The LRCN Series 2 pay a distribution at a fixed rate of 4.10% payable semi-annually, until March 18, 2027; on March 19, 2027 and every five years thereafter until March 19, 2077, the rate will be reset at a rate equal to the five-year Government of Canada yield as defined in the prospectus, plus 2.704%. The LRCN Series 3 pay a distribution at a fixed rate of 7.117% payable semi-annually, until June 18, 2027; on June 19, 2027 and every five years thereafter until June 19, 2077, the rate will be reset at a rate equal to the five-year Government of Canada yield as defined in the prospectus, plus 3.95%.

(b)Common shares

As at December 31, 2024, there were 12 million outstanding stock options and deferred share units that entitle the holders to receive common shares or payment in cash or common shares, at the option of the holders (2023 – 17 million).

The following table presents changes in common shares issued and outstanding.

For the years ended December 31,	**2024**		2023	
	Number of shares (in millions)	Amount	Number of shares (in millions)	Amount
Balance, beginning of year	**1,806**	**$ 21,527**	1,865	$ 22,178
Repurchased for cancellation	**(83)**	**(989)**	(63)	(745)
Issued on exercise of stock options and deferred share units	**6**	**143**	4	94
Balance, end of year	**1,729**	**$ 20,681**	1,806	$ 21,527

Normal course issuer bid

On February 20, 2024, the Company announced that the Toronto Stock Exchange ("TSX") approved a normal course issuer bid (the "2024 NCIB") permitting the purchase for cancellation of up to 50 million of its common shares, representing approximately 2.8% of its common shares outstanding as at February 12, 2024. On May 7, 2024, the Company announced that the TSX approved an amendment to the 2024 NCIB to increase the number of common shares that it may repurchase for cancellation to 90 million of its common shares, representing approximately 5% of common shares outstanding as at February 12, 2024.

Purchases under the 2024 NCIB, as subsequently amended, commenced on February 23, 2024, and will continue until February 22, 2025, when the NCIB expires, or such earlier date as the Company completes its purchases. During the year ended December 31, 2024, the Company purchased for cancellation under the 2024 NCIB 82.8 million common shares for $3,212 and incurred $60 of tax on net repurchases of equity. Of this, $990 was recorded in common shares and $2,282 was recorded in retained earnings in the Consolidated Statements of Changes in Equity.
The Company's 2023 NCIB which was announced on February 21, 2023, expired on February 22, 2024, with no purchases during the year ended December 31, 2024. The Company's 2022 NCIB, which was announced on February 1, 2022, expired on February 2, 2023.
During the year ended December 31, 2023, the Company purchased for cancellation 62.6 million common shares for a total cost of $1,595, including 6.9 million common shares for $175 under the 2022 NCIB. Of this, $745 was recorded in common shares and $850 was recorded in retained earnings in the Consolidated Statements of Changes in Equity.
On February 19, 2025, the Company announced that it is launching a normal course issuer bid (the "2025 NCIB") permitting the purchase for cancellation of up to 51.5 million common shares, representing approximately 3.0% of common shares outstanding. The Company has received approval from both the TSX and OSFI for the 2025 NCIB. Purchases under the 2025 NCIB may commence on February 24, 2025 and continue until February 23, 2026, when the 2025 NCIB expires, or such earlier date as the Company completes its purchases.

(c)Earnings per share

The following table presents basic and diluted earnings per common share of the Company.

For the years ended December 31,	2024	2023
Basic earnings per common share	**$ 2.85**	$ 2.62
Diluted earnings per common share	**2.84**	2.61

The following is a reconciliation of the denominator (number of shares) in the calculation of basic and diluted earnings per common share.

For the years ended December 31,	2024	2023
Weighted average number of common shares (in millions)	**1,779**	1,834
Dilutive stock-based awards(1) (in millions)	**6**	4
Weighted average number of diluted common shares (in millions)	**1,785**	1,838

(1) The dilutive effect of stock-based awards was calculated using the treasury stock method. This method calculates the number of incremental shares by assuming the outstanding stock-based awards are (i) exercised and (ii) then reduced by the number of shares assumed to be repurchased from the issuance proceeds, using the average market price of MFC common shares for the year. Excluded from the calculation was a weighted average of nil (2023 – nil) anti-dilutive stock-based awards.

(d)Quarterly dividend declaration subsequent to year end

On February 19, 2025, the Company's Board of Directors approved a quarterly dividend of $0.44 per share on the common shares of MFC, payable on or after March 19, 2025 to shareholders of record at the close of business on March 5, 2025.
The Board also declared dividends on the following non-cumulative preferred shares, payable on or after March 19, 2025 to shareholders of record at the close of business on March 5, 2025.

Class A Shares Series 2 - $0.290630 per share	Class 1 Shares Series 13 - $0.396875 per share
Class A Shares Series 3 - $0.281250 per share	Class 1 Shares Series 15 - $0.360938 per share
Class 1 Shares Series 3 - $0.146750 per share	Class 1 Shares Series 17 - $0.346375 per share
Class 1 Shares Series 4 - $0.301500 per share	Class 1 Shares Series 19 - $0.229688 per share
Class 1 Shares Series 9 - $0.373625 per share	Class 1 Shares Series 25 - $0.371375 per share
Class 1 Shares Series 11 - $0.384938 per share	

Note 12 Capital Management

(a)Capital management

The Company monitors and manages its consolidated capital in compliance with the Life Insurance Capital Adequacy Test ("LICAT") guideline, the capital framework issued by OSFI. Under the capital framework, the Company's consolidated capital resources, including available capital, surplus allowance, and eligible deposits, are measured against the base solvency buffer, which is the risk based capital requirement determined in accordance with the guideline.
The Company's operating activities are primarily conducted within MLI and its subsidiaries. MLI is also regulated by OSFI and is therefore subject to consolidated risk based capital requirements using the OSFI LICAT framework.
The Company seeks to manage its capital with the objectives of:
•Operating with sufficient capital to be able to honour all commitments to its policyholders and creditors with a high degree of confidence;
•Retaining the ongoing confidence of regulators, policyholders, rating agencies, investors and other creditors in order to ensure access to capital markets; and
•Optimizing return on capital to meet shareholders' expectations subject to constraints and considerations of adequate levels of capital established to meet the first two objectives.
Capital is managed and monitored in accordance with the Capital Management Policy. The policy is reviewed and approved by the Board of Directors annually and is integrated with the Company's risk and financial management frameworks. It establishes guidelines regarding the quantity and quality of capital, internal capital mobility, and proactive management of ongoing and future capital requirements.
The capital management framework considers the requirements of the Company as a whole as well as the needs of each of the Company's subsidiaries. Internal capital targets are set above the regulatory requirements, and consider a number of factors,

including expectations of regulators and rating agencies, results of sensitivity and stress testing and the Company's own risk assessments. The Company monitors against these internal targets and initiates actions appropriate to achieving its business objectives.
Consolidated capital, whose components are based on accounting standards, is presented in the table below for MFC. 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 used by OSFI.

Consolidated capital

As at December 31,	2024	2023
Total equity	**$ 52,960**	$ 48,727
Exclude AOCI gain / (loss) on cash flow hedges	**119**	26
Total equity excluding AOCI on cash flow hedges	**52,841**	48,701
Post-tax CSM	**20,826**	18,503
Qualifying capital instruments	**7,532**	6,667
Consolidated capital	**$ 81,199**	$ 73,871

(b)Restrictions on dividends and capital distributions

Dividends and capital distributions are restricted under the Insurance Companies Act ("ICA"). These restrictions apply to both MFC and its primary operating subsidiary MLI. The ICA prohibits the declaration or payment of any dividend on shares of an insurance company if there are reasonable grounds for believing a company does not have adequate capital and adequate and appropriate forms of liquidity or the declaration or payment of the dividend would cause the company to be in contravention of any regulation made under the ICA respecting the maintenance of adequate capital and adequate and appropriate forms of liquidity, or of any direction made to the company by OSFI. The ICA also requires an insurance company to notify OSFI of the declaration of a dividend at least 15 days prior to the date fixed for its payment. Similarly, the ICA prohibits the purchase for cancellation of any shares issued by an insurance company or the redemption of any redeemable shares or other similar capital

transactions, if there are reasonable grounds for believing that the company does not have adequate capital and adequate and appropriate forms of liquidity or the payment would cause the company to be in contravention of any regulation made under the ICA respecting the maintenance of adequate capital and adequate and appropriate forms of liquidity, or any direction made to the company by OSFI. These latter transactions would require the prior approval of OSFI.
The ICA requires Canadian insurance companies to maintain adequate levels of capital at all times.
Since MFC is a holding company that conducts all of its operations through regulated insurance subsidiaries (or companies owned directly or indirectly by these subsidiaries), its ability to pay future dividends will depend on the receipt of sufficient funds from its regulated insurance subsidiaries. These subsidiaries are also subject to certain regulatory restrictions under laws in Canada, the United States and certain other countries that may limit their ability to pay dividends or make other upstream distributions.

Note 13 Revenue from Service Contracts

The Company provides investment management services, transaction processing and administrative services, and distribution and related services to proprietary and third-party investment funds, retirement plans, group benefit plans, institutional investors and other arrangements. The Company also provides real estate management services to tenants of its investment properties. The Company's service contracts generally impose single performance obligations, each consisting of a series of similar related services for each customer.
The Company's performance obligations within service arrangements are generally satisfied over time as the customer simultaneously receives and consumes the benefits of the services rendered, measured using an output method. Fees typically include variable consideration and the related revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty is subsequently resolved.
Asset-based fees vary with the asset values of accounts under management, subject to market conditions and investor behaviours beyond the Company's control. Transaction processing and administrative fees vary with activity volumes, also beyond the Company's control. Some fees, including distribution fees, are based on account balances and transaction volumes. Fees related to account balances and transaction volumes are measured daily. Real estate management service fees include fixed portions plus recovery of variable costs of services rendered to tenants. Fees related to services provided are generally recognized as services are rendered, which is when it becomes highly probable that no significant reversal of cumulative revenue recognized will occur. The Company has determined that its service contracts have no significant financing components because fees are collected monthly. The Company has no significant contract assets or contract liabilities.
The following tables present revenue from service contracts by service lines and reporting segments as disclosed in note 19.

For the year ended December 31, 2024	Global WAM	Asia, Canada, U.S., and Corporate and Other	Total
Investment management and other related fees	**$ 3,612**	**$ (489)**	**$ 3,123**
Transaction processing, administration and service fees	**2,908**	**298**	**3,206**
Distribution fees and other	**918**	**46**	**964**
Total included in other revenue	**7,438**	**(145)**	**7,293**
Revenue from non-service lines	**1**	**294**	**295**
Total other revenue	**$ 7,439**	**$ 149**	**$ 7,588**
Real estate management services included in net investment income	**$ -**	**$ 317**	**$ 317**

For the year ended December 31, 2023	Global WAM	Asia, Canada, U.S., and Corporate and Other	Total
Investment management and other related fees	$ 3,298	$ (412)	$ 2,886
Transaction processing, administration and service fees	2,566	269	2,835
Distribution fees and other	842	54	896
Total included in other revenue	6,706	(89)	6,617
Revenue from non-service lines	3	126	129
Total other revenue	$ 6,709	$ 37	$ 6,746
Real estate management services included in net investment income	$ -	$ 303	$ 303

Note 14 Stock-Based Compensation

(a)Stock options

The Company grants stock options under its Executive Stock Option Plan ("ESOP") to selected individuals. The options provide the holder the right to purchase MFC common shares at an exercise price equal to the higher of the prior day, prior five-day or prior ten-day average closing market price of the shares on the Toronto Stock Exchange on the date the options are granted. The options vest over a period not exceeding four years and expire not more than ten years from the grant date. Effective with the 2015 grant, options may only be exercised after the fifth-year anniversary. A total of 73,600,000 common shares have been reserved for issuance under the ESOP.

Options outstanding

For the years ended December 31,	**2024**		2023	
	Number of options (in millions)	Weighted average exercise price	Number of options (in millions)	Weighted average exercise price
Outstanding, January 1	**16**	**$ 22.73**	20	$ 22.42
Forfeited	**-**	**-**	-	24.27
Exercised	**(5)**	**21.56**	(4)	21.02
Outstanding, December 31	**11**	**$ 23.35**	16	$ 22.73
Exercisable, December 31	**6**	**$ 22.66**	9	$ 21.99

	Options outstanding			Options exercisable		
For the year ended December 31, 2024	Number of options (in millions)	Weighted average exercise price	Weighted average remaining contractual life (in years)	Number of options (in millions)	Weighted average exercise price	Weighted average remaining contractual life (in years)
$17.59 - $20.99	**1**	**$ 17.59**	**1.15**	**1**	**$ 17.59**	**1.15**
$21.00 - $24.73	**10**	**$ 23.93**	**4.04**	**5**	**$ 23.58**	**3.21**
Total	**11**	**$ 23.35**	**3.78**	**6**	**$ 22.66**	**2.89**

No stock options were granted in 2024 or 2023.

Compensation expense related to stock options was $nil for the year ended December 31, 2024 (2023 – $2).

(b)Deferred share units

In 2000, the Company granted deferred share units ("DSUs") on a one-time basis to certain employees under the ESOP. These DSUs vest over a three-year period and each DSU entitles the holder to receive one common share on retirement or termination of employment. When dividends are paid on common shares, holders of DSUs are deemed to receive dividends at the same rate, payable in the form of additional DSUs. The number of these DSUs outstanding was 149,000 as at December 31, 2024 (2023 – 143,000).

In addition, for certain employees and pursuant to the Company's deferred compensation program, the Company grants DSUs under the Restricted Share Units ("RSUs") Plan which entitle the holder to receive payment in cash equal to the value of the same number of common shares plus credited dividends on retirement or termination of employment. In 2024, the Company granted 45,000 DSUs (2023 – 38,000) to certain employees which vest after 36 months. In 2024, 44,000 DSUs (2023 – 33,000) were granted to certain employees who elected to defer receipt of all or part of their annual bonus, and these DSUs vested immediately. In 2024, 19,000 DSUs (2023 – 18,000) were granted to certain employees who elected to defer payment of all or part of their RSUs, and these DSUs also vested immediately.

Under the Stock Plan for Non-Employee Directors, each eligible director may elect to receive his or her annual director's retainer and fees in DSUs (which vest immediately) or common shares in lieu of cash. In 2024, 85,000 DSUs (2023 – 117,000) were issued under this arrangement. Upon termination of their Board service, an eligible director who has elected to receive DSUs will be entitled to receive cash equal to the value of the DSUs accumulated in their account, or at their direction, an equivalent number of common shares. The Company is allowed to issue up to one million common shares under this plan, after which awards may be settled using shares purchased in the open market.

The fair value of 193,000 DSUs issued during the year was $44.16 per unit as at December 31, 2024 (2023 – 206,000 at $29.28 per unit).

For the years ended December 31, Number of DSUs (in thousands)	2024	2023
Outstanding, January 1	**1,963**	2,373
Issued	**193**	206
Reinvested	**86**	131
Redeemed	**(191)**	(744)
Forfeitures and cancellations	**(1)**	(3)
Outstanding, December 31	**2,050**	1,963

Of the DSUs outstanding as at December 31, 2024, 149,000 (2023 – 143,000) entitle the holder to receive common shares, 867,000 (2023 – 913,000) entitle the holder to receive payment in cash and 1,034,000 (2023 – 907,000) entitle the holder to receive payment in cash or common shares, at the option of the holder.

Compensation expense related to DSUs was $10 for the year ended December 31, 2024 (2023 – $9).

The carrying and fair value of the DSUs liability as at December 31, 2024 was $84 (2023 – $62) and was included in other liabilities.

(c)Restricted share units and performance share units

For the year ended December 31, 2024, 6.7 million RSUs (2023 – 8.5 million) and 1.5 million PSUs (2023 – 1.6 million) were granted to certain eligible employees under MFC's Restricted Share Unit Plan. The fair value of the RSUs and PSUs granted during the year was $44.16 per unit as at December 31, 2024 (2023 – $29.28 per unit). Each RSU and PSU entitles the holder to receive payment equal to the market value of one common share, plus credited dividends, at the time of vesting, subject to any performance conditions.

RSUs and PSUs granted in March 2024 will vest after 36 months from their grant date and the related compensation expense is recognized over this period, unless the employee is eligible to retire at the time of grant or will be eligible to retire during the vesting period, in which case the cost is recognized at the grant date or over the period between the grant date and the date on which the employee is eligible to retire, respectively. Compensation expense related to RSUs and PSUs was $215 and $96, respectively, for the year ended December 31, 2024 (2023 – $207 and $45, respectively).

The carrying and fair value of the RSUs and PSUs liability as at December 31, 2024 was $910 (2023 – $514) and was included in other liabilities.

(d)Global share ownership plan

The Company's Global Share Ownership Plan allows qualifying employees to apply up to five per cent of their annual base earnings toward the purchase of common shares. The Company matches a percentage of the employee's eligible contributions up to a maximum amount. The Company's contributions vest immediately. All contributions are used to purchase common shares in the open market on behalf of participating employees.

Note 15 Employee Future Benefits

The Company maintains defined contribution and defined benefit pension plans and other post-employment plans for employees and agents including registered (tax-qualified) pension plans that are typically funded, as well as supplemental non-registered (non-qualified) pension plans for executives, retiree welfare plans and disability welfare plans that are typically not funded.

(a)Plan characteristics

The Company's final average pay defined benefit pension plans and retiree welfare plans are closed to new members. All employees may participate in capital accumulation plans including defined benefit cash balance plans, 401(k) plans and / or defined contribution plans, depending on the country of employment.

All pension arrangements are governed by local pension committees or management or the Company's Board of Directors, but all significant plan changes require approval from the Board of Directors.

The Company's funding policy for defined benefit pension plans is to make the minimum annual contributions required by regulations in the countries in which the plans are offered. Assumptions and methods prescribed for regulatory funding purposes typically differ from those used for accounting purposes.

The Company's remaining defined benefit pension and / or retiree welfare plans are in the U.S., Canada, Japan and Taiwan (China). There are also disability welfare plans in the U.S. and Canada.

The largest defined benefit pension and retiree welfare plans are the primary plans for employees in the U.S. and Canada. These are the material plans discussed in the balance of this note. The Company measures its defined benefit obligations and fair value of plan assets for accounting purposes as at December 31 each year.

U.S. defined benefit pension and retiree welfare plans

The Company operates a qualified cash balance plan that is open to new members, a closed non-qualified cash balance plan, and a closed retiree welfare plan.

Actuarial valuations to determine the Company's minimum funding contributions for the qualified cash balance plan are required annually. Deficits revealed in the funding valuations must generally be funded over a period of up to seven years. It is expected that there will be no required funding for this plan in 2025. No assets are held in the non-qualified cash balance plan.

The retiree welfare plan subsidizes the cost of life insurance and medical benefits. The majority of those members who retired after 1991 receive a fixed-dollar subsidy from the Company based on length of service. The plan was closed to employees hired after 2004. While assets have been set aside in a qualified trust to pay future retiree welfare benefits, this funding is optional. Retiree welfare benefits offered under the plan coordinate with the U.S. Medicare program to make optimal use of available federal financial support.

The qualified pension and retiree welfare plans are governed by the U.S. Benefits Committee, while the non-qualified pension plan is governed by the U.S. Non-Qualified Plans Subcommittee.

Canadian defined benefit pension and retiree welfare plans

The Company's defined benefit plans in Canada include two registered final average pay pension plans, a non-registered supplemental final average pay pension plan and a retiree welfare plan, all of which have been closed to new members.

Actuarial valuations to determine the Company's minimum funding contributions for the registered pension plans are required at least once every three years. Deficits revealed in the funding valuation must generally be funded over a period of ten years. For 2025, the required funding for these plans is expected to be $2. No assets are held in the non-registered supplemental pension plan.

The retiree welfare plan subsidizes the cost of life insurance, medical and dental benefits. These subsidies are a fixed-dollar amount for members who retired after April 30, 2013 and have been eliminated for members who retire after 2019. No assets are held in this plan.

The registered pension plans are governed by Pension Committees, while the supplemental non-registered plan is governed by the Board of Directors. The retiree welfare plan is governed by management.

(b)Risks

In final average pay pension plans and retiree welfare plans, the Company generally bears the material risks which include interest rate, investment, longevity and health care cost inflation risks. In defined contribution plans, these risks are typically borne by the employee. In cash balance plans, the interest rate, investment and longevity risks are partially transferred to the employee.

Material sources of risk to the Company for all plans include:

- A decline in discount rates that increases the defined benefit obligations by more than the increase in value of plan assets;
- Lower than expected rates of mortality; and
- For retiree welfare plans, higher than expected health care costs.

The Company has managed these risks through plan design and eligibility changes that have limited the size and growth of the defined benefit obligations. Investment risks for funded plans are managed by investing significantly in asset classes which are highly correlated with the plans' liabilities.

In the U.S., delegated committee representatives and management review the financial status of the qualified defined benefit pension plan at least monthly, and steps are taken in accordance with an established dynamic investment policy to increase the plan's allocation to asset classes which are highly correlated with the plan's liabilities and reduce investment risk as the funded status improves. As at December 31, 2024, the target asset allocation for the plan was 30% return-seeking assets and 70% liability-hedging assets (2023 – 30% and 70%, respectively).

In Canada, internal committees and management review the financial status of the registered defined benefit pension plans on at least a quarterly basis. As at December 31, 2024, the target asset allocation for the plans was 17% return-seeking assets and 83% liability-hedging assets (2023 – 17% and 83%, respectively).

(c)Pension and retiree welfare plans

The following tables present the reconciliation of defined benefit obligation and fair value of plan assets for the pension plans and retiree welfare plans.

For the years ended December 31,	Pension plans 2024	2023	Retiree welfare plans 2024	2023
Changes in defined benefit obligation:				
Opening balance, January 1	**$ 3,789**	$ 3,794	**$ 450**	$ 466
Current service cost	**44**	41	**-**	-
Past service cost – amendment	**-**	-	**-**	-
Interest cost	**176**	184	**21**	22
Plan participants' contributions	**-**	-	**2**	3
Actuarial losses (gains) due to:				
Experience	**2**	11	**(16)**	(10)
Demographic assumption changes	**-**	14	**-**	1
Economic assumption changes	**(101)**	119	**(19)**	16
Benefits paid	**(303)**	(308)	**(40)**	(38)
Impact of changes in foreign exchange rates	**219**	(66)	**30**	(10)
Defined benefit obligation, December 31	**$ 3,826**	$ 3,789	**$ 428**	$ 450

For the years ended December 31,	Pension plans 2024	2023	Retiree welfare plans 2024	2023
Changes in plan assets:				
Fair value of plan assets, opening balance, January 1	**$ 3,706**	$ 3,722	**$ 526**	$ 523
Interest income	**174**	181	**26**	25
Return on plan assets (excluding interest income)	**(31)**	129	**(19)**	17
Employer contributions	**57**	59	**12**	12
Plan participants' contributions	**-**	-	**2**	3
Benefits paid	**(303)**	(308)	**(40)**	(38)
Administration costs	**(8)**	(10)	**(2)**	(1)
Impact of changes in foreign exchange rates	**225**	(67)	**48**	(15)
Fair value of plan assets, December 31	**$ 3,820**	$ 3,706	**$ 553**	$ 526

(d)Amounts recognized in the Consolidated Statements of Financial Position

The following table presents the deficit (surplus) and net defined benefit liability (asset) for the pension plans and retiree welfare plans.

As at December 31,	Pension plans 2024	2023	Retiree welfare plans 2024	2023
Development of net defined benefit liability				
Defined benefit obligation	**$ 3,826**	$ 3,789	**$ 428**	$ 450
Fair value of plan assets	**3,820**	3,706	**553**	526
Deficit (surplus)	**6**	83	**(125)**	(76)
Effect of asset limit(1)	**44**	41	**-**	-
Deficit (surplus) and net defined benefit liability (asset)	**50**	124	**(125)**	(76)
Deficit (surplus) is comprised of:				
Funded or partially funded plans	**(483)**	(422)	**(221)**	(190)
Unfunded plans	**533**	546	**96**	114
Deficit (surplus) and net defined benefit liability (asset)	**$ 50**	$ 124	**$ (125)**	$ (76)

(1)The asset limit relates to a registered pension plan in Canada. The surplus in that plan is above the present value of economic benefits that can be derived by the Company through reductions in future contributions. For other funded pension plans in surplus position, the present value of the economic benefits available in the form of reductions in future contributions to the plans remains greater than the current surplus.

(e)Disaggregation of defined benefit obligation

The following table presents components of the defined benefit obligation between active members and inactive and retired members.

	U.S. plans				Canadian plans			
	Pension plans		Retiree welfare plans		Pension plans		Retiree welfare plans	
As at December 31,	2024	2023	2024	2023	2024	2023	2024	2023
Active members	**$ 578**	$ 526	**$ 8**	$ 9	**$ 106**	$ 116	**$ -**	$ -
Inactive and retired members	**1,922**	1,907	**324**	327	**1,220**	1,240	**96**	114
Total	**$ 2,500**	$ 2,433	**$ 332**	$ 336	**$ 1,326**	$ 1,356	**$ 96**	$ 114

(f)Fair value measurements

The following tables present major categories of plan assets and the allocation to each category.

	U.S. plans[1]				Canadian plans[2]			
	Pension plans		Retiree welfare plans		Pension plans		Retiree welfare plans	
As at December 31, 2024	Fair value	% of total	Fair value	% of total	Fair value	% of total	Fair value	% of total
Cash and cash equivalents	**$ 35**	**1%**	**$ 23**	**4%**	**$ 11**	**1%**	**$ -**	**-%**
Public equity securities[3]	**346**	**14%**	**41**	**7%**	**205**	**17%**	**-**	**-%**
Public debt securities	**1,513**	**57%**	**476**	**87%**	**968**	**82%**	**-**	**-%**
Other investments[4]	**741**	**28%**	**13**	**2%**	**1**	**-%**	**-**	**-%**
Total	**$ 2,635**	**100%**	**$ 553**	**100%**	**$ 1,185**	**100%**	**$ -**	**-%**

[1]The U.S. pension and retiree welfare plan assets have daily quoted prices in active markets, except for the private debt, infrastructure, private equity, real estate, timberland and agriculture assets. In the aggregate, the latter assets represent approximately 16% of all U.S. pension and retiree welfare plan assets as at December 31, 2024 (2023 – 16%).

[2]All the Canadian pension plan assets have daily quoted prices in active markets, except for group annuity contract assets that represent approximately 0.1% of all Canadian pension plan assets as at December 31, 2024 (2023 – 0.1%).

[3]Equity securities include direct investments in Manulife common shares of $2.1 (2023 – $1.4) in the U.S. retiree welfare plan.

[4]Other U.S. plan assets include investments in private debt, infrastructure, private equity, real estate, timberland and agriculture assets and managed futures. Other Canadian pension plan assets include investments in the group annuity contracts.

	U.S. plans[1]				Canadian plans[2]			
	Pension plans		Retiree welfare plans		Pension plans		Retiree welfare plans	
As at December 31, 2023	Fair value	% of total	Fair value	% of total	Fair value	% of total	Fair value	% of total
Cash and cash equivalents	$ 28	1%	$ 25	5%	$ 15	1%	$ -	-%
Public equity securities[3]	315	13%	39	7%	195	17%	-	-%
Public debt securities	1,437	57%	448	85%	974	82%	-	-%
Other investments[4]	741	29%	14	3%	1	-%	-	-%
Total	$ 2,521	100%	$ 526	100%	$ 1,185	100%	$ -	-%

Note: For footnotes (1) to (4), refer to the "Fair value measurements" table as at December 31, 2024 above.

(g)Net benefit cost recognized in the Consolidated Statements of Income

The following table presents components of the net benefit cost for the pension plans and retiree welfare plans.

	Pension plans		Retiree welfare plans	
For the years ended December 31,	**2024**	2023	**2024**	2023
Defined benefit current service cost[1]	**$ 44**	$ 41	**$ -**	$ -
Defined benefit administrative expenses	**8**	10	**2**	1
Past service cost – plan amendments and curtailments	**-**	-	**-**	-
Service cost	**52**	51	**2**	1
Interest on net defined benefit (asset) liability	**4**	5	**(5)**	(3)
Defined benefit cost	**56**	56	**(3)**	(2)
Defined contribution cost	**97**	93	**-**	-
Net benefit cost	**$ 153**	$ 149	**$ (3)**	$ (2)

[1]There are no significant current service costs for the retiree welfare plans as they are closed and mostly frozen. The re-measurement gain or loss on these plans is due to the volatility of discount rates and investment returns.

(h)Re-measurement effects recognized in Other Comprehensive Income

The following table presents components of the re-measurement effects recognized in Other Comprehensive Income for the pension plans and retiree welfare plans.

	Pension plans		Retiree welfare plans	
For the years ended December 31,	**2024**	2023	**2024**	2023
Actuarial gains (losses) on defined benefit obligations due to:				
Experience	**$ (2)**	$ (11)	**$ 16**	$ 10
Demographic assumption changes	**-**	(14)	**-**	(1)
Economic assumption changes	**101**	(119)	**19**	(16)
Return on plan assets (excluding interest income)	**(31)**	129	**(19)**	17
Change in effect of asset limit (excluding interest)	**(1)**	10	**-**	-
Total re-measurement effects	**$ 67**	$ (5)	**$ 16**	$ 10

(i)Assumptions

The following table presents key assumptions used by the Company to determine the defined benefit obligation and net benefit cost for the defined benefit pension plans and retiree welfare plans.

	U.S. Plans				Canadian Plans			
	Pension plans		Retiree welfare plans		Pension plans		Retiree welfare plans	
For the years ended December 31,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
To determine the defined benefit obligation at end of year[1]:								
Discount rate	**5.5%**	4.8%	**5.4%**	4.8%	**4.6%**	4.6%	**4.7%**	4.7%
Initial health care cost trend rate[2]	**n/a**	n/a	**8.8%**	9.0%	**n/a**	n/a	**3.9%**	3.9%
To determine the net defined benefit cost for the year[1]:								
Discount rate	**4.8%**	5.0%	**4.8%**	5.0%	**4.6%**	5.3%	**4.7%**	5.3%
Initial health care cost trend rate[2]	**n/a**	n/a	**9.0%**	7.8%	**n/a**	n/a	**3.9%**	5.3%

[1]Inflation and salary increase assumptions are not shown as they do not materially affect obligations and costs.

[2]The health care cost trend rate used to measure the U.S. based retiree welfare obligation was 8.8% grading to 4.8% for 2041 and years thereafter (2023 – 9.0% grading to 4.8% for 2041 and years thereafter) and to measure the net benefit cost was 9.0% grading to 4.8% for 2041 and years thereafter (2023 – 7.8% grading to 4.8% for 2035 and years thereafter). In Canada, the rate used to measure the retiree welfare obligation was 3.9% grading to 4.0% for 2029 and years thereafter (2023 – 5.1% in 2023 and 3.9% in 2024, grading to 4.0% for 2029 and years thereafter) and to measure the net benefit cost was 5.1% in 2023 and 3.9% in 2024, grading to 4% for 2029 and years thereafter (2023 – 5.3% grading to 4.8% for 2026 and years thereafter).

Assumptions regarding future mortality are based on published statistics and mortality tables. The following table presents current life expectancies underlying the values of the obligations in the defined benefit pension and retiree welfare plans.

	U.S.		Canada	
As at December 31,	**2024**	2023	**2024**	2023
Life expectancy (in years) for those currently age 65				
Males	**22.2**	22.2	**24.4**	24.3
Females	**23.7**	23.7	**26.2**	26.2
Life expectancy (in years) at age 65 for those currently age 45				
Males	**23.6**	23.6	**25.3**	25.3
Females	**25.1**	25.0	**27.1**	27.1

(j)Sensitivity of assumptions on obligations

Assumptions used can have a significant effect on the obligations reported for defined benefit pension and retiree welfare plans. The following table sets out the potential impact on the obligations arising from changes in the key assumptions. Each sensitivity assumes that all other assumptions are held constant. In actuality, inter-relationships among assumptions may exist.

	Pension plans		Retiree welfare plans	
As at December 31,	**2024**	2023	**2024**	2023
Discount rate:				
Impact of a 1% increase	**$ (260)**	$ (274)	**$ (34)**	$ (38)
Impact of a 1% decrease	**305**	316	**40**	44
Health care cost trend rate:				
Impact of a 1% increase	**n/a**	n/a	**9**	11
Impact of a 1% decrease	**n/a**	n/a	**(8)**	(10)
Mortality rates[1]:				
Impact of a 10% decrease	**89**	89	**9**	6

[1]If the actuarial estimates of mortality are adjusted in the future to reflect unexpected decreases in mortality, the effect of a 10% decrease in mortality rates at each future age would be an increase in life expectancy at age 65 of 0.8 years for U.S. and Canadian males and females.

(k)Maturity profile

The following table presents the weighted average duration (in years) of the defined benefit obligations.

	Pension plans		Retiree welfare plans	
As at December 31,	**2024**	2023	**2024**	2023
U.S. plans	**8.0**	8.4	**7.7**	8.2
Canadian plans	**10.1**	9.9	**10.9**	11.1

(l)Cash flows – contributions

The following table presents total cash payments for all employee future benefits, comprised of cash contributed by the Company to fund defined benefit pension and retiree welfare plans, cash payments made directly to beneficiaries in respect of unfunded pension and retiree welfare plans, and cash contributed to defined contribution pension plans.

	Pension plans		Retiree welfare plans	
For the years ended December 31,	**2024**	2023	**2024**	2023
Defined benefit plans	**$ 57**	$ 59	**$ 12**	$ 12
Defined contribution plans	**97**	93	**-**	-
Total	**$ 154**	$ 152	**$ 12**	$ 12

The Company's best estimate of expected cash payments for employee future benefits for the year ending December 31, 2025 is $64 for defined benefit pension plans, $102 for defined contribution pension plans and $18 for retiree welfare plans.

Note 16 Income Taxes

(a)Income tax expense

The following table presents income tax expenses (recoveries) recognized in the Consolidated Statements of Income.

For the years ended December 31,	2024	2023
Current tax		
Current year	**$ 655**	$ 568
Global Minimum Taxes	**231**	-
Adjustments related to prior years	**15**	(193)
Total current tax	**901**	375
Deferred tax		
Origination and reversal of temporary differences	**424**	489
Adjustments related to prior years	**(113)**	(19)
Total deferred tax	**311**	470
Income tax expenses (recoveries)	**$ 1,212**	$ 845

The following table discloses income tax expenses (recoveries) recognized directly in equity.

For the years ended December 31,	2024	2023
Recognized in other comprehensive income		
Current income tax expenses (recoveries)	**$ 174**	$ 320
Deferred income tax expenses (recoveries)	**885**	(326)
Total recognized in other comprehensive income	**$ 1,059**	$ (6)
Recognized in equity, other than other comprehensive income		
Current income tax expenses (recoveries)	**$ 4**	$ 5
Deferred income tax expenses (recoveries)	**(5)**	(4)
Total income tax recognized directly in equity	**$ (1)**	$ 1

(b)Current tax receivable and payable

As at December 31, 2024, the Company had approximately $1,070 of current tax receivable included in other assets (2023 – $1,056) and a current tax payable of $453 included in other liabilities (2023 – $147).

(c)Tax reconciliation

The effective income tax rate reflected in the Consolidated Statements of Income varies from the Canadian tax rate of 27.80% for the year ended December 31, 2024 (2023 – 27.80%) for the items outlined in the following table.

For the years ended December 31,	2024	2023
Net income (loss) before income taxes	**$ 7,090**	$ 6,452
Income tax expenses (recoveries) at Canadian statutory tax rate	**$ 1,971**	$ 1,794
Increase (decrease) in income taxes due to:		
Tax-exempt investment income	**(306)**	(199)
Differences in tax rate on income not subject to tax in Canada	**(938)**	(770)
Adjustments to taxes related to prior years	**(98)**	(212)
Tax losses and temporary differences not recognized as deferred taxes	**94**	(38)
Global Minimum Taxes	**231**	-
Other differences	**258**	270
Income tax expenses (recoveries)	**$ 1,212**	$ 845

(d)Deferred tax assets and liabilities

The following table presents the Company's deferred tax assets and liabilities reflected on the Consolidated Statements of Financial Position.

As at December 31,	2024	2023
Deferred tax assets	**$ 5,884**	$ 6,739
Deferred tax liabilities	**(1,890)**	(1,697)
Net deferred tax assets (liabilities)	**$ 3,994**	$ 5,042

The following tables present movement of deferred tax assets and liabilities.

For the year ended December 31,	Balance, January 1, 2024	Acquired in business combination	Disposals	Recognized in income	Recognized in other comprehensive income	Recognized in equity	Translation and other	Balance, December 31, 2024
Loss carryforwards	**$ 670**	**$ -**	**$ -**	**$ 180**	**$ -**	**$ (13)**	**$ 14**	**$ 851**
Actuarial liabilities	**5,813**	**-**	**-**	**(972)**	**(1,059)**	**(1)**	**383**	**4,164**
Pensions and post-employment benefits	**171**	**-**	**-**	**1**	**(20)**	**-**	**1**	**153**
Tax credits	**122**	**-**	**-**	**109**	**-**	**-**	**7**	**238**
Accrued interest	**1**	**-**	**-**	**4**	**-**	**-**	**-**	**5**
Real estate	**(1,135)**	**-**	**-**	**214**	**1**	**-**	**(50)**	**(970)**
Lease liability	**38**	**-**	**-**	**7**	**-**	**1**	**(1)**	**45**
Right of use asset and sublease receivable	**(34)**	**-**	**-**	**(8)**	**-**	**(1)**	**-**	**(43)**
Securities and other investments	**86**	**-**	**-**	**276**	**197**	**2**	**(171)**	**390**
Sale of investments	**(18)**	**-**	**-**	**10**	**-**	**-**	**-**	**(8)**
Goodwill and intangible assets	**(822)**	**-**	**-**	**24**	**-**	**-**	**(31)**	**(829)**
Other	**150**	**4**	**-**	**(156)**	**(4)**	**17**	**(13)**	**(2)**
Total	**$ 5,042**	**$ 4**	**$ -**	**$ (311)**	**$ (885)**	**$ 5**	**$ 139**	**$ 3,994**

For the year ended December 31,	Balance, January 1, 2023	Acquired in business combination	Disposals	Recognized in income	Recognized in other comprehensive income	Recognized in equity	Translation and other	Balance, December 31, 2023
Loss carryforwards	$ 701	$ -	$ -	$ (18)	$ -	$ (8)	$ (5)	$ 670
Actuarial liabilities	4,507	-	-	188	1,198	-	(80)	5,813
Pensions and post-employment benefits	142	-	-	4	26	-	(1)	171
Tax credits	109	-	-	15	-	-	(2)	122
Accrued interest	1	-	-	-	-	-	-	1
Real estate	(1,317)	-	-	168	-	-	14	(1,135)
Lease liability	47	-	-	(7)	-	-	(2)	38
Right of use asset and sublease receivable	(41)	-	-	7	-	-	-	(34)
Securities and other investments	1,560	-	-	(293)	(1,245)	2	62	86
Sale of investments	(30)	-	-	12	-	-	-	(18)
Goodwill and intangible assets	(828)	-	-	(12)	-	-	18	(822)
Other	321	-	-	(534)	347	10	6	150
Total	$ 5,172	$ -	$ -	$ (470)	$ 326	$ 4	$ 10	$ 5,042

The total deferred tax assets as at December 31, 2024 of $5,884 (2023 – $6,739) includes $27 (2023 – $6,136) where the Company has suffered losses in either the current or preceding year and where the recognition is dependent on future taxable profits in the relevant jurisdictions and feasible management actions.

As at December 31, 2024, tax loss carryforwards available were approximately $4,837 (2023 – $3,549), of which $4,068 expire between the years 2025 and 2044 while $769 have no expiry date, and capital loss carryforwards available were approximately $27 (2023 – $5) and have no expiry date. An $851 (2023 – $670) tax benefit related to these tax loss carryforwards has been recognized as a deferred tax asset as at December 31, 2024, and a benefit of $356 (2023 – $222) has not been recognized. The Company has approximately $412 (2023 – $282) of tax credit carryforwards which will expire between the years 2026 and 2044 of which a benefit of $174 (2023 – $160) has not been recognized. In addition, the Company has not recognized a deferred tax asset of $1,152 (2023 – $1,171) on other temporary differences of $5,341 (2023 – $5,333).

The total deferred tax liability as at December 31, 2024 was $1,890 (2023 – $1,697). This amount includes the deferred tax liability of consolidated entities. The aggregate amount of taxable temporary differences associated with the Company's own investments in subsidiaries is not included in the Consolidated Financial Statements and was $14,955 (2023 – $10,908).

Note 17 Interests in Structured Entities

The Company is involved with both consolidated and unconsolidated structured entities ("SEs") which are established to generate investment and fee income. The Company is also involved with SEs that are used to facilitate financing for the Company. These entities may have some or all of the following features: control is not readily identified based on voting rights; restricted activities designed to achieve a narrow objective; high amount of leverage; and / or highly structured capital.

The Company only discloses its involvement in significant consolidated and unconsolidated SEs. In assessing the significance, the Company considers the nature of its involvement with the SE, including whether it is sponsored by the Company (i.e., initially organized and managed by the Company). Other factors considered include the Company's investment in the SE as compared to total invested assets, its returns from the SE as compared to total net investment income, the SE's size as compared to total funds under management, and its exposure to any other risks from its involvement with the SE.

The Company does not provide financial or other support to its SEs, when it does not have a contractual obligation to do so.

(a)Consolidated SEs

(I)Investment SEs

The Company acts as an investment manager of timberlands and timber companies. The Company's general fund and segregated funds invest in many of these companies. The Company has control over one timberland company which it manages, Hancock Victoria Plantations Holdings PTY Limited ("HVPH"). HVPH is a SE primarily because the Company's employees exercise voting rights over it on behalf of other investors. As at December 31, 2024, the Company's consolidated timber assets owned by HVPH were $1,273 (2023 – $1,236). The Company does not provide guarantees to other parties against the risk of loss from their investments in HVPH.

(II)Financing SEs

The Company securitizes certain HELOC collateralized by residential property. This activity is facilitated by consolidated entities that are SEs because their operations are limited to issuing and servicing the Company's funding. Further information regarding the Company's mortgage securitization program is included in note 3.

(b)Unconsolidated SEs

Investment SEs

The following table presents the Company's investments and maximum exposure to loss from significant unconsolidated investment SEs, some of which are sponsored by the Company. The Company does not provide guarantees to other parties against the risk of loss from their investments in these SEs.

	Company's investment[1]		Company's maximum exposure to loss[2]	
As at December 31,	**2024**	2023	**2024**	2023
Leveraged leases[3]	**$ 4,300**	$ 3,790	**$ 4,300**	$ 3,790
Infrastructure entities[4]	**3,282**	2,468	**4,174**	3,035
Timberland entities[5]	**759**	811	**759**	811
Real estate entities[6]	**601**	676	**601**	676
Total	**$ 8,942**	$ 7,745	**$ 9,834**	$ 8,312

[1]The Company's investments in these unconsolidated SEs are included in invested assets and the Company's returns from them are included in net investment income and OCI.

[2]The Company's maximum exposure to loss from each SE is limited to amounts invested in each, plus unfunded capital commitments, if any. The Company's investment commitments are disclosed in note 18. The maximum loss from any SE is expected to occur only upon the SE's bankruptcy / liquidation.

[3]These entities are statutory business trusts which use capital provided by the Company and senior debt provided by other parties to finance the acquisition of assets. These assets are leased by the trusts to third-party lessees under long-term leases. The Company owns equity capital in these trusts. The Company does not consolidate any of these trusts because the Company does not have power to govern their financial and operating policies.

[4]These entities invest in infrastructure assets. The Company invests in their equity. The Company's returns include investment income, investment management fees, and performance fees. The Company does not control these entities because it either does not have the power to govern their financial and operating policies or does not have significant variable returns from them, or both.

[5]These entities own and operate timberlands. The Company invests in their equity and debt. The Company's returns include investment income, investment advisory fees, forestry management fees and performance advisory fees. The Company does not control these entities because it either does not have the power to govern their financial and operating policies or does not have significant variable returns from them, or both.

[6]These entities, which include the Manulife U.S. REIT, own and manage commercial real estate. The Company invests in their equity. The Company's returns include investment income, investment management fees, property management fees, acquisition/disposition fees and leasing fees. The Company does not control these entities because it either does not have the power to govern their financial and operating policies or does not have significant variable returns from them, or both.

Financing SEs

The Company's interests in and maximum exposure to loss from significant unconsolidated financing SEs are as follows.

As at December 31,	Company's interests[1] 2024	2023
Manulife Finance (Delaware), L.P.[2]	**$ 710**	$ 709
Total	**$ 710**	$ 709

[1] The Company's interests include amounts borrowed from the SE; the Company's investment in its equity and subordinated capital; and foreign currency and interest rate swaps with it.

[2] This entity is a wholly owned partnership used to facilitate the Company's financing. Refer to notes 10 and 18.

(I)Other invested assets

The Company has investment relationships with a variety of other entities, which result from its direct investment in their debt and / or equity and which have been assessed for control. These other entities' investments include but are not limited to investments in infrastructure, energy, private equity, real estate and agriculture, organized as limited partnerships and limited liability companies. Most of these other entities are not sponsored by the Company. The Company's involvement with these other entities is not individually significant. As such, the Company neither provides summary financial data for these entities nor individually assesses whether they are SEs. The Company's maximum exposure to losses because of its involvement with these other entities is limited to its investment in them and amounts committed to be invested but not yet funded. The Company records its income from these entities in net investment income and AOCI. The Company does not provide guarantees to other parties against the risk of loss from their investments in these other entities.

(II)Interest in securitized assets

The Company invests in mortgage/asset-backed securities issued by securitization vehicles sponsored by other parties, including private issuers and government sponsored issuers, to generate investment income. The Company does not own a controlling financial interest in any of the issuers. These securitization vehicles are SEs based on their narrow scope of activities and highly leveraged capital structures. Investments in mortgage/asset-backed securities are reported on the Consolidated Statements of Financial Position as debt securities and private placements, and their fair value and carrying value are disclosed in note 3. The Company's maximum loss from these investments is limited to amounts invested.

Commercial mortgage-backed securities ("CMBS") are secured by commercial mortgages and residential mortgage backed securities ("RMBS") are secured by residential mortgages. Asset-backed securities ("ABS") may be secured by various underlying assets including credit card receivables, automobile loans and aviation leases. The mortgage/asset-backed securities that the Company invests in primarily originate in North America.

The following table presents investments in securitized holdings by the type and asset quality.

As at December 31,	2024 CMBS	RMBS	ABS	Total	2023 Total
AAA	**$ 309**	**$ 2**	**$ 870**	**$ 1,181**	$ 1,375
AA	**-**	**-**	**319**	**319**	227
A	**-**	**3**	**375**	**378**	438
BBB	**-**	**-**	**41**	**41**	107
BB and below	**-**	**-**	**53**	**53**	7
Total exposure	**$ 309**	**$ 5**	**$ 1,658**	**$ 1,972**	$ 2,154

(III)Mutual funds

The Company sponsors and may invest in a range of public mutual funds with a broad range of investment styles. As sponsor, the Company organizes mutual funds that implement investment strategies on behalf of current and future investors. The Company earns fees which are at market rates for providing advisory and administrative services to these mutual funds. Generally, the Company does not control its sponsored mutual funds because either the Company does not have power to govern their financial and operating policies, or its returns in the form of fees and ownership interests are not significant, or both. Certain mutual funds are SEs because their decision-making rights are not vested in voting equity interests and their investors are provided with redemption rights.

The Company's relationships with these mutual funds are not individually significant. As such, the Company neither provides summary financial data for these mutual funds nor individually assesses whether they are SEs. The Company's interest in mutual funds is limited to its investment and fees earned, if any. The Company's investments in mutual funds are recorded as part of its investment in public equities within the Consolidated Statements of Financial Position. For information regarding the Company's invested assets, refer to note 3. The Company does not provide guarantees to other parties against the risk of loss from these mutual funds.

As sponsor, the Company's investment in ("seed") startup capital of mutual funds as at December 31, 2024 was $1,149 (2023 – $1,319). The Company's retail mutual fund assets under management as at December 31, 2024 were $333,598 (2023 – $277,365).

Note 18 Commitments and Contingencies

(a)Legal proceedings

The Company is regularly involved in legal actions, both as a defendant and as a plaintiff. The legal actions where the Company is a party ordinarily relate to its activities as a provider of insurance protection or wealth management products, reinsurance, or in its capacity as an investment adviser, employer, or taxpayer. Other life insurers and asset managers, operating in the jurisdictions in which the Company does business, have been subject to a wide variety of other types of actions, some of which resulted in substantial judgments or settlements against the defendants; it is possible that the Company may become involved in similar actions in the future. In addition, government and regulatory bodies in Canada, the United States, Asia and other jurisdictions where the Company conducts business regularly make inquiries and, from time to time, require the production of information or conduct examinations concerning the Company's compliance with, among other things, insurance laws, securities laws, and laws governing the activities of broker-dealers.

In September 2023, a lawsuit was initiated against the Company in the U.S. District Court of the Southern District of New York as a putative class action on behalf of all current and former owners of universal life insurance policies issued by the Company that state that "cost of insurance rates will be based on future expectations that include taxes." The Plaintiff's theory is that the Company impermissibly failed to decrease the cost of insurance rates charged to these policy owners after the implementation of the Tax Cuts and Jobs Act of 2018. It is too early in the litigation to offer any reliable opinion about the scope of the class policies that may be at issue or the likely outcome.

(b)Investment commitments

In the normal course of business, various investment commitments are outstanding which are not reflected in the Consolidated Financial Statements. There were $15,367 (2023 – $15,117) of outstanding investment commitments as at December 31, 2024, of which $1,143 (2023 – $781) mature in 30 days, $3,217 (2023 – $4,627) mature in 31 to 365 days and $11,007 (2023 – $9,709) mature after one year.

(c)Letters of credit

In the normal course of business, third-party relationship banks issue letters of credit on the Company's behalf. The Company's businesses utilize letters of credit for which third parties are the beneficiaries, as well as for affiliate reinsurance transactions between its subsidiaries. As at December 31, 2024, letters of credit for which third parties are beneficiaries, in the amount of $271 (2023 – $466), were outstanding.

(d)Guarantees

(I)Guarantees regarding Manulife Finance (Delaware), L.P. ("MFLP")

MFC has guaranteed the payment of amounts on the $650 subordinated debentures due on December 15, 2041 issued by MFLP, a wholly owned unconsolidated financing entity.

The following tables present certain condensed consolidated financial information for MFC and MFLP.

Condensed Consolidated Statements of Income Information

For the year ended December 31, 2024	MFC (Guarantor)	Subsidiaries on a combined basis	Consolidation adjustments	Total consolidated amounts	MFLP
Insurance service result	**$ -**	**$ 4,001**	**$ -**	**$ 4,001**	**$ -**
Investment result	**871**	**4,329**	**(1,679)**	**3,521**	**52**
Other revenue	**(34)**	**7,620**	**2**	**7,588**	**20**
Net income (loss) attributed to shareholders and other equity holders	**5,385**	**4,910**	**(4,910)**	**5,385**	**26**

For the year ended December 31, 2023	MFC (Guarantor)	Subsidiaries on a combined basis	Consolidation adjustments	Total consolidated amounts	MFLP
Insurance service result	$ -	$ 3,977	$ -	$ 3,977	$ -
Investment result	638	3,646	(1,326)	2,958	51
Other revenue	14	6,736	(4)	6,746	(7)
Net income (loss) attributed to shareholders and other equity holders	5,103	4,785	(4,785)	5,103	1

Condensed Consolidated Statements of Financial Position

As at December 31, 2024	MFC (Guarantor)	Subsidiaries on a combined basis	Consolidation adjustments	Total consolidated amounts	MFLP
Invested assets	**$ 126**	**$ 442,371**	**$ -**	**$ 442,497**	**$ 16**
Insurance contract assets	**-**	**102**	**-**	**102**	**-**
Reinsurance contract held assets	**-**	**59,015**	**-**	**59,015**	**-**
Total other assets	**65,898**	**46,450**	**(71,132)**	**41,216**	**995**
Segregated funds net assets	**-**	**435,988**	**-**	**435,988**	**-**
Insurance contract liabilities, excluding those for account of segregated fund holders	**-**	**396,401**	**-**	**396,401**	**-**
Reinsurance contract held liabilities	**-**	**2,669**	**-**	**2,669**	**-**
Investment contract liabilities	**-**	**13,498**	**-**	**13,498**	**-**
Total other liabilities	**15,052**	**63,825**	**(1,575)**	**77,302**	**726**
Insurance contract liabilities for account of segregated fund holders	**-**	**126,545**	**-**	**126,545**	**-**
Investment contract liabilities for account of segregated fund holders	**-**	**309,443**	**-**	**309,443**	**-**

As at December 31, 2023	MFC (Guarantor)	Subsidiaries on a combined basis	Consolidation adjustments	Total consolidated amounts	MFLP
Invested assets	$ 86	$ 417,124	$ -	$ 417,210	$ 9
Insurance contract assets	-	145	-	145	-
Reinsurance contract held assets	-	42,651	-	42,651	-
Total other assets	59,023	42,411	(63,410)	38,024	969
Segregated funds net assets	-	377,544	-	377,544	-
Insurance contract liabilities, excluding those for account of segregated fund holders	-	367,996	-	367,996	-
Reinsurance contract held liabilities	-	2,831	-	2,831	-
Investment contract liabilities	-	11,816	-	11,816	-
Total other liabilities	12,070	55,129	(539)	66,660	718
Insurance contract liabilities for account of segregated fund holders	-	114,143	-	114,143	-
Investment contract liabilities for account of segregated fund holders	-	263,401	-	263,401	-

(II)Guarantees regarding John Hancock Life Insurance Company (U.S.A.) ("JHUSA")

Details of guarantees regarding certain securities issued or to be issued by JHUSA are outlined in note 23.

(e)Pledged assets

In the normal course of business, the Company pledges its assets in respect of liabilities incurred, strictly for providing collateral to the counterparty. In the event of the Company's default, the counterparty is entitled to apply the collateral to settle the liability. Where pledged assets have been delivered to a counterparty, the pledged assets are returned to the Company if the underlying transaction is terminated or, in the case of derivatives and Manulife Bank securitized mortgages, are partially returned if there is a decrease in the net exposure due to market value changes.

The amounts pledged are as follows.

	2024		2023	
As at December 31,	Debt securities	Other	Debt securities	Other
In respect of:				
Derivatives	**$ 14,517**	**$ 25**	$ 10,431	$ 26
Secured borrowings[1]	**-**	**2,216**	-	2,220
Regulatory requirements	**303**	**91**	307	74
Repurchase agreements	**658**	**-**	201	-
Mortgages on ALDA properties	**-**	**284**	-	278
Manulife Bank securitized mortgages[2]	**-**	**7,603**	-	6,990
Non-registered retirement plans in trust	**-**	**286**	-	298
Other	**-**	**289**	-	283
Total	**$ 15,478**	**$ 10,794**	$ 10,939	$ 10,169

[1]During the year, the Company pledged certain of its mortgage loans with the FHLBI. Of this amount, $1,098 (2023 – $998) is required collateral for the US$500 outstanding borrowing to JHUSA under the FHLBI facility; and $1,118 (2023 – $1,222) is excess collateral that can be called back by JHUSA at any time.

[2]The Manulife Bank mortgage securitization program includes CMB securitization of $3,274 (2023 – $2,900), HELOC securitization, which includes restricted cash and short-term securities, of $3,163 (2023 – $2,912), and additional encumbrances of mortgages and cash required by the securitization program's operations of $1,166 (2023 – $1,178).

(f)Participating business

In some markets where the Company maintains participating accounts, there are regulatory restrictions on the amounts of profit that can be transferred to shareholders. Where applicable, these restrictions generally take the form of a fixed percentage of policyholder dividends. For participating businesses operating as separate "closed blocks", transfers are governed by the terms of MLI's and John Hancock Mutual Life Insurance Company's plans of demutualization.

(g)Fixed surplus notes

A third party contractually provides standby financing arrangements for the Company's U.S. operations under which, in certain circumstances, funds may be provided in exchange for the issuance of fixed surplus notes. As at December 31, 2024 and 2023, the Company had no fixed surplus notes outstanding.

Note 19 Segmented Information

The Company's reporting segments are Asia, Canada, U.S., Global WAM and Corporate and Other. Each reporting segment is responsible for managing its operating results, developing products, defining strategies for services and distribution based on the profile and needs of its business and market. The Company's significant product and service offerings by the reporting segments are mentioned below.

Wealth and asset management businesses (Global WAM) – branded as Manulife Investment Management, provides investment advice and innovative solutions to retirement, retail, and institutional clients. Products and services are distributed through multiple distribution channels, including agents and brokers affiliated with the Company, independent securities brokerage firms and financial advisors pension plan consultants and banks.

Insurance and annuity products (Asia, Canada and U.S.) – include a variety of individual life insurance, individual and group long-term care insurance and guaranteed and partially guaranteed annuity products. Products are distributed through multiple distribution channels, including insurance agents, brokers, banks, financial planners and direct marketing. Manulife Bank of Canada offers a variety of deposit and credit products to Canadian customers.
Corporate and Other segment – comprised of investment performance of assets backing capital, net of amounts allocated to operating segments; costs incurred by the corporate office related to shareholder activities (not allocated to the operating segments); financing costs; Property and Casualty Reinsurance Business; and run-off reinsurance operations including variable annuities and accident and health. In addition, consolidations and eliminations of transactions between operating segments are also included.

(a)Reporting segments

The following tables present results by reporting segments.

For the year ended December 31, 2024	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Insurance service result						
Life, health and property and casualty insurance	$ 2,228	$ 1,081	$ 241	$ -	$ 164	$ 3,714
Annuities and pensions	(68)	239	116	-	-	287
Total insurance service result	2,160	1,320	357	-	164	4,001
Net investment income (loss)	7,987	5,169	4,962	(655)	1,648	19,111
Insurance finance income (expenses)						
Life, health and property and casualty insurance	(5,495)	(3,846)	(5,450)	-	43	(14,748)
Annuities and pensions	(1,839)	196	172	-	-	(1,471)
Total insurance finance income (expenses)	(7,334)	(3,650)	(5,278)	-	43	(16,219)
Reinsurance finance income (expenses)						
Life, health and property and casualty insurance	(65)	347	705	-	(2)	985
Annuities and pensions	669	(1)	(520)	-	-	148
Total reinsurance finance income (expenses)	604	346	185	-	(2)	1,133
Decrease (increase) in investment contract liabilities	(9)	(76)	(87)	(327)	(5)	(504)
Net segregated fund investment result	-	-	-	-	-	-
Total investment result	1,248	1,789	(218)	(982)	1,684	3,521
Other revenue	155	294	137	7,439	(437)	7,588
Other expenses	(338)	(677)	(131)	(4,703)	(490)	(6,339)
Interest expenses	(28)	(1,047)	(13)	(7)	(586)	(1,681)
Net income (loss) before income taxes	3,197	1,679	132	1,747	335	7,090
Income tax (expenses) recoveries	(460)	(353)	3	(148)	(254)	(1,212)
Net income (loss)	2,737	1,326	135	1,599	81	5,878
Less net income (loss) attributed to:						
Non-controlling interests	241	-	-	2	4	247
Participating policyholders	141	105	-	-	-	246
Net income (loss) attributed to shareholders and other equity holders	$ 2,355	$ 1,221	$ 135	$ 1,597	$ 77	$ 5,385
Total assets	$ 209,623	$ 158,803	$ 263,736	$ 305,968	$ 40,688	$ 978,818

For the year ended December 31, 2023	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Insurance service result						
Life, health and property and casualty insurance	$ 2,070	$ 995	$ 526	$ -	$ 236	$ 3,827
Annuities and pensions	(129)	198	81	-	-	150
Total insurance service result	1,941	1,193	607	-	236	3,977
Net investment income (loss)	7,057	5,048	5,236	(771)	1,451	18,021
Insurance finance income (expenses)						
Life, health and property and casualty insurance	(4,970)	(3,288)	(4,815)	-	723	(12,350)
Annuities and pensions	(1,466)	(27)	(51)	-	-	(1,544)
Total insurance finance income (expenses)	(6,436)	(3,315)	(4,866)	-	723	(13,894)
Reinsurance finance income (expenses)						
Life, health and property and casualty insurance	(106)	58	385	-	(697)	(360)
Annuities and pensions	1	(1)	(374)	-	-	(374)
Total reinsurance finance income (expenses)	(105)	57	11	-	(697)	(734)
Decrease (increase) in investment contract liabilities	(38)	(73)	(148)	(175)	(1)	(435)
Net segregated fund investment result	-	-	-	-	-	-
Total investment result	478	1,717	233	(946)	1,476	2,958
Other revenue	67	272	79	6,709	(381)	6,746

(b)Geographical location

The results of the Company's reporting segments differ from its results by geographical location primarily due to the allocation of Global WAM and Corporate and Other segments into the geographical location to which its businesses relate.
The following tables present results by geographical location.

For the year ended December 31, 2024	Asia	Canada	U.S.	Other	Total
Insurance service result					
Life, health and property and casualty insurance	**$ 2,230**	**$ 1,075**	**$ 235**	**$ 174**	**$ 3,714**
Annuities and pensions	**(68)**	**239**	**116**	**-**	**287**
Total insurance service result	**2,162**	**1,314**	**351**	**174**	**4,001**
Net investment income (loss)	**8,052**	**5,882**	**5,118**	**59**	**19,111**
Insurance finance income (expenses)					
Life, health and property and casualty insurance	**(5,495)**	**(3,844)**	**(5,409)**	**-**	**(14,748)**
Annuities and pensions	**(1,839)**	**196**	**172**	**-**	**(1,471)**
Total insurance finance income (expenses)	**(7,334)**	**(3,648)**	**(5,237)**	**-**	**(16,219)**
Reinsurance finance income (expenses)					
Life, health and property and casualty insurance	**(65)**	**344**	**706**	**-**	**985**
Annuities and pensions	**669**	**(1)**	**(520)**	**-**	**148**
Total reinsurance finance income (expenses)	**604**	**343**	**186**	**-**	**1,133**
Decrease (increase) in investment contract liabilities	**(187)**	**(163)**	**(149)**	**(5)**	**(504)**
Net segregated fund investment result	**-**	**-**	**-**	**-**	**-**
Total investment result	**$ 1,135**	**$ 2,414**	**$ (82)**	**$ 54**	**$ 3,521**
Other revenue	**$ 1,790**	**$ 2,325**	**$ 3,616**	**$ (143)**	**$ 7,588**

For the year ended December 31, 2023	Asia	Canada	U.S.	Other	Total
Insurance service result					
Life, health and property and casualty insurance	$ 2,087	$ 981	$ 511	$ 248	$ 3,827
Annuities and pensions	(128)	198	80	-	150
Total insurance service result	1,959	1,179	591	248	3,977
Net investment income (loss)	7,259	5,724	4,975	63	18,021
Insurance finance income (expenses)					
Life, health and property and casualty insurance	(4,971)	(2,606)	(4,793)	20	(12,350)
Annuities and pensions	(1,466)	(27)	(51)	-	(1,544)
Total insurance finance income (expenses)	(6,437)	(2,633)	(4,844)	20	(13,894)
Reinsurance finance income (expenses)					
Life, health and property and casualty insurance	(121)	(623)	384	-	(360)
Annuities and pensions	1	(1)	(374)	-	(374)
Total reinsurance finance income (expenses)	(120)	(624)	10	-	(734)
Decrease (increase) in investment contract liabilities	(220)	(130)	(79)	(6)	(435)
Net segregated fund investment result	-	-	-	-	-
Total investment result	$ 482	$ 2,337	$ 62	$ 77	$ 2,958
Other revenue	$ 1,332	$ 2,147	$ 3,239	$ 28	$ 6,746

Note 20 Related Parties

The Company enters into transactions with related parties in the normal course of business and at terms that would exist in arm's-length transactions.

(a)Transactions with certain related parties

Transactions with MFLP, a wholly owned unconsolidated partnership, are described in notes 10, 17 and 18.

(b)Compensation of key management personnel

The Company's key management personnel are those personnel who have the authority and responsibility for planning, directing and controlling the activities of the Company. Directors (both executive and non-executive) and senior management are considered key management personnel. A summary of compensation of key management personnel is as follows.

For the years ended December 31,	**2024**	2023
Short-term employee benefits	**$ 99**	$ 83
Post-employment benefits	**7**	6
Share-based payments	**79**	73
Termination benefits	**2**	3
Other long-term benefits	**3**	3
Total	**$ 190**	$ 168

Manulife

Note 21 Subsidiaries

The following is a list of Manulife's directly and indirectly held major operating subsidiaries.

As at December 31, 2024 (100% owned unless otherwise noted in brackets beside company name)	Equity interest	Address	Description
The Manufacturers Life Insurance Company	**$ 65,338**	Toronto, Canada	A leading financial services group with principal operations in Asia, Canada and the United States that offers a diverse range of financial protection products and wealth management services
Manulife Holdings (Alberta) Limited	$ 22,118	Calgary, Canada	Holding company
John Hancock Financial Corporation		Boston, U.S.A.	Holding company
The Manufacturers Investment Corporation		Boston, U.S.A.	Holding company
John Hancock Reassurance Company Ltd.		Boston, U.S.A.	Captive insurance subsidiary that provides life, annuity and long-term care reinsurance to affiliates
John Hancock Life Insurance Company (U.S.A.)		Boston, U.S.A.	U.S. life insurance company licensed in all states, except New York
John Hancock Subsidiaries LLC		Boston, U.S.A.	Holding company
John Hancock Financial Network, Inc.		Boston, U.S.A.	Financial services distribution organization
John Hancock Investment Management LLC		Boston, U.S.A.	Investment advisor
John Hancock Investment Management Distributors LLC		Boston, U.S.A.	Broker-dealer
Manulife Investment Management (US) LLC		Boston, U.S.A.	Investment advisor
Manulife Investment Management Timberland and Agriculture Inc.		Boston, U.S.A.	Manager of globally diversified timberland and agricultural portfolios
John Hancock Life Insurance Company of New York		New York, U.S.A.	U.S. life insurance company licensed in New York
John Hancock Variable Trust Advisers LLC		Boston, U.S.A.	Investment advisor for open-end mutual funds
John Hancock Life & Health Insurance Company		Boston, U.S.A.	U.S. life insurance company licensed in all states
John Hancock Distributors LLC		Boston, U.S.A.	Broker-dealer
John Hancock Insurance Agency, Inc.		Boston, U.S.A.	Insurance agency
Manulife Reinsurance Limited		Hamilton, Bermuda	Provides life and financial reinsurance to affiliates
Manulife Reinsurance (Bermuda) Limited		Hamilton, Bermuda	Provides life and financial reinsurance to affiliates
Manulife Bank of Canada	$ 1,882	Waterloo, Canada	Provides integrated banking products and service options not available from an insurance company
Manulife Investment Management Holdings (Canada) Inc.	$ 1,477	Toronto, Canada	Holding company
Manulife Investment Management Limited		Toronto, Canada	Provides investment counseling, portfolio and mutual fund management in Canada
First North American Insurance Company	$ 8	Toronto, Canada	Property and casualty insurance company
Manulife Holdings (Bermuda) Limited	$ 21,658	Hamilton, Bermuda	Holding company
Manufacturers P&C Limited		St. Michael, Barbados	Provides property and casualty reinsurance
Manufacturers Life Reinsurance Limited		St. Michael, Barbados	Provides life and annuity reinsurance to affiliates
Manulife Financial Asia Limited		Hong Kong, China	Holding company
Manulife (Cambodia) PLC		Phnom Penh, Cambodia	Life insurance company
Manulife Myanmar Life Insurance Company Limited		Yangon, Myanmar	Life insurance company
Manulife (Vietnam) Limited		Ho Chi Minh City, Vietnam	Life insurance company
Manulife Investment Fund Management (Vietnam) Company Limited		Ho Chi Minh City, Vietnam	Fund management company
Manulife International Holdings Limited		Hong Kong, China	Holding company
Manulife (International) Limited		Hong Kong, China	Life insurance company
Manulife-Sinochem Life Insurance Co. Ltd. (51%)		Shanghai, China	Life insurance company

As at December 31, 2024 (100% owned unless otherwise noted in brackets beside company name)	Equity interest	Address	Description
Manulife Investment Management International Holdings Limited		Hong Kong, China	Holding company
Manulife Investment Management (Hong Kong) Limited		Hong Kong, China	Investment management and advisory company marketing mutual funds
Manulife Investment Management (Taiwan) Co., Ltd.		Taipei, Taiwan (China)	Investment management company
Manulife Life Insurance Company (Japan)		Tokyo, Japan	Life insurance company
Manulife Investment Management (Japan) Limited		Tokyo, Japan	Investment management and advisory company and mutual fund business
Manulife Holdings Berhad (62.6%)		Kuala Lumpur, Malaysia	Holding company
Manulife Insurance Berhad (62.6%)		Kuala Lumpur, Malaysia	Life insurance company
Manulife Investment Management (Malaysia) Berhad (62.6%)		Kuala Lumpur, Malaysia	Asset management company
Manulife (Singapore) Pte. Ltd.		Singapore	Life insurance company
Manulife Investment Management (Singapore) Pte. Ltd.		Singapore	Asset management company
Manulife Fund Management Co., Ltd.		Beijing, China	Mutual fund company in China
The Manufacturers Life Insurance Co. (Phils.), Inc.		Makati City, Philippines	Life insurance company
Manulife Chinabank Life Assurance Corporation (60%)		Makati City, Philippines	Life insurance company
PT Asuransi Jiwa Manulife Indonesia		Jakarta, Indonesia	Life insurance company
PT Manulife Aset Manajemen Indonesia		Jakarta, Indonesia	Investment management and investment advisor
Manulife Investment Management (Europe) Limited	$ 456	London, England	Investment management company providing advisory services for Manulife Investment Management's funds, internationally
Manulife Assurance Company of Canada	$ 55	Toronto, Canada	Life insurance company
EIS Services (Bermuda) Limited	$ 1,235	Hamilton, Bermuda	Investment holding company
Berkshire Insurance Services Inc.	$ 2,343	Toronto, Canada	Investment holding company
JH Investments (Delaware) LLC		Boston, U.S.A.	Investment holding company
Manulife Wealth Inc.	$ 349	Oakville, Canada	Investment dealer
Manulife Investment Management (North America) Limited	$ 5	Toronto, Canada	Investment advisor

Note 22 Segregated Funds

The Company manages a number of segregated funds on behalf of policyholders. Policyholders are provided with the opportunity to invest in different categories of segregated funds that hold a range of underlying investments. The underlying investments consist of both individual securities and mutual funds.

Segregated funds' underlying investments may be exposed to a variety of financial and other risks. These risks are primarily mitigated by investment guidelines that are actively monitored by professional and experienced portfolio advisors. The Company is not exposed to these risks beyond the liabilities related to the guarantees associated with certain variable life and annuity products included in segregated funds. Accordingly, the Company's exposure to loss from segregated fund products is limited to the value of these guarantees.

These guarantees are recorded within the Company's insurance contract liabilities and amount to $1,886 (2023 – $2,675), of which $530 are reinsured (2023 – $980). Assets supporting these guarantees, net of reinsurance, are recognized in invested assets according to their investment type. Insurance contract liabilities for account of segregated fund holders on the Consolidated Statements of Financial Position exclude these guarantees and are considered to be a non-distinct investment component of insurance contract liabilities. Note 8 provides information regarding market risk sensitivities associated with variable annuity and segregated fund guarantees.

Note 23 Information Provided in Connection with Investments in Deferred Annuity Contracts and *Signature* Notes Issued or Assumed by John Hancock Life Insurance Company (U.S.A.)

The following condensed consolidated financial information, presented in accordance with IFRS, and the related disclosure have been included in these Consolidated Financial Statements with respect to JHUSA in compliance with Regulation S-X and Rule 12h-5 of the United States Securities and Exchange Commission (the "Commission"). These financial statements are incorporated by reference in certain of the MFC and its subsidiaries registration statements that are described below and relate to MFC's guarantee of certain securities to be issued by its subsidiaries.

JHUSA maintains a book of deferred annuity contracts that feature a market value adjustment, some of which are registered with the Commission. The deferred annuity contracts may contain variable investment options along with fixed investment period options, or may offer only fixed investment period options. The fixed investment period options enable the participant to invest fixed amounts of money for fixed terms at fixed interest rates, subject to a market value adjustment if the participant desires to terminate a fixed investment period before its maturity date. The annuity contract provides for the market value adjustment to keep the parties whole with respect to the fixed interest bargain for the entire fixed investment period. These fixed investment period options that contain a market value adjustment feature are referred to as "MVAs".

JHUSA has sold medium-term notes to retail investors under its *Signature*Notes program.
Effective December 31, 2009, John Hancock Variable Life Insurance Company (the "Variable Company") and John Hancock Life Insurance Company (the "Life Company") merged with and into JHUSA. In connection with the mergers, JHUSA assumed the Variable Company's rights and obligations with respect to the MVAs issued by the Variable Company and the Life Company's rights and obligations with respect to the *Signature*Notes issued by the Life Company.
MFC fully and unconditionally guaranteed the payment of JHUSA's obligations under the MVAs and under the *Signature*Notes (including the MVAs and *Signature*Notes assumed by JHUSA in the merger), and such MVAs and the *Signature*Notes were registered with the Commission. The *Signature*Notes and MVAs assumed or issued by JHUSA are collectively referred to in this note as the "Guaranteed Securities". JHUSA is, and each of the Variable Company and the Life Company was, a wholly owned subsidiary of MFC.
MFC's guarantees of the Guaranteed Securities are unsecured obligations of MFC and are subordinated in right of payment to the prior payment in full of all other obligations of MFC, except for other guarantees or obligations of MFC which by their terms are designated as ranking equally in right of payment with or subordinate to MFC's guarantees of the Guaranteed Securities.
The laws of the State of New York govern MFC's guarantees of the *Signature*Notes issued or assumed by JHUSA and the laws of the Commonwealth of Massachusetts govern MFC's guarantees of the MVAs issued or assumed by JHUSA. MFC has consented to the jurisdiction of the courts of New York and Massachusetts. However, because a substantial portion of MFC's assets is located outside the United States, the assets of MFC located in the United States may not be sufficient to satisfy a judgment given by a federal or state court in the United States to enforce the subordinate guarantees. In general, the federal laws of Canada and the laws of the Province of Ontario, where MFC's principal executive offices are located, permit an action to be brought in Ontario to enforce such a judgment provided that such judgment is subsisting and unsatisfied for a fixed sum of money and not void or voidable in the United States and a Canadian court will render a judgment against MFC in a certain dollar amount, expressed in Canadian dollars, subject to customary qualifications regarding fraud, violations of public policy, laws limiting the enforcement of creditor's rights and applicable statutes of limitations on judgments. There is currently no public policy in effect in the Province of Ontario that would support avoiding the recognition and enforcement in Ontario of a judgment of a New York or Massachusetts court on MFC's guarantees of the *Signature*Notes issued or assumed by JHUSA or a Massachusetts court on guarantees of the MVAs issued or assumed by JHUSA.
MFC is a holding company. MFC's assets primarily consist of investments in its subsidiaries. MFC's cash flows primarily consist of dividends and interest payments from its operating subsidiaries, offset by expenses and shareholder dividends and MFC stock repurchases. As a holding company, MFC's ability to meet its cash requirements, including, but not limited to, paying any amounts due under its guarantees, substantially depends upon dividends from its operating subsidiaries.
These subsidiaries are subject to certain regulatory restrictions under laws in Canada, the United States and certain other countries, which may limit their ability to pay dividends or make contributions or loans to MFC. For example, some of MFC's subsidiaries are subject to restrictions prescribed by the ICA on their ability to declare and pay dividends. The restrictions related to dividends imposed by the ICA are described in note 12.
In the United States, insurance laws in Michigan, New York, and Massachusetts, the jurisdictions in which certain of MFC's U.S. insurance company subsidiaries are domiciled, impose general limitations on the payment of dividends and other upstream distributions or loans by these insurance subsidiaries. These limitations are described in note 12.
In Asia, the insurance laws of the jurisdictions in which MFC operates either provide for specific restrictions on the payment of dividends or other distributions or loans by subsidiaries or impose solvency or other financial tests, which could affect the ability of subsidiaries to pay dividends in certain circumstances.
There can be no assurance that any current or future regulatory restrictions in Canada, the United States or Asia will not impair MFC's ability to meet its cash requirements, including, but not limited to, paying any amounts due under its guarantees.

The following condensed consolidated financial information, presented in accordance with IFRS, reflects the effects of the mergers and is provided in compliance with Regulation S-X and in accordance with Rule 12h-5 of the Commission.

Condensed Consolidated Statement of Financial Position

As at December 31, 2024	MFC (Guarantor)	JHUSA (Issuer)	Other subsidiaries	Consolidation adjustments	Consolidated MFC
Assets					
Invested assets	**$ 126**	**$ 112,444**	**$ 330,044**	**$ (117)**	**$ 442,497**
Investments in unconsolidated subsidiaries	**65,350**	**9,393**	**21,510**	**(96,253)**	**-**
Insurance contract assets	**-**	**-**	**177**	**(75)**	**102**
Reinsurance contract held assets	**-**	**46,811**	**22,440**	**(10,236)**	**59,015**
Other assets	**548**	**11,182**	**34,660**	**(5,174)**	**41,216**
Segregated funds net assets	**-**	**218,909**	**218,681**	**(1,602)**	**435,988**
Total assets	**$ 66,024**	**$ 398,739**	**$ 627,512**	**$ (113,457)**	**$ 978,818**
Liabilities and equity					
Insurance contract liabilities, excluding those for account of segregated fund holders	**$ -**	**$ 148,828**	**$ 258,007**	**$ (10,434)**	**$ 396,401**
Reinsurance contract held liabilities	**-**	**-**	**2,669**	**-**	**2,669**
Investment contract liabilities	**-**	**5,260**	**8,854**	**(616)**	**13,498**
Other liabilities	**1,539**	**8,432**	**58,333**	**(5,163)**	**63,141**
Long-term debt	**6,629**	**-**	**-**	**-**	**6,629**
Capital instruments	**6,884**	**-**	**648**	**-**	**7,532**
Insurance contract liabilities for account of segregated fund holders	**-**	**58,137**	**68,408**	**-**	**126,545**
Investment contract liabilities for account of segregated fund holders	**-**	**160,772**	**150,273**	**(1,602)**	**309,443**
Shareholders' and other equity	**50,972**	**17,357**	**78,285**	**(95,642)**	**50,972**
Participating policyholders' equity	**-**	**(47)**	**614**	**-**	**567**
Non-controlling interests	**-**	**-**	**1,421**	**-**	**1,421**
Total liabilities and equity	**$ 66,024**	**$ 398,739**	**$ 627,512**	**$ (113,457)**	**$ 978,818**

Condensed Consolidated Statement of Financial Position

As at December 31, 2023	MFC (Guarantor)	JHUSA (Issuer)	Other subsidiaries	Consolidation adjustments	Consolidated MFC
Assets					
Invested assets	$ 86	$ 109,433	$ 307,930	$ (239)	$ 417,210
Investments in unconsolidated subsidiaries	58,694	8,674	17,916	(85,284)	-
Insurance contract assets	-	-	217	(72)	145
Reinsurance contract held assets	-	42,418	10,380	(10,147)	42,651
Other assets	329	8,731	32,700	(3,736)	38,024
Segregated funds net assets	-	188,067	191,241	(1,764)	377,544
Total assets	$ 59,109	$ 357,323	$ 560,384	$ (101,242)	$ 875,574
Liabilities and equity					
Insurance contract liabilities, excluding those for account of segregated fund holders	$ -	$ 145,589	$ 232,972	$ (10,565)	$ 367,996
Reinsurance contract held liabilities	-	-	2,831	-	2,831
Investment contract liabilities	-	3,487	8,928	(599)	11,816
Other liabilities	573	5,869	51,266	(3,786)	53,922

Condensed Consolidated Statement of Income

For the year ended December 31, 2024	MFC (Guarantor)	JHUSA (Issuer)	Other subsidiaries	Consolidation adjustments	Consolidated MFC
Insurance service result					
Insurance revenue	**$ -**	**$ 11,022**	**$ 16,654**	**$ (1,084)**	**$ 26,592**
Insurance service expenses	**-**	**(10,501)**	**(12,384)**	**1,063**	**(21,822)**
Net expenses from reinsurance contracts held	**-**	**(309)**	**(499)**	**39**	**(769)**
Total insurance service result	**-**	**212**	**3,771**	**18**	**4,001**
Investment result					
Net investment income (loss)	**871**	**4,548**	**14,880**	**(1,188)**	**19,111**
Insurance / reinsurance finance income (expenses)	**-**	**(3,894)**	**(11,022)**	**(170)**	**(15,086)**
Other investment result	**-**	**(34)**	**(367)**	**(103)**	**(504)**
Total investment result	**871**	**620**	**3,491**	**(1,461)**	**3,521**
Other revenue	**(34)**	**853**	**7,257**	**(488)**	**7,588**
Other expenses	**(45)**	**(1,209)**	**(5,359)**	**274**	**(6,339)**
Interest expenses	**(494)**	**(19)**	**(2,825)**	**1,657**	**(1,681)**
Net income (loss) before income taxes	**298**	**457**	**6,335**	**-**	**7,090**
Income tax (expenses) recoveries	**(30)**	**52**	**(1,234)**	**-**	**(1,212)**
Net income (loss) after income taxes	**268**	**509**	**5,101**	**-**	**5,878**
Equity in net income (loss) of unconsolidated subsidiaries	**5,117**	**550**	**1,059**	**(6,726)**	**-**
Net income (loss)	**$ 5,385**	**$ 1,059**	**$ 6,160**	**$ (6,726)**	**$ 5,878**
Net income (loss) attributed to:					
Non-controlling interests	**$ -**	**$ -**	**$ 247**	**$ -**	**$ 247**
Participating policyholders	**-**	**135**	**246**	**(135)**	**246**
Shareholders and other equity holders	**5,385**	**924**	**5,667**	**(6,591)**	**5,385**
	$ 5,385	**$ 1,059**	**$ 6,160**	**$ (6,726)**	**$ 5,878**

Condensed Consolidated Statement of Income

For the year ended December 31, 2023	MFC (Guarantor)	JHUSA (Issuer)	Other subsidiaries	Consolidation adjustments	Consolidated MFC
Insurance service result					
Insurance revenue	$ -	$ 9,858	$ 15,754	$ (1,640)	$ 23,972
Insurance service expenses	-	(8,928)	(12,195)	1,741	(19,382)
Net expenses from reinsurance contracts held	-	(315)	(175)	(123)	(613)
Total insurance service result	-	615	3,384	(22)	3,977
Investment result					
Net investment income (loss)	638	4,232	14,179	(1,028)	18,021
Insurance / reinsurance finance income (expenses)	-	(4,723)	(9,993)	88	(14,628)
Other investment result	-	100	(432)	(103)	(435)
Total investment result	638	(391)	3,754	(1,043)	2,958
Other revenue	14	790	6,384	(442)	6,746
Other expenses	(55)	(1,112)	(4,776)	268	(5,675)
Interest expenses	(433)	(79)	(2,281)	1,239	(1,554)
Net income (loss) before income taxes	164	(177)	6,465	-	6,452
Income tax (expenses) recoveries	7	175	(1,027)	-	(845)
Net income (loss) after income taxes	171	(2)	5,438	-	5,607
Equity in net income (loss) of unconsolidated subsidiaries	4,932	811	809	(6,552)	-
Net income (loss)	$ 5,103	$ 809	$ 6,247	$ (6,552)	$ 5,607
Net income (loss) attributed to:					
Non-controlling interests	$ -	$ -	$ 144	$ -	$ 144
Participating policyholders	-	(74)	360	74	360
Shareholders and other equity holders	5,103	883	5,743	(6,626)	5,103
	$ 5,103	$ 809	$ 6,247	$ (6,552)	$ 5,607

Consolidated Statement of Cash Flows

For the year ended December 31, 2024	MFC (Guarantor)	JHUSA (Issuer)	Other subsidiaries	Consolidation adjustments	Consolidated MFC
Operating activities					
Net income (loss)	**$ 5,385**	**$ 1,059**	**$ 6,160**	**$ (6,726)**	**$ 5,878**
Adjustments:					
Equity in net income of unconsolidated subsidiaries	**(5,117)**	**(550)**	**(1,059)**	**6,726**	**-**
Increase (decrease) in insurance contract net liabilities	**-**	**441**	**8,994**	**-**	**9,435**
Increase (decrease) in investment contract liabilities	**-**	**70**	**434**	**-**	**504**
(Increase) decrease in reinsurance contract assets, excluding reinsurance transactions	**-**	**(136)**	**(477)**	**-**	**(613)**
Amortization of (premium) discount on invested assets	**-**	**37**	**(327)**	**-**	**(290)**
Contractual service margin ("CSM") amortization	**-**	**(441)**	**(1,935)**	**-**	**(2,376)**
Other amortization	**11**	**147**	**711**	**-**	**869**
Net realized and unrealized (gains) losses and impairment on assets	**(38)**	**587**	**(1,409)**	**-**	**(860)**
Deferred income tax expenses (recoveries)	**22**	**49**	**240**	**-**	**311**
Net loss on reinsurance transactions (pre-tax)	**-**	**33**	**38**	**-**	**71**
Cash provided by (used in) operating activities before undernoted items	**263**	**1,296**	**11,370**	**-**	**12,929**
Dividends from unconsolidated subsidiaries	**7,150**	**689**	**(595)**	**(7,244)**	**-**
Changes in policy related and operating receivables and payables	**221**	**1,387**	**11,957**	**-**	**13,565**
Cash provided by (used in) operating activities	**7,634**	**3,372**	**22,732**	**(7,244)**	**26,494**
Investing activities					
Purchases and mortgage advances	**-**	**(19,159)**	**(111,964)**	**-**	**(131,123)**
Disposals and repayments		**16,485**	**96,186**		**112,671**

Manulife

Consolidated Statement of Cash Flows

For the year ended December 31, 2023	MFC (Guarantor)	JHUSA (Issuer)	Other subsidiaries	Consolidation adjustments	Consolidated MFC
Operating activities					
Net income (loss)	$ 5,103	$ 809	$ 6,247	$ (6,552)	$ 5,607
Adjustments:					
Equity in net income of unconsolidated subsidiaries	(4,932)	(811)	(809)	6,552	-
Increase (decrease) in insurance contract net liabilities	-	455	10,242	-	10,697
Increase (decrease) in investment contract liabilities	-	(112)	547	-	435
(Increase) decrease in reinsurance contract assets, excluding reinsurance transactions	-	28	946	-	974
Amortization of (premium) discount on invested assets	-	30	(171)	-	(141)
Contractual service margin ("CSM") amortization	-	(455)	(1,543)	-	(1,998)
Other amortization	10	147	424	-	581
Net realized and unrealized (gains) losses and impairment on assets	3	471	(3,319)	-	(2,845)
Deferred income tax expenses (recoveries)	(11)	(141)	622	-	470
Stock option expense	-	(3)	5	-	2
Cash provided by (used in) operating activities before undernoted items	173	418	13,191	-	13,782
Dividends from unconsolidated subsidiaries	5,600	386	(679)	(5,307)	-
Changes in policy related and operating receivables and payables	(4)	(649)	7,294	-	6,641
Cash provided by (used in) operating activities	5,769	155	19,806	(5,307)	20,423
Investing activities					
Purchases and mortgage advances	-	(15,165)	(68,856)	-	(84,021)
Disposals and repayments	-	16,159	54,122	-	70,281
Changes in investment broker net receivables and payables	-	12	9	-	21
Net cash increase (decrease) from sale (purchase) of subsidiaries	-	-	(1)	-	(1)
Investment in common shares of subsidiaries	(1,843)	-	-	1,843	-
Capital contribution to unconsolidated subsidiaries	-	(1)	-	1	-
Return of capital from unconsolidated subsidiaries	-	5	-	(5)	-
Notes receivable from parent	-	-	(4)	4	-
Notes receivable from subsidiaries	(25)	-	-	25	-
Cash provided by (used in) investing activities	(1,868)	1,010	(14,730)	1,868	(13,720)
Financing activities					
Change in repurchase agreements and securities sold but not yet purchased	-	-	(693)	-	(693)
Issue of capital instruments, net	1,194	-	-	-	1,194
Redemption of capital instruments	(600)	-	-	-	(600)
Secured borrowing from securitization transactions	-	-	537	-	537
Changes in deposits from Bank clients, net	-	-	(895)	-	(895)
Lease payments	-	(3)	(95)	-	(98)
Shareholders' dividends and other equity distributions	(2,972)	-	-	-	(2,972)
Common shares repurchased	(1,595)	-	-	-	(1,595)
Common shares issued, net	94	-	1,843	(1,843)	94
Contributions from (distributions to) non-controlling interests, net	-	-	(14)	-	(14)
Dividends paid to parent	-	679	(5,986)	5,307	-
Capital contributions by parent	-	-	1	(1)	-
Return of capital to parent	-	-	(5)	5	-
Notes payable to parent	-	-	25	(25)	-
Notes payable to subsidiaries	4	-	-	(4)	-
Cash provided by (used in) financing activities	(3,875)	676	(5,282)	3,439	(5,042)
Cash and short-term securities					
Increase (decrease) during the year	26	1,841	(206)	-	1,661
Effect of foreign exchange rate changes on cash and short-term securities	(3)	(52)	(357)	-	(412)
Balance, beginning of year	63	2,215	16,357	-	18,635
Balance, end of year	86	4,004	15,794	-	19,884
Cash and short-term securities					
Beginning of year					
Gross cash and short-term securities	63	2,614	16,476	-	19,153
Net payments in transit, included in other liabilities	-	(399)	(119)	-	(518)
Net cash and short-term securities, beginning of year	63	2,215	16,357	-	18,635
End of year					
Gross cash and short-term securities	86	4,329	15,923	-	20,338
Net payments in transit, included in other liabilities	-	(325)	(129)	-	(454)
Net cash and short-term securities, end of year	$ 86	$ 4,004	$ 15,794	$ -	$ 19,884
Supplemental disclosures on cash flow information:					
Interest received	$ 650	$ 3,369	$ 10,166	$ (1,417)	$ 12,768
Interest paid	418	115	2,432	(1,417)	1,548
Income taxes paid (refund)	2	(1)	435	-	436

Note 24 Comparatives

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

Manulife

Manulife Financial Corporation
Management's Discussion and Analysis

For the year ended December 31, 2024

Caution regarding forward-looking statements

From time to time, Manulife Financial Corporation ("MFC") makes written and/or oral forward-looking statements, including i
this document. In addition, our representatives may make forward-looking statements orally to analysts, investors, the medi
and others. All such statements are made pursuant to the "safe harbour" provisions of Canadian provincial securities law
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 possible shar

buybacks, the Company's strategic priorities and targets, its medium-term financial and operating targets and ability t achieve them, potential future premium increases for long-term care, the impact of changes in tax laws, the capital releas associated with reinsurance transactions, exposure limit estimates for our property and casualty reinsurance business, an 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 a "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 risk and uncertainties, and undue reliance should not be placed on such statements and they should not be interpreted a 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 diffe materially from expectations include, but are not limited to: general business and economic conditions (including but no 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 an counterparties); changes in laws and regulations; changes in accounting standards applicable in any of the territories in whic we operate; changes in regulatory capital requirements; our ability to obtain premium rate increases on in-force policies; ou ability to execute strategic plans and changes to strategic plans; downgrades in our financial strength or credit ratings; o ability to maintain our reputation; impairments of goodwill or intangible assets or the establishment of provisions agains future tax assets; the accuracy of estimates relating to morbidity, mortality and policyholder behaviour; the accuracy of othe estimates used in applying accounting policies and actuarial methods; our ability to implement effective hedging strategie and unforeseen consequences arising from such strategies; our ability to source appropriate assets to back our long-date liabilities; level of competition and consolidation; our ability to market and distribute products through current and futur distribution channels; unforeseen liabilities or asset impairments arising from acquisitions and dispositions of businesses; th realization of losses arising from the sale of investments classified as fair value through other comprehensive income; ou 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; accurac 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 simila 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, includin international conflicts; acquisitions and our ability to complete acquisitions including the availability of equity and deb 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 o infringement; our inability to withdraw cash from subsidiaries and the fact that the amount and timing of any future commo share repurchases will depend on the earnings, cash requirements and financial condition of Manulife, market conditions capital requirements (including under LICAT capital standards), common share issuance requirements, applicable law an regulations (including Canadian and U.S. securities laws and Canadian insurance company regulations), and other factor deemed relevant by Manulife, and may be subject to regulatory approval or conditions .

Additional information about material risk factors that could cause actual results to differ materially from expectations an about material factors or assumptions applied in making forward-looking statements may be found in this document under "Risk Management and Risk Factors", "Critical Actuarial and Accounting Policies" and in the "Risk Management" note to th Annual Consolidated Financial Statements as well as elsewhere in our filings with Canadian and U.S. securities regulator s.

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

Contents

Management's Discussion and Analysis
1. Manulife Financial Corporation ... 3
2. Asia ... 19
3. Canada ... 23
4. U.S. ... 25
5. Global Wealth and Asset Management ... 28
6. Corporate and Other ... 32
7. Investments ... 33
8. Fourth Quarter Financial Highlights ... 38
9. Risk Management and Risk Factors ... 41
10. Capital Management Framework ... 79
11. Critical Actuarial and Accounting Policies ... 82
12. Controls and Procedures ... 93
13. Non-GAAP and Other Financial Measures ... 94

14. Additional Disclosures 133

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") is current as of February 19, 2025.

1. Manulife Financial Corporation

Manulife Financial Corporation is a leading international financial services provider, helping our customers make their decisions easier and lives better. With our global headquarters in Toronto, Canada, we operate as Manulife across Canada, Asia, and Europe, and primarily as John Hancock in the United States, providing financial advice and insurance for individuals, groups and businesses. Through Manulife Wealth & Asset Management, the global brand for our Global Wealth and Asset Management segment, we serve individuals, institutions and retirement plan members worldwide. At the end of 2024, we had more than 37,000 employees, over 109,000 agents, and thousand of distribution partners, serving over 36 million customers. At the end of 2024, we had $1.6 trillion (US$1.1 trillion) in assets under management and administration[1], including total invested assets of $0.4 trillion (US$0.3 trillion), and segregated funds net assets of $0.4 trillion (US$0.3 trillion). We trade as 'MFC' on the Toronto, New York, and Philippine stock exchanges, and under '945' on the Hong Kong stock exchange.

Our reporting segments are:

- Asia – providing insurance products and insurance-based wealth accumulation products in Asia
- Canada – providing insurance products, insurance-based wealth accumulation products, and banking services in Canada.
- U.S. – providing life insurance products and insurance-based wealth accumulation products and has an in-force long term care insurance business and an in-force annuity business
- Global Wealth and Asset Management ("Global WAM") – providing innovative investment solutions to our retail, retirement, and institutional clients around the world under the Manulife Wealth & Asset Management brand.
- Corporate and Other – comprised 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 operating segments); our Property and Casualty ("P&C") Reinsurance business; and run-off reinsurance operation.

In this document, the terms "Company", "Manulife", "we" and "our" mean Manulife Financial Corporation ("MFC") and its subsidiaries. The term "MLI" means The Manufacturers Life Insurance Company and its subsidiaries.

[1] This item is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" below for more information.

Enterprise Strategy

Our ambition is to be the most digital, customer-centric global company in our industry. The goals for our stakeholders are:

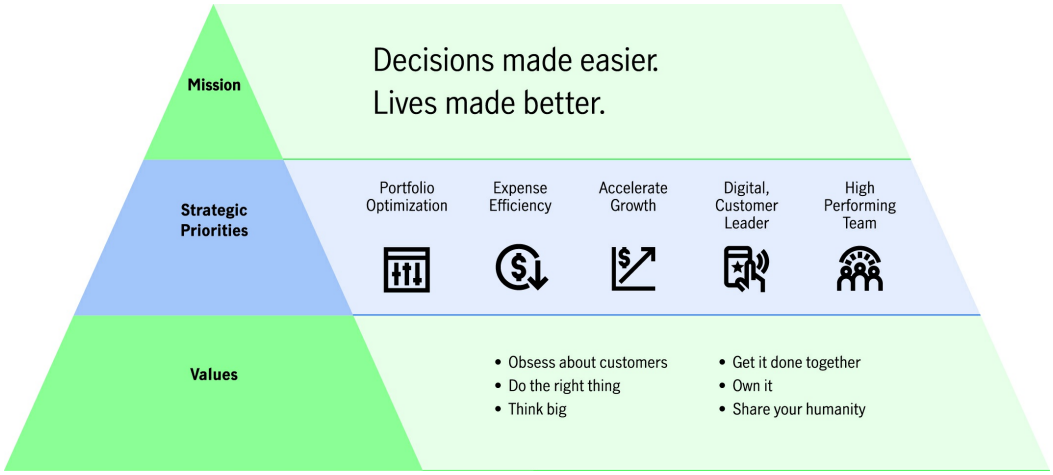
Customers
Improve Net Promoter Score ("NPS") by +36 points and delight customers [1]

Team
Engage our team — achieve top quartile engagement [2]

Shareholders
Deliver top quartile returns [3]

Community
Deliver on our Impact Agenda [4]

Our mission, strategic priorities and values are summarized below:



Our values enable the achievement of our mission and strategic priorities, reflect our culture, inform our behaviours, and help define how we work together:

- Obsess about customers – Predict their needs and do everything in our power to satisfy them.
- Do the right thing – Act with integrity and do what we sa

- Think big – Anything is possible. We can always find a better way.
- Get it done together – We're surrounded by an amazing team. Do it better by working together.
- Own it – Feel empowered to make decisions and take action to deliver our mission.
- Share your humanity – Build a supportive, diverse and thriving workplace.

[1] As compared to a baseline of 1 in 2017, achieve NPS of 37 by 2027. 2024 results are discussed in the "Strategic Priorities and Progress Update" section below.
[2] As compared to global financial services companies and insurance peers. In 2024, our employee engagement ranked in the top quartile. For more information, see the "Strategic Priorities and Progress Update" section below.
[3] As compared to our performance peer group. Refer to Manulife's most recent Management Information Circular for information on our performance peer group. For the five-year period ended December 31, 2024, our Total Shareholder Return ranked in the top quartile.
[4] Achieve top quartile for Standard & Poor's Corporate Sustainability Assessment rating. As of December 2024, Manulife ranked in the top quartile.

Financial Targets

At our Investor Day in June 2024, we announced that we are raising the bar on our financial targets[1], including:

- Core return on common shareholders' equity ("Core ROE")[2] of 18%+ by 2027;
- A new target on cumulative remittances[3] of $22 billion+ between 2024 and 2027; and
- Expense efficiency ratio[2] of less than 45% over the medium-term.

Our other medium-term financial targets[1] include:

- Diluted core earnings per common share ("Core EPS")[2] growth of 10% to 12% per year;
- New business contractual service margin ("new business CSM") growth[4] of 15% per year;
- Contractual service margin ("CSM") balance growth[4] of 8% to 10% per year;
- Financial leverage ratio[2] of 25%; and
- Common share core dividend payout ratio[2] range of 35% to 45%.

Details of our performance on the above metrics are provided below.

Detailed updates on our strategic priorities and actions taken to deliver on the related targets are outlined in the "Strategic Priorities and Progress Update" section below.

[1] See "Caution regarding forward-looking statements above".
[2] Core ROE, expense efficiency ratio, core EPS, financial leverage ratio, and common share core dividend payout ratio are non-GAAP ratios. See "Non-GAAP and Other Financial Measures" below for more information.
[3] For more information on this metric, see "Non-GAAP and other financial measures" below.
[4] CSM and new business CSM are net of non-controlling interest ("NCI"). Percentage growth / declines in CSM and new business CSM are stated on a c onstant exchange rate basis, a non-GAAP ratio. See "Non-GAAP and Other Financial Measures" below for more information.

Profitability

Profitability

As at and for the years ended December 31, ($ millions, unless otherwise stated)	2024	2023
Net income (loss) attributed to shareholders	**$ 5,385**	$ 5,103
Core earnings[1]	**$ 7,226**	$ 6,684
Diluted earnings (loss) per common share ($)	**$ 2.84**	$ 2.61
Diluted core earnings per common share ($)	**$ 3.87**	$ 3.47
Return on common shareholders' equity ("ROE")	**12.0%**	11.9%
Core ROE	**16.4%**	15.9%
Expense efficiency ratio	**44.8%**	45.5%
General expenses	**$ 4,859**	$ 4,330
Core expenses[1]	**$ 6,899**	$ 6,550

(1) This item is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" below for more information.

Our net income attributed to shareholders was $5.4 billion in 2024 compared with $5.1 billion in 2023. Net income attributed to shareholders is comprised of core earning (consisting of items we believe reflect the underlying earnings capacity of the business), which amounted to $7.2 billion in 2024 compared with $6.7 billion in 2023, and items excluded from core earnings of $1.8 billion of net charges in 2024 compared with net charges of $1.6 billion in 2023.

Net income attributed to shareholders in 2024 increased $0.3 billion compared with 2023, due to improved market experience in alternative long-duration assets ("ALDA"), derivatives and hedge accounting ineffectiveness and public equities, an growth in core earnings. This was partially offset by the impact of the $941 million net loss attributed to the reinsuranc transactions with Global Atlanti [1] ("GA Reinsurance Transaction") and the reinsurance transaction with RGA Canad [1] ("RGA Canadian Reinsurance Transaction") recorded in items excluded from core earnings, primarily related to market experienc from the sale of fair value through other comprehensive income ("FVOCI") debt instruments (there is an offsetting change i other comprehensive income ("OCI") attributed to shareholders resulting in a neutral impact to book value), a higher ne charge from the annual review of actuarial methods and assumptions, lower tax-related benefits, and a charge to items excluded from core earnings related to Global Minimum Taxes ("GMT"). The net charge from market experience of $1.5 billion in 2024 was primarily related to lower-than-expected returns on ALDA, largely related to real estate and private equit investments, net realized losses due to the sale of debt instruments primarily related to the GA and RGA Canadia Reinsurance Transactions, partially offset by higher-than-expected returns on public equities and a gain from derivatives an hedge accounting ineffectiveness.

Core earnings increased $0.5 billion, or 8%[2], on a constant exchange rate basis compared with 2023. The increase was driven by higher core earnings in Global WAM, largely reflecting an increase in net fee income from higher average asset under management and administration[3] ("average AUMA") and positive net flow [3], along with disciplined expense management and certain non-recurring tax true-ups and tax benefits in 2024, partially offset by lowe fee spreads. In addition, strong growth in our insurance business, a lower charge in the expected credit loss ("ECL") provision in 2024 and the impac of updates to actuarial methods and assumptions in 2023 also contributed to higher core earnings These increases were partially offset b a charge related to GMT, lower expected investment earnings, and unfavourable net claims experience Net claims experience reflects unfavourable experience in the U.S. and less favourable experience in our P&C business, partiall offset by improved experience in Asia and Canada. The GA Reinsurance Transactio reduced core earnings by $81 million in 2024, compared with 2023 reflecting the impact on expected earnings on insurance contracts, expected investment earnings insurance experience and the change in ECL. The RGA Canadian Reinsurance Transaction reduced core earnings by $ million in 2024 compared with 2023.

[1] The GA Reinsurance Transaction closed February 22, 2024 with an effective date of January 1, 2024. The RGA Canadian Reinsurance Transaction closed April 2, 2024.
[2] Percentage growth / declines in core earnings, pre-tax core earnings, core expenses, general expenses, assets under management and administration ("AUMA"), assets under management ("AUM"), core earnings before interest, taxes, depreciation and amortization ("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.
[3] For more information on this metric, see "Non-GAAP and other financial measures" below.

Core earnings by segment are presented in the following table. See Asia, Canada, U.S., Global WAM, and Corporate and Other sections below.

For the years ended December 31, ($ millions)	2024	2023	% change[1] 2024 vs 2023
Core earnings by segment			
Asia	**$ 2,589**	$ 2,048	27%
Canada	**1,568**	1,487	5%
U.S.	**1,690**	1,759	(5)%
Global Wealth and Asset Management	**1,736**	1,321	30%
Corporate and Other	**(357)**	69	-
Total core earnings	**$ 7,226**	$ 6,684	8%

(1) Percentage change is on a constant exchange rate basis is a non-GAAP ratio. See "Non-GAAP and Other Financial Measures" below for more information.

The table below presents 2024 and 2023 net income attributed to shareholders consisting of core earnings and item excluded from core earnings.

For the years ended December 31, ($ millions)	2024	2023
Core earnings	**$ 7,226**	$ 6,684
Items excluded from core earnings		
Market experience gains (losses)[1]	**$ (1,450)**	$ (1,790)
Realized gains (losses) on debt instruments	***(962)***	*(130)*
Derivatives and hedge accounting ineffectiveness	***132***	*(152)*
Actual less expected long-term returns on public equity	***312***	*103*
Actual less expected long-term returns on ALDA	***(969)***	*(1,623)*
Other investment results	***37***	*12*
Changes in actuarial methods and assumptions that flow directly through income[2]	**(199)**	105
Restructuring charge[3]	**(72)**	(36)
Reinsurance transactions, tax-related items and other[4]	**(120)**	140
Total items excluded from core earnings	**(1,841)**	(1,581)
Net income (loss) attributed to shareholders	**$ 5,385**	$ 5,103

(1) Market experience was a net charge of $1,450 million in 2024 primarily due to lower-than-expected returns on ALDA driven by real estate and private equity investments and net realized losses from the sale of debt instruments, of which $841 million was related to the transfer of assets with respect to the GA Reinsurance Transaction and the RGA Canadian Reinsurance Transaction, which are classified as FVOCI. These were partially offset by gains from higher-than-expected returns from public equity, a net gain from derivatives and hedge accounting ineffectiveness and a gain from other investment results. Market experience was a net charge of $1,790 million in 2023 primarily driven by lower-than-expected returns on ALDA mainly related to real estate, private equity and energy investments, a net charge from derivatives and hedge accounting ineffectiveness, as well as net realized losses from the sale of debt instruments which are classified as FVOCI, partially offset by gains from higher-than-expected returns on public equity.

(2) See "Critical Actuarial and Accounting Policies – Review of Actuarial Methods and Assumptions" section below for further information on the 2024 charge and the 2023 net gain.

(3) In 2024, we reported a restructuring charge of $72 million post-tax ($92 million pre-tax) in Global WAM and Canada. In 2023, we reported a restructuring charge of $36 million post-tax ($46 million pre-tax) in Global WAM.

(4) In 2024, the net loss of $120 million included a charge of $70 million resulting from the GA Reinsurance Transaction in the U.S. and Japan, a charge of $67 million related to GMT (an additional $164 million charge was recorded in core earnings), a charge of $60 million related to U.S. withholding taxes on remittances associated with the GA Reinsurance Transaction, a net charge of $43 million related to the acquisition of CQS, a charge of $25 million related to a reinsurance recapture in Asia and an investment impairment charge of $22 million in Global WAM. This was partially offset by tax-related benefits and true-ups of $125 million and a gain of $34 million related to the RGA Canadian Reinsurance Transaction in Canada. In 2023, the net gain of $140 million included a one-time tax benefit of $290 million. This was partially offset by $46 million related to a provision for the cancellation of certain policies in our Vietnam operations, other tax-related net true-ups of $39 million, a $38 million charge for an investment impairment in Asia and a charge of $33 million related to legal settlements in the U.S.

Net income attributed to shareholders by segment is presented in the following table. See Asia, Canada, U.S., Global WAM and Corporate and Other sections below.

For the years ended December 31, ($ millions)	2024	2023	% change[1] 2024 vs 2023
Net income (loss) attributed to shareholders by segment			
Asia	**$ 2,355**	$ 1,348	75%
Canada	**1,221**	1,191	3%
U.S.	**135**	639	(79)%
Global Wealth and Asset Management	**1,597**	1,297	23%
Corporate and Other	**77**	628	(88)%
Total net income (loss) attributed to shareholders	**$ 5,385**	$ 5,103	6%

(1) Percentage change is on an actual exchange rate basis.

Diluted earnings (loss) per common share ("EPS") was $2.84 in 2024, compared with $2.61 in 2023 primarily related to the increase in net income attributed to common shareholders and the impact of common share buybacks. Diluted core earnings per common share was $3.87 in 2024, compared with $3.47 in 2023 primarily related to the increase in core earnings and the impact of common share buybacks. The diluted weighted average common shares outstanding was 1,785 million in 2024 and 1,838 million in 2023.

ROE for 2024 was 12.0%, compared with 11.9% for 2023. The increase in ROE reflects higher net income attributed to

common shareholders in 2024. Core ROE was 16.4% in 2024 compared with 15.9% in 2023. The increase in 2024 core ROE was primarily driven by an increase in common shareholders' core earnings.

Expense efficiency rati
o

The expense efficiency ratio is a financial measure which we use to measure progress on our strategic priority of expens efficiency and reflects expenses that flow directly through core earnings ("core expenses"). Core expenses include cor general expenses, directly attributable maintenance expenses and directly attributable acquisition expenses for product measured using the premium allocation approach ("PAA") and for other products without a CS . Core expenses exclude certain expenses directly attributable to acquiring new business that are capitalized into the CSM instead of flowing directl through core earnings.

Our focus on expense efficiency has enabled us to drive the benefits of scale across our businesses. We believe there ar further opportunities to leverage our global scale and operating environment, streamline processes and further digitize ou business. As a result, in 2024 we updated our medium-term target for the expense efficiency ratio from less than 50% to les than 45%

The **expense efficiency ratio** was 44.8% in 2024, compared with 45.5% in 2023. The 0.7 percentage point decrease in the ratio compared with 2023 reflects an 8% increase in pre-tax core earning [1], and a 5% increase in core expenses. The increase in core expenses was driven by higher workforce-related costs, including higher performance-related costs, and th inclusion of ongoing operating expenses related to our acquisition of CQS.

Total 2024 general expenses increased 12% on an actual exchange rate basis and 11% on a constant exchange rate basis compared with 2023 driven by the items noted above related to the increase in core expenses, as well as a reallocation of expenses from directly attributable maintenance to general expenses, higher restructuring charges in Global WAM and Canada and the acquisition of CQS. General expenses excluded from core earnings consisted primarily of the acquisition of CQS and restructuring charges in Global WAM and Canada in 2024, and consisted of a true-up of an existing legal provisio and a restructuring charge in Global WAM in 2023.

[1] This is a non-GAAP financial measure. See "Non-GAAP and other financial measures" below for more information.

Business Performance

Business performance

As at and for the years ended December 31, ($ millions, unless otherwise stated)	2024	2023
Asia APE sales	**$ 6,073**	$ 4,469
Canada APE sales	**1,689**	1,409
U.S. APE sales	**623**	562
Total APE sales[1]	**8,385**	6,440
Asia new business value	**2,209**	1,627
Canada new business value	**627**	490
U.S. new business value	**241**	207
Total new business value[1]	**3,077**	2,324
Asia new business CSM[2]	**2,148**	1,549
Canada new business CSM	**357**	224
U.S. new business CSM	**382**	394
Total new business CSM[2]	**2,887**	2,167

Asia CSM net of NCI	**15,540**	12,617
Canada CSM	**4,109**	4,060
U.S. CSM	**2,468**	3,738
Corporate and Other CSM	**10**	25
Total CSM net of NCI	**22,127**	20,440
Post-tax CSM net of NCI[3]	**19,682**	17,748
Global WAM gross flows ($ billions)[1]	**171.7**	143.4
Global WAM net flows ($ billions)[1]	**13.3**	4.5
Global WAM assets under management and administration ($ billions)[3][4]	**1,031.1**	849.2
Global WAM total invested assets ($ billions)	**9.7**	7.1
Global WAM segregated funds net assets ($ billions)[4]	**291.9**	248.1
Total assets under management and administration ($ billions)[3]	**1,608.0**	1,388.8
Total invested assets ($ billions)	**442.5**	417.2
Total net segregated funds net assets ($ billions)	**436.0**	377.5

(1) For more information on this metric, see "Non-GAAP and Other Financial Measures" below.
(2) New business CSM is net of NCI.
(3) This item is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" below for more information.
(4) The Global WAM portion of AUMA as at December 31, 2024 was $1,031.1 billion, an increase of 14% compared with December 31, 2023, driven by the favourable impact of interest rates and equity markets, the $19 billion of assets added from the acquisition of CQS in the second quarter of 2024 ("2Q24"), as well as net inflows. The Global WAM segregated funds net assets were $291.9 billion as at December 31, 2024, an increase of 18% compared with December 31, 2023 on an actual exchange rate basis driven by the favourable impact of equity markets and foreign currency exchange rates.

Annualized premium equivalent ("APE") sales were $8.4 billion in 2024, an increase of 30%[1] compared with 2023, **new business value ("NBV")** was $3.1 billion in 2024, an increase of 32% compared with 2023, and **new business contractual service margin ("New business CSM")** was $2.9 billion in 2024, an increase of 32% compared with 2023. New business results by segments were as follows:

- In Asia, APE sales increased 36% compared with 2023, driven by broad-based growth across most geographies in Asia, partially offset by a decrease in Vietnam. NBV and new business CSM increased 35% and 38%, respectively, compared with 2023, driven by higher sales volumes, partially offset by business mix. New business CSM additionally benefited from the impact of updates to actuarial methods and assumptions in the second half of 2023. New business value margin ("NBV margin")[2] remained resilient at 40.7%.
- In Canada, APE sales and NBV increased 20% and 28%, respectively, in 2024 compared with 2023, driven by higher sales volumes in Group Insurance across all group benefits markets, along with higher participating life insurance and segregated fund products sales, partially offset by the non-recurrence of a large affinity markets sale in 2023. Higher margins in Individual Insurance also contributed to the growth in NBV. New business CSM increased 59% driven by higher sales volumes and higher margins in Individual Insurance and Annuities.
- In the U.S., APE sales and NBV increased 9% and 14%, respectively, in 2024 compared with 2023, reflecting increased demand from affluent customers for accumulation insurance products, partially offset by lower sales of protection insurance products. New business CSM decreased 5% driven by product mix and the impact of interest rates, partially offset by higher sales volumes.

[1] Percentage growth / declines in APE sales and NBV are stated on a constant exchange rate basis.
[2] For more information on this metric, see "Non-GAAP and Other Financial Measures" below.

Contractual service margin ("CSM") net of NCI was $22,127 million as at December 31, 2024, an increase of $1,687 million or 3% compared with December 31, 2023. Organic CSM movement was $1,231 million in 2024, driven by the impact of new business and interest accretion, partially offset by amortization recognized in core earnings and unfavourable insurance experience. Inorganic CSM movement was $456 million in 2024, primarily driven by the favourable impacts of changes in foreign currency exchange rates, partially offset by the impacts of reinsurance transactions and the annual review of actuarial methods and assumptions.

Global WAM net inflows were $13.3 billion in 2024, compared with net inflows of $4.5 billion in 2023.

- Net inflows in Retirement were $0.7 billion in 2024, compared with net outflows of $4.0 billion in 2023, primarily driven by the non-recurrence of large-case retirement plan redemptions by a single sponsor in the U.S. in 2023 and higher new retirement plan sales, partially offset by higher member withdrawals.
- Net inflows in Retail were $6.8 billion in 2024, compared with net outflows of $0.5 billion in 2023, driven by increased demand for investment products amid a constructive equity market and improved investor sentiment.
- Net inflows in Institutional Asset Management were $5.7 billion in 2024, compared with net inflows of $9.0 billion in 2023, reflecting lower net flows from fixed income and equity mandates.

Assets under Management and Administration ("AUMA")

AUMA as at December 31, 2024 was $1.6 trillion, an increase of 9% compared with December 31, 2023, primarily due to the favourable impact of interest rates and equity markets, and net inflows. Total invested assets increased 6% on actual exchange rate basis, primarily due to the impact of foreign currency exchange rates and interest rates on debt instruments partially offset by the transfer of invested assets related to the GA and RGA Canadian Reinsurance Transactions. Segregated funds net assets increased 15% on an actual exchange rate basis, primarily due to the impact of equity markets and foreign currency exchange rates.

Assets under Management and Administration

As at December 31, ($ millions)	2024	2023
Total invested assets	**$ 442,497**	$ 417,210
Segregated funds net assets[1]	**435,988**	377,544

Mutual funds, institutional asset management and other[1],[2]	**506,868**	411,961
Total assets under management	**1,385,353**	1,206,715
Other assets under administration	**222,614**	182,046
Total assets under management and administration	**$ 1,607,967**	$ 1,388,761

(1) These assets are not available to satisfy the liabilities of the Company's general fund.
(2) Other funds represent pension funds, pooled funds, endowment funds and other institutional funds managed by the Company on behalf of others.

Financial Strength

Financial strength metrics

As at and for the years ended December 31, ($ millions, unless otherwise stated)	2024	2023
MLI's LICAT ratio[1]	**137%**	137%
Financial leverage ratio	**23.7%**	24.3%
Consolidated capital ($ billions)[2]	**$ 81.2**	$ 73.9
Book value per common share ($)	**$ 25.63**	$ 22.36
Adjusted book value per common share ($)[3]	**$ 37.02**	$ 32.19

(1) This item is disclosed under the Office of the Superintendent of Financial Institutions ("OSFI") Life Insurance Capital Adequacy Test Public Disclosure Requirements guideline.
(2) This item is a capital management measure. For more information on this metric, see "Non-GAAP and Other Financial Measures" below.
(3) This item is a non-GAAP ratio. See "Non-GAAP and Other Financial Measures" below for more information.

The Life Insurance Capital Adequacy Test ("LICAT") ratio for MLI was 137% as at December 31, 2024, compared with 137% as at December 31, 2023. The ratio is in line with 2023 as the positive impacts from earnings and the CSM, the net issuance of capital instrument[1] and the GA and RGA Canadian Reinsurance Transactions were offset by common share buybacks and market movements.

MFC's financial leverage ratio as at December 31, 2024 was 23.7%, a decrease of 0.6 percentage points from 24.3% as at December 31, 2023. The decrease in the ratio was driven by growth in total equity and higher post-tax CSM, partially offset by the net issuance of capital instrument[1]. The growth in total equity was from total comprehensive income, which was partially offset by dividends and common share buybacks.

MFC's consolidated capital was $81.2 billion as at December 31, 2024, an increase of $7.3 billion compared with $73.9 billion as at December 31, 2023. The increase was driven by growth in total equity, a higher post-tax CSM and the net issuance of capital instruments[1]. The growth in total equity was mainly from total comprehensive income, which was partially offset by dividends and common share buybacks.

Remittances were $7.0 billion in 2024 of which Asia and U.S. operations delivered $1.9 billion and $2.0 billion, respectively. Remittances in 2024 increased by $1.5 billion compared with 2023 due to the favourable impact of market movements in 2024 and the GA Reinsurance Transaction. Refer to "Remittance of Capital" below for more information.

Cash and cash equivalents and marketable securities[2] were $263.3 billion as at December 31, 2024 compared with $250.7 billion as at December 31, 2023. The increase of $12.6 billion was primarily driven by favourable changes in foreign exchange rates and higher equity markets, partially offset by the impact of GA and RGA Canadian Reinsurance Transaction and the lower market value of debt instruments due to higher interest rates. Refer to "Liquidity Risk Management Strategy" below for more information.

Book value per common share as at December 31, 2024 was $25.63, a 15% increase compared with $22.36 as at December 31, 2023. The number of common shares outstanding was 1,729 million as at December 31, 2024, a net decrease of 77 million common shares from 1,806 million as at December 31, 2023, primarily due to common share buybacks.

Adjusted book value per common share as at December 31, 2024 was $37.02, a 15% increase compared with $32.19 as at December 31, 2023, driven by an increase in the adjusted book value[3] and a lower number of common shares outstanding. Adjusted book value increased $5.9 billion due to growth in total common shareholders' equity and an increase in post-tax CSM, net of NCI. The increase in common shareholders' equity reflects the impact of growth in total comprehensive income, partially offset by dividends and common share buybacks.

Impact of Foreign Currency Exchange Rates

We have worldwide operations, including in Canada, the United States and various markets in Asia, and generate revenue and incur expenses in local currencies in these jurisdictions, all of which are translated into Canadian dollars. The bulk of our exposure to foreign currency exchange rates is to movements in the U.S. dollar.

Items impacting our Consolidated Statements of Income are translated to Canadian dollars using average exchange rates for the respective quarterly period. For items impacting our Consolidated Statements of Financial Position, period end rates are used for currency translation purposes. The following table provides the most relevant foreign currency exchange rates for 2024 and 2023.

[1] The net issuance of capital instruments consists of the issuance of $1.1 billion of subordinated debt in the first quarter of 2024 ("1Q24"), $0.5 billion of subordinated debt in 2Q24, and $1.0 billion of subordinated debt in the fourth quarter of 2024 ("4Q24"), partially offset by the redemption of $0.6 billion of JHUSA Surplus Notes in 1Q24, $0.75 billion of subordinated debt in the third quarter of 2024 ("3Q24") and $0.5 billion of subordinated debt in 4Q24.

[2] 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.

[3] This item is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" below for more information.

	Quarterly					Full Year	
Exchange rate	**4Q24**	3Q24	2Q24	1Q24	4Q23	**2024**	2023
Average[1]							
U.S. dollar	**1.3987**	1.3639	1.3682	1.3485	1.3612	**1.3698**	1.3494
Japanese yen	**0.0092**	0.0091	0.0088	0.0090	0.0092	**0.0090**	0.0096
Hong Kong dollar	**0.1799**	0.1749	0.1750	0.1724	0.1742	**0.1755**	0.1724
Period end							
U.S. dollar	**1.4382**	1.3510	1.3684	1.3533	1.3186	**1.4382**	1.3186
Japanese yen	**0.0092**	0.0094	0.0085	0.0089	0.0094	**0.0092**	0.0094
Hong Kong dollar	**0.1851**	0.1739	0.1753	0.1729	0.1689	**0.1851**	0.1689

[1] Average rates for the quarter are from Bank of Canada which are applied against Consolidated Statements of Income items for each period. Average rate for the full year is a 4-point average of the quarterly average rates.

Net income attributed to shareholders and core earnings from the Company's foreign operations are translated to Canadian dollars, and in general, our net income attributed to shareholders and core earnings benefit from a weakening Canadian dollar and are adversely affected by a strengthening Canadian dollar. However, in a period of net losses in foreign operations the weakening of the Canadian dollar has the effect of increasing the losses. The relative impact of foreign currency exchange in any given period is driven by the movement of currency rates as well as the proportion of earnings generated in our foreign operations.

Changes in foreign currency exchange rates increased core earnings by $32 million in 2024 compared with the same period of 2023, 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 these items.

Strategic Priorities and Progress Updat

Our strategy is underpinned by five strategic priorities which we introduced in 2018. Since then, we have made significan progress on these priorities; the progress made in 2024 is outlined below

Accelerate Growth

We strive to increase the core earnings contribution from our highest potential businesse [1] and the Asia region (our Asia segment and Asia wealth and asset management ("Asia WAM")).

Focus areas

- Leverage global footprint and business diversity to allocate capital and resources to higher growth opportunitie
- In Asia, increase penetration and scale in high-quality, sustainable growth businesse
- In Global WAM, scale investment capabilities, enhance our intermediated distribution strength, and increase our focus where we have direct relationships with clients
- In North America, expand behavioural insurance offerings to provide innovative solutions and support positive health an well-being outcomes for customers
- In Canada, drive new business growth and persistency in group benefit
- Execute on organic and inorganic growth opportunities

			Baseline	Targets[2]	
	2024	2023	2017 (IFRS 4) [3]	2025	2027
Core earnings contribution from highest potential businesses [4]	**70%**	60%	54%	75%	n/a
Core earnings contribution from Asia region [4]	**44%**	37%	36%	n/a	50%

Our ambition to accelerate growth through our highest potential businesses remains a core element of our strategic agenda and we continued to see strong momentum this year. Global megatrends of a growing middle class in Asia, a widenin retirement gap globally, and dramatic digitization of the consumer, continue to fuel significant opportunities for Asia an Global WAM, and we are uniquely positioned to grow these businesses. Our diverse franchise also provides significan opportunities to deploy capital in high ROE and growth areas in North America where we see strong demand for o behavioural insurance and group benefits products

In 2024, 70% of core earnings were generated from our highest potential businesses compared wit 60% in 2023, as the increase in core earnings from highest potential businesses outpaced the growth in total company core earnings

Asia segment core earnings in 2024 increased 27% compared with 2023 after adjusting for the impact of changes in foreign currency exchange rates, primarily reflecting strong business growth, benefits from updates to actuarial methods an assumptions in 2023 and 2024, as well as improved insurance experience. The segment contributed to 70% of the tota company CSM balance[5] as at December 31, 2024 and 74% of the total company new business CS [5] in 2024, demonstrating that accelerating profitable growth is at the heart of our ambition and supporting our commitment to deliver 50% of tot company core earnings from the Asia region.

Global WAM core earnings in 2024 increased 30% compared with 2023 on a constant exchange rate basis, driven by growth across all business lines and geographies, including 37% growth in Asia. The segment generated positive net flows in 14 of the past 15 calendar years, including $13.3 billion of net inflows in 2024, demonstrating our consistent track record o generating and retaining flows.

Canada Group Insurance core earnings in 2024 benefited from strong business growth as evidenced by a 43% increase in APE sales compared with 2023

In the U.S. segment, APE sales of products with the John Hancock Vitality PLUS feature continued to increase an represented 81% of overall U.S. sales in 2024

In addition, inorganic optimization actions continued to transform our portfolio, shifting our business mix further toward highest potential businesses. In 2024, we completed the acquisition of CQS, a U.K.-based multi-sector alternative credi manager, which positively contributed to Global WAM net flows and core earnings in it first yea . We closed the largest long term care ("LTC") reinsurance transaction in 1Q24 and closed the largest Canadian universal life reinsurance transaction i 2Q24. We also entered into an agreement in 4Q24 for a second LTC reinsurance transaction in less than 12 months to furth transform our business to higher return and lower risk

The strength of our diverse global franchise, strong balance sheet and disciplined capital allocation position us well t capitalize on attractive opportunities for our highest potential businesses

[1] Highest potential businesses include Asia segment, Global WAM, Canada group benefits and North American behavioural insurance products.
[2] See "Caution regarding forward-looking statements" above.
[3] 2017 core earnings is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" below.
[4] This item is a non-GAAP ratio. See "Non-GAAP and Other Financial Measures" below for more information.
[5] CSM balance and new business CSM are net of non-controlling interests (pre-tax).

2024 Highlights

- In Asia, we continued to invest in our diversified distribution platform to accelerate growth and deliver holistic solutions fo customers:
  - Expanded Manulife Pro, our proprietary proposition for top-tier agents, to Indonesia, Japan and Hong Kong. Th proposition provides select agents with differentiated resources and tools, including dedicated underwriting suppor and enhanced customer engagement services with access to customer leads. This initiative contributed to improve agent productivity, demonstrated by our 23% year-over-year growth in agency APE sales in 2024. With thi expansion, Manulife Pro is now available in five of our market [1]; an
  - Further addressed the complex and evolving financial needs of high-net-worth individuals through a focus on innovative customer solutions. This includes the launch of two new products that cater to the protection, legac planning and wealth management needs of high-net-worth customers. The Manulife Global Indexed UL PRO product incorporates our next generation index account design, providing higher long-term return potential. The Signature Indexed Income product provides lifetime monthly income payout, benchmarked to the S&P 500 Index and protection against market volatility.
- In Global WAM, we executed on several initiative to deliver comprehensive investment solutions and drive growth opportunities:
  - Completed the acquisition of CQS, a U.K.-based multi-sector alternative credit manager, which positively contributed to Global WAM net flows and core earnings in 202 . We have leveraged these expanded investment capabilities to launch the John Hancock Multi Asset Credit Fund in U.S. Retail. This fund is a strong addition to our growing lineu of liquid and semi-liquid alternative offerings which are part of our larger credit franchise; an
  - Continued to meet investor needs for alternative solutions through the expansion of our product offerings with th launch of the Manulife Capital Partners VII and Manulife Private Equity Partners II for institutional investors whic combined have garnered over $2 billion in AUMA
- In Canada, we mplemented activity recommendations in the Manulife *Vitality* program app to provide customers with a more personalized app experience to help them achieve their health and wellness goals, contributing to a 9 percentag point increase in the app's utilization in 2024 compared with 202 .
- In the U.S., we delivered new business growth through innovative enhancements to our current behavioural insuranc solutions and new market offerings for distributors and customer :
  - Entered into a strategic distribution collaboration with Annexus — one of the nation's leading independent retirement planning product design and distribution companies — to expand our portfolio of indexed account offerings and reach a wider market with our Protection Indexed Universal Life solutio ; an
  - Expanded a differentiated enhancement to our entire suite of survivorship solutions that allows customers t proactively address their estate planning needs now in anticipation of an expiring estate tax legislatio n.

We strive to continue improving our digital, customer leadership through the NPS and straight-through-processing ("STP" [2]) lens.

Focus areas

- Leverage advanced analytics and artificial intelligence ("AI") capabilities, globally at scale
- Build differentiated, market-leading customer experiences
- Extend customer relationships through new services in health and wellnes
- Harness customer insights from millions of customer interactions to enhance the experience delivere d
- Drive NPS through a robust NPS system that spans across the customer journe y

			Baseline		Targets[3]	
	2024	2023	2018	2017	2025	2027
Net promoter score	**27**	23	n/a	1	n/a	37
Straight-through-processing (STP)	**89%**	85%	68%	n/a	88%	n/a

[1] Manulife Pro is available in Singapore, Vietnam, Indonesia, Japan and Hong Kong.
[2] Straight-through-processing represents customer interactions that are completely digital, and includes money movement.
[3] See "Caution regarding forward-looking statements" above.

Digital has become our strategic channel for customer servicing interactions, allowing us to deepen customer engagemen while transforming our cost base. As part of our planned $1 billion investment over the three-year period from 2023 to 202 we continued to invest in digital capabilities through the delivery of multiple technology transformation initiatives across ou operating segments in 2024; notably, multiple generative AI use cases spanning sales effectiveness, call centre optimizatio mproved underwriting speed and accuracy, enhancement of mobile apps and websites enabling customer self-servic capabilities, and launch of targeted campaigns to drive digital adoption. These capabilities are allowing us to rapidly scale an

capitalize on innovation opportunities as well as deploy proprietary digital tools. We expect these capabilities to generate a threefold return on our investment over five years through 2027[1] with over $600 million of benefits[2] realized in 2024 from our initiatives globally.

We have made significant progress against our NPS ambition, achieving a record high score of 27, a 4-point improvement compared with 2023, and we are leading or on par with peers[3] across the majority of our business lines. We are focused on driving customer experience improvements across our business portfolio and progressing our mission to make decisions easier, lives better.

Our progress on STP is a critical lever to transform our global cost base through automation and digitization of manual processes. We have made consistent progress on our global STP objective across segments in a variety of areas, with a 4-percentage point improvement compared with 2023 and have exceeded our target of 88%, one year ahead of schedule.

Customer centricity is at the heart of our ambition and we remain focused on achieving our NPS target of 37 by 2027, and maintaining our STP progress going forward.

2024 Highlights

- Successful generative AI applications:
  - We are driving value from generative AI by rapidly scaling use cases across our organization. We had 27 use cases in production, with another 32 in development at the end of 2024. Our continued investment in foundational capabilities has put us in a strong position, and enabled faster and easier execution in deploying AI-based solutions. We are able to quickly scale use cases, enhancing value for our customers and our business.
  - In Asia, we strengthened agent-customer interactions through the launch of an innovative generative AI sales tool in both Singapore and Japan. It enables our agents to automatically create personalized engagement strategies to offer customers the right solutions at the right time based on their needs, preferences, demographic data and transaction histories;
  - In Asia, we enhanced underwriting efficiency in Singapore through the implementation of generative AI, which improves the accuracy of underwriting decisions by automating document digitization and summarization. This also elevates customer experience by reducing processing time for policy applications; and
  - In the U.S., we streamlined our underwriting process to improve our customers' experience and capture more sales by expanding our use of electronic health records, and leveraging generative AI to automate preliminary underwriting assessments.
- Self-service capability improvements across mobile applications:
  - In Global WAM, we continued to add new self service capabilities to our Canada Retirement mobile app, which contributed to a 29% growth in user counts in 2024 compared with the prior year; and
  - In Canada, we entered into a multi-year loyalty rewards partnership agreement with Aeroplan. We launched the Aeroplan Rewards and Challenges program in the Manulife mobile app that enables eligible group benefits plan members to earn reward points by completing programs and benefits-related activities to encourage health and well being.
- Progress in digital adoption and expanded digital solutions:
  - In Global WAM, we advanced and broadened our wealth planning and advice business with the implementation of a new advisor retail wealth platform and an AI-powered planning tool in Canada and a new AI-powered sales enablement app in Asia. These tools improve productivity for advisors and agents and deliver an enhanced digital experience for investors;
  - In Canada, we added mental health features and live support to our Manulife mobile app for group benefit plan members in partnership with TELUS Health[4] that provide eligible members and their families immediate, personal assistance with navigating the healthcare system to help them understand the types of support available;
  - In the U.S., we continued to modernize the end-to-end purchase and delivery process by introducing a term solution with digital policy delivery, payment capabilities, and easy registration process to the Life Customer Storefront as well as Vitality's website; and
  - In the U.S., we accelerated our distribution team's ability to act on sales opportunities and improved their efficiency to assist producers by implementing and subsequently enhancing JHINI, our AI-powered, sales enablement tool.

---

[1] See "Caution regarding forward-looking statements" above.
[2] The benefits from our global digital, customer leadership initiatives include expense saves, growth absorption, revenue benefits (margin businesses) and new business CSM growth (insurance).
[3] Based on studies conducted in 2024 by IPSOS, a global market research company.
[4] Telus Health (Canada) Ltd.

- Operational efficiency:
  - We have completed phase 1 of our global contact centre transformation, with all our operations re-platformed to a modern, cloud-based infrastructure. We are now rolling out new features to capitalize on embedded AI capabilities as well as in-house solutions. For example, we improved the customer experience and operational efficiency of our Japan contact centre where further enhancement of voice bot capabilities and the application of AI-enabled speech-to-text and call summarization contributed to a record high transactional NPS in 2024 and reduced average contact centre handling time by 28% in the second half of 2024, compared with the same period of 2023; and
  - In the U.S., we deployed automated call summarization for our customer service representatives within all contact centres, contributing to an immediate improvement in average handle time since the launch in May 2024, and subsequently introduced a generative AI knowledge management chatbot within annuity and long-term care contact centres to further enhance the customer experience.

Expense Efficiency

We remain focused on driving efficient growth by effectively managing expense growth at a rate below the pace of our top-line growth, while ensuring outstanding customer experience and digital ways of working.

Focus areas

- Leverage global scale, operating efficiencies and digital capabilitie
- Deploy emerging technologies and advanced analytics to achieve the next wave of cost synergie
- Streamline business processes and eliminate activities not valued by end customer
- Continue to sustain a culture of expense efficiency and driving efficient growt h

			Baseline	Medium-term Target [1]
	2024	2023	2017 (IFRS 4) [2]	
Expense efficiency ratio	**44.8%**	45.5%	55.4%	<45%

Expense optimization remains a priority in our current operating environment; therefore we continue to explore opportunitie s across our businesses to manage expense growth at a rate below the pace of our top-line growth .

We achieved our expense efficiency ratio medium-term target in 2024 attributed to our continued expense discipline. The expense efficiency ratio was 44.8% for 2024, compared with 45.5% in 2023. The 0.7 percentage point decrease in the ratio compared with 2023 was driven by an 8% increase in pre-tax core earnings, offset by a 5% increase in core expenses.

Our focus on expense efficiency has enabled us to drive benefits of scale. Our restructuring efforts in Global WAM an d Canada during the second half of 2024 were aimed at optimizing our global operating model and continuing to focus on hig h growth priorities. Such strategic actions are expected to generate future savings, improve efficiency, and position us to furthe r capitalize on emerging opportunities and deliver greater value to our clients .

We remain committed to consistently achieving an expense efficiency ratio of less than 45% .

2024 Highlights

- Continued to improve expense efficiency by lowering unit costs and improving scalability of our operations throug h:
  - Digitizing to improve automation and straight-through-processing
  - Reshaping and streamlining processes through Generative AI
  - Optimizing global footprint and organizational structure
  - Actively managing third-party spend and procurement; an d
  - Rationalizing real estate expenditures

Portfolio Optimization

We will continue to optimize our legacy and low ROE businesses and reduce the combined contributions from long-term car e insurance ("LTC") and variable annuities ("VA") businesses .

Focus areas

- Deliver capital release from legacy or low ROE businesses, including variable annuity, long-term care insurance an d select long-duration, guaranteed insurance products
- Optimize portfolio to enhance our risk profile and RO E
- Create value for customers and shareholders through organic optimization initiative s

[1] See "Caution regarding forward-looking statements" above.
[2] 2017 expense efficiency ratio is a non-GAAP ratio.

			Baseline	Targets [1]
	2024	2023	2017 (IFRS 4)	2025
Core earnings contribution from LTC and VA businesse s [2]	**10%**	12%	24%	<15%

We aim to create strategic and financial flexibility to deliver on ou r Total Shareholder Retur n objective by continuing to assess inorganic options, taking into account policyholder considerations and the impacts to our risk profile and ROE. In 1Q24, w e completed the reinsurance transaction with Global Atlantic on four in-force blocks of legacy or low ROE businesses, includin g the largest LTC reinsurance deal in history. In 2Q24, we completed the largest universal life reinsurance transaction in the Canadian insurance industry with RGA Canada[3], further reducing our risk profile and unlocking significant value for shareholders. In November 2024, we entered into an agreement wit h RGA[4] to reinsure a younger LTC block and a legacy block of U.S. structured settlements, and closed the transaction in January 2025 This latest transaction is expected to release $0.8 billio n [1] of capital, bringing the total capital release to $12 billion[5] from all portfolio optimization efforts since 2018. On a combined basis, these three inorganic transactions are expected to cumulatively release $2.8 billion of capital an d reduce reserves[6] by $24 billion. The two LTC transactions are expected to cumulatively reduce our LTC reserves by 18% and LTC morbidity sensitivity[7] by 17%.

We are a lso confident in our ability to effectively manage the legacy blocks of business to maturity with organic solutions an d optimization, including seeking LTC premium rate increases for which we have a strong track record of succes s [1]. We have received approval for over 90% of the premium rate increase [8] that were embedded in our reserves as of the last LTC actuarial assumption review in 202 . We are also investing in and leveraging digital experiences, analytics capabilities, an d healthy aging solutions to transform the LTC customer experience, providing significant value to our customers an d shareholders.

In 2023, two years ahead of schedule, we achieved our target of less than 15% of core earnings contribution from our LT and VA businesses. Contribution to core earnings from these businesses was 10% in 2024, a decrease of 2 percentag e points as compared with 2023, reflecting the impact of the GA Reinsurance Transaction, and strong core earnings growth i n Asia and Global WAM. A dedicated team working exclusively on portfolio optimization, and our proactive, discipline approach in optimizing the in-force business, are key success factors to these achievements .

2024 Highlights

- Reinsured four in-force blocks of legacy or low ROE businesses with Global Atlantic, including the largest LTC reinsurance deal in history;
- Reinsured a Canadian universal life insurance block with RGA Canada.
- Entered into an agreement with RGA[4] to reinsure a second LTC block and a legacy block of U.S. structured settlements. This transaction was closed in January 2025; and
- In the LTC business, we,
  - Engaged partners and explored new tools, resources and networks to support customers, their families and caregivers at various moments in the aging-at-home journey, evolving our relationship from that of policy manager to a partner in ongoing health and care.
  - Delivered significant value by taking actions to reduce fraud and simplifying complex claims activities which will ultimately drive a best-in-class claims experience. In 2024, our efforts achieved significant value for our customers and businesses through claim savings of more than $2[5]; and
  - Continued with our efforts in gaining approval on premium rate increases[6].

High Performing Team

We are committed to enabling a high performing team and maintaining top quartile employee engagement compared to global financial services and insurance peers.

Focus areas:

- Organizational effectiveness and speed of decision-making
- Diversity, equity, and inclusion
- Developing our talent with differentiated capabilities
- Continuing to strengthen our value proposition to attract and retain top talent

[1] See "Caution regarding forward-looking statements" above.
[2] This item is a non-GAAP ratio. See "Non-GAAP and Other Financial Measures" below.
[3] RGA Life Reinsurance Company of Canada.
[4] Reinsurance Group of America, Incorporated.
[5] Pro forma. Includes $9 billion of capital release from 2018 to 2022 under IFRS 4, $2.2 billion from 2023 to 2024 initiatives under IFRS 17, and an estimated $0.8 billion capital to be released from this transaction in 2025.
[6] IFRS 17 current estimate of present value of future cash flows + risk adjustment + contractual service margin.
[7] Morbidity sensitivity is based on 2Q24, grossed up for 3Q24 reserves.
[8] Represents present value of future premium rate increases or other equivalent options to be offered to LTC policyholders.

			Baseline	Target[1]
	2024	2023	2017[2]	2023 and onwards
Employee Engagement	**1st quartile**	1st quartile	2nd quartile	1st quartile

We are now in the fifth year of being in the top quartile employee engagement rank[3], maintaining our position in 2024. Our high performing team has been a key enabler of accomplishments to date, and we remain committed to maintaining top quartile employee engagement going forward.

2024 Highlights

- Awarded the Gallup Exceptional Workplace Award for the second consecutive year, recognizing our focus on engagement and prioritization of employee experience that creates an authentic, unique culture to empower our colleague population to do and achieve more.
- Recognized globally across various markets by a number of leading organizations:
  - By Forbes as one of the World's Best Employers for the fifth consecutive year, one of Canada's Best Employers for the eighth consecutive year, Canada's Best Employers for Diversity, and America's Best Employers for Diversity.
  - By Mediacorp Canada Inc. as one of Canada's Top 100 Employers, Greater Toronto's Top Employers, Canada's Top Employers for Young People, and Canada's Best Diversity Employers.
  - By HR Asia as one of the Best Companies to Work for in Asia in six of our markets, as well as for Diversity, Equity and Inclusion Awards in three of our markets; and by Hong Kong Business Management Excellence for DEI Initiative of the Year.

[1] See "Caution regarding forward-looking statements" above.
[2] Starting in 2019, engagement surveys were transitioned to the Gallup methodology.
[3] Based on the annual global employee engagement survey conducted by Gallup. Ranking is measured by the engagement grand mean as compared to Gallup's Finance and Insurance Company level database.

2. Asia

Our Asia segment offers insurance and insurance-based wealth accumulation products, driven by a customer centric strategy, and leverages the asset management expertise of, and products managed by our Global Wealth and Asset Management segment. We are a top three pan-Asian life insurer[1], with a history of over 125 years and 13 million insurance customers in the region, focused on addressing the significant health and mortality protection gaps and low insurance penetration rates across Asia.

With a broad geographic presence across 12 markets – Hong Kong, Macau, Japan, Bermuda[2], mainland China, Singapore, Vietnam, Indonesia, the Philippines, Malaysia, Cambodia, and Myanmar – and a robust multi-channel distribution platform, we are well-positioned to create value for our customers, employees, and shareholders. We have close to 110,000 contracted agents and over 100 bank partnerships, of which our exclusive bancassurance partnerships provide us access to over 35 million bank customers. This includes our regional exclusive bancassurance partnership with DBS Bank across Singapore, Hong Kong, mainland China, and Indonesia. We also work with many independent agents, financial advisors, and brokers.

Asia continues to be a core driver of growth for Manulife, as we execute our strategy to accelerate growth through our diversified distribution platform, deliver sustainable margin expansion with our holistic solutions, drive expense efficiency, and further enhance customer experience through digital capabilities and analytics. Our growth is underpinned by Asia megatrends including fast growing economies, rising middle class populations, and growing unmet health and protection needs driving continued demand for financial solutions.

In 2024, our Asia segment contributed 34%[3] of the Company's core earnings from operating segments and, as at December 31, 2024, accounted for 12%[3] of the Company's assets under management and administration. See section 1 "Strategic Priorities and Progress Update" above, for information on the core earnings contributions from Asia segment and Asia operations in Global WAM segment combined.

Profitability

Asia reported net income attributed to shareholders of $2,355 million in 2024 compared with $1,348 million in 2023. Net income attributed to shareholders is comprised of core earnings, which were $2,589 million in 2024 compared with $2,048 million in 2023, and items excluded from core earnings, which amounted to a net charge of $234 million for 2024 compared with a net charge of $700 million in 2023. See section 13 "Non-GAAP and Other Financial Measures" below, for reconciliation of core earnings to net income (loss) attributed to shareholders. The changes in net income attributed to shareholders and core earnings expressed in Canadian dollars were due to the factors described below and, in addition, the change in core earnings reflected a net $16 million unfavourable impact due to changes in various foreign currency exchange rates versus the Canadian dollar.

Expressed in U.S. dollars, the presentation currency of the segment, net income attributed to shareholders was US$1,717 million in 2024 compared with US$995 million in 2023. Core earnings were US$1,890 million in 2024 compared with US$1,518 million in 2023 and items excluded from core earnings amounted to a net charge of US$173 million in 2024 compared with a net charge of US$523 million in 2023. Items excluded from core earnings are outlined in the table below.

Core earnings in 2024 increased 27% compared with 2023, after adjusting for the impact of changes in foreign currency exchange rates. The changes in core earnings by geography are primarily due to the items noted below and also include the impact of higher investment income on allocated capital. Investment income on allocated capital increased Asia's core earnings by $76 million in 2024 compared with 2023:

- Hong Kong increased 36% driven by an increase in expected earnings on insurance contracts, higher expected investment earnings, and improved insurance experience. The increase in expected earnings on insurance contracts was driven primarily by business growth and the net impact of updates to actuarial methods and assumptions on our CSM and risk adjustment in 2023 and 2024;
- Japan increased 26% reflecting improved insurance experience and an increase in expected earnings on insurance contracts. The increase in expected earnings on insurance contracts was driven primarily by business growth and the net impact of updates to actuarial methods and assumptions on our CSM and risk adjustment in 2023 and 2024. In addition, the GA Reinsurance Transaction increased core earnings by US$9 million in 2024 compared with 2023, attributable t

the impact on expected investment earnings, expected earnings on insurance contracts, and the change in EC ;
- International High Net Worth business increased 58% due to improved insurance experience, an increase in expecte earnings on insurance contracts due to business growth, higher expected investment earnings, an the change in EC ;
- Mainland China decreased 14% reflecting lower expected earnings on insurance contracts, partially offset by highe expected investment earnings;
- Singapore increased 33% driven by an increase in expected earnings on insurance contracts and higher expecte investment earnings. The increase in expected earnings on insurance contracts was driven primarily by business growt and the net impact of updates to actuarial methods and assumptions on our CSM and risk adjustment in 2023 and 2024 ;

[1] Based on APE sales.
[2] This represents our International High Net Worth business.
[3] This item is a non-GAAP ratio. See "Non-GAAP and Other Financial Measures" below for more information.

- Vietnam was in line with 2023 as lower expected earnings on insurance contracts were offset by higher expecte investment earnings and improved insurance experience; an
- Other Emergin Markets decreased 3% reflecting unfavourable insurance experienc .

The table below presents net income attributed to shareholders for Asia fo 2024 and 2023 consisting of core earnings and Items excluded from core earnings .

For the years ended December 31, ($ millions)	Canadian $ 2024	Canadian $ 2023	US $ 2024	US $ 2023
Core earnings	**$ 2,589**	$ 2,048	**$ 1,890**	$ 1,518
Items excluded from core earnings[1]				
Market experience gains (losses)	**(178)**	(553)	**(131)**	(413)
Realized gains (losses) on debt instruments	***(374)***	*(113)*	***(276)***	*(83)*
Derivatives and hedge accounting ineffectiveness	***(92)***	*(264)*	***(67)***	*(197)*
Actual less expected long-term returns on public equity	***204***	*12*	***151***	*8*
Actual less expected long-term returns on ALDA	***21***	*(72)*	***15***	*(54)*
Other investment results	***63***	*(116)*	***46***	*(87)*
Changes in actuarial methods and assumptions that flow directly through income	**(5)**	(68)	**(4)**	(51)
Reinsurance transactions, tax-related items and other	**(51)**	(79)	**(38)**	(59)
Total items excluded from core earnings	**(234)**	(700)	**(173)**	(523)
Net income (loss) attributed to shareholders	**$ 2,355**	$ 1,348	**$ 1,717**	$ 995

[1] For explanations of items excluded from core earnings, see "Items excluded from core earnings" table in the total Company "Profitability" section above.

Business Performance

(All percentages quoted are on a constant exchange rate basis)

APE sales were US$4,429 millio in 2024, representing an increase o 36% compared with 2023, driven by broad-based growth across most geographies in Asia, partially offset by a decrease in Vietna **NBV** was US$1,612 millio in 2024, an increase of 35% compared with 2023, driven by higher sales volumes, partially offset by business mix NBV margin was 40.7% in 2024, a decrease o 0.5 percentage points compared with 2023. **New business CSM** was US$1,567 millio in 2024, a 38% increase compared with 2023, due to higher sales volumes and the impact of updates to actuarial methods an assumptions in the second half of 202 , partially offset by business mix.

- In Hong Kong, APE sales were US$1,626 millio in 2024, an 80% increase compared with 2023, reflecting higher sales across all channels driven by strong growth in sales of savings, health and protection products to both domesti and mainland Chinese visitor customers. NBV of US$772 millio in 2024 increased 43% compared with 2023 due to higher sales volumes, partially offset by product mix. NBV margin of 47.5% in 2024 decreased 12.0 percentage points compared with 2023. New business CSM of US$670 millio in 2024 increased 34% compared with 2023 due to higher sales volumes and the impact of updates to actuarial methods and assumptions in the second half o 2023, partially offset by product mix
- In Japan, APE sales were US$391 millio in 2024, an increase of 61% compared with 2023, reflecting higher sales in the broker channel, driven by strong growth in non-participating savings products primarily to customers with maturin products. NBV of US$194 millio in 2024 increased 78% compared with 2023 due to higher sales volumes and product mix. NBV margin of 49.5% in 2024 increased 4.9 percentage points compared with 2023. New business CSM of US$212 million in 2024 increased 146% compared with 2023 due to higher sales volumes, product mix and the impact of update to actuarial methods and assumptions in the second half of 2023.
- International High Net Worth business APE sales were US$170 millio in 2024, in line with 2023. NBV was US$126 million, a 19% decrease compared with 2023 due to product mix. NBV margin was 74.2%, a decrease of 16.6 percentage points compared with 2023. New business CSM was US$137 millio , a 20% decrease compared with 2023 due to product mix
- In mainland China, APE sales were US$896 millio in 2024, a 24% increase compared with 2023, reflecting growth in the bancassurance channel, partially offset by a decline in the agency channel. NBV o US$183 millio in 2024 increased 68% compared with 2023 due to higher sales volumes and product mix. NBV margin of 40.0% in 2024 increased 10.4 percentage points compared with 2023. New business CSM of US$198 millio in 2024 increased 94% compared with 2023 due to higher sales volumes, product mix and the impact of updates to actuarial methods and assumptions in th second half of 2023.
- In Singapore, APE sales were US$955 millio in 2024, a 16% increase compared with 2023, reflecting higher sales in the bancassurance and agency channels. NBV of US$278 millio in 2024 increased 34% compared with 2023 due to higher sales volumes and product mix. NBV margin of 29.2% in 2024 increased 3.9 percentage points compared with 2023. New business CSM of US$285 millio in 2024 increased 56% compared with 2023 due to higher sales volumes, product mix and the impact of updates to actuarial methods and assumptions in the second half o 2023.

- In Vietnam, APE sales were US$95 million in 2024, a 32% decrease compared with 2023, reflecting a decline in the agency and bancassurance channels due to the impact of industry headwinds and the cessation of the partnership agreement with Vietnam Technological and Commercial Joint-Stock Bank. NBV of negative US$5 million in 2024 decreased by US$30 million compared with 2023 due to lower sales volumes impacting expense coverage and the impact of updates to actuarial methods and assumptions. Consequentially, NBV margin of negative 5.3% in 2024 decreased 22.4 percentage points compared with 2023. New business CSM of US$12 million in 2024 decreased 80% compared with 2023 due to lower sales volumes impacting expense coverage and the impact of updates to actuarial methods and assumptions.
- In Other Emerging Markets, APE sales were US$296 million in 2024, a 12% increase compared with 2023, reflecting higher sales in the bancassurance and agency channels. NBV was US$64 million, a 25% increase compared with 2023 due to higher sales volumes and product mix. NBV margin was 23.7%, an increase of 2.3 percentage points compared with 2023. New business CSM was US$53 million, a 59% increase compared with 2023 due to higher sales volumes, product mix and the impact of updates to actuarial methods and assumptions in the second half of 2023.

CSM net of NCI was US$10,807 million as at December 31, 2024, an increase of US$1,237 million compared with December 31, 2023. Organic CSM movement was US$784 million in 2024 driven by the impact of new business and interest accretion, partially offset by amortization recognized in core earnings and a net reduction from insurance experience. Inorganic CSM movement was US$453 million in 2024 largely due to changes in actuarial methods and assumptions that adjust the CSM for the impact of equity market performance and the impact of the GA Reinsurance Transaction, partially offset by the strengthening of the U.S. dollar against most Asian currencies.

Business Performance

For the years ended December 31,	Canadian $		US $	
($ millions)	**2024**	2023	**2024**	2023
Annualized premium equivalent sales	**$ 6,073**	$ 4,469	**$ 4,429**	$ 3,313
New business value	**$ 2,209**	$ 1,627	**$ 1,612**	$ 1,206
New business CSM[1)]	**$ 2,148**	$ 1,549	**$ 1,567**	$ 1,148
CSM net of NCI	**$ 15,540**	$ 12,617	**$ 10,807**	$ 9,570

(1) New business CSM is net of NCI.

Assets under Management[1] ("AUM")

Asia's assets under management were US$135.7 billion as at December 31, 2024, an increase of US$7.4 billion or 9% compared with December 31, 2023. The increase was driven by the impact of positive equity market performance on invested assets and segregated funds net assets, partially offset by the transfer of invested assets related to the GA Reinsurance Transaction.

Assets under Management

As at December 31,	Canadian $		US $	
($ millions)	**2024**	2023	**2024**	2023
Total invested assets	**$ 166,590**	$ 144,433	**$ 115,843**	$ 109,533
Segregated funds net assets	**28,622**	24,854	**19,904**	18,846
Total assets under management	**$ 195,212**	$ 169,287	**$ 135,747**	$ 128,379

Strategic Highlights

Asia continues to be a core driver of growth for Manulife, as we execute our strategy to accelerate growth through our diversified distribution platform, deliver sustainable margin expansion with our holistic solutions, drive expense efficiency, and further enhance customer experience through digital capabilities and analytics.

We continued to invest in our diversified distribution platform to accelerate growth and deliver holistic solutions for customers. In 2024, we:

- Expanded Manulife Pro, our proprietary proposition for top-tier agents, to Indonesia, Japan and Hong Kong. The proposition provides select agents with differentiated resources and tools, including dedicated underwriting support and enhanced customer engagement services with access to customer leads. This initiative contributed to improved agent productivity, demonstrated by our 23% year-over-year growth in agency APE sales in 2024. With this expansion, Manulife Pro is now available in five of our markets[2];
- Further addressed the complex and evolving financial needs of high-net-worth individuals through a focus on innovative customer solutions. This includes the launch of two new products that cater to the protection, legacy planning and wealth management needs of high-net-worth customers. The Manulife Global Indexed UL PRO product incorporates our next generation index account design, providing higher long-term return potential. The Signature Indexed Income product provides lifetime monthly income payout, benchmarked to the S&P 500 Index, and protection against market volatility; and

[1] This item is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" below for more information.
[2] Manulife Pro is available in Singapore, Vietnam, Indonesia, Japan and Hong Kong.

- Enhanced our health proposition through new partnerships with innovative healthcare services providers in Hong Kong and Singapore to help our customers proactively manage their health. In Hong Kong, we have strengthened our integrated cross-border healthcare offerings with holistic health management, cancer screening and treatment, and other medical services. In Singapore, eligible customers will be able to access personalized advanced cancer care and gut microbiome health solutions.

We also continued to invest in our AI and digital capabilities to enhance the customer and distributor experience. In 2024, we:

- Strengthened agent-customer interactions through the launch of an innovative generative AI sales tool in both Singapore and Japan. It enables our agents to automatically create personalized engagement strategies to offer customers the right solutions at the right time based on their needs, preferences, demographic data and transaction histories;
- Enhanced underwriting efficiency in Singapore through the implementation of generative AI, which improves the accuracy of underwriting decisions by automating document digitization and summarization. This also elevates customer experience by reducing processing time for policy applications;
- Improved the customer experience and operational efficiency of our Japan contact centre as part of global contact centre transformation initiatives. Our further enhancement of voice bot capabilities and the application of AI-enabled speech-to-text and call summarization contributed to a record high transactional NPS in 2024 and reduced average contact centre handling time by 28% in the second half of 2024, compared with the same period of 2023; and
- Completed the roll-out of M-Pro, a first-in-market digital pre-issuance verification sales tool, to all distribution channels in Vietnam. M-Pro has further improved customer experience and we have received outstanding feedback on the ease of navigating policy issuance details, ability to review crucial policy information and transparency of the consultation process.

We continued to maintain a diverse and engaged culture and make Manulife a great place to work. Manulife has been recognized by HR Asia as one of the “Best Companies to Work for in Asia 2024” in six of our markets.

3. Canada

Our Canada segment has been committed to customers in our home market for over 135 years. We serve the needs of one in six adults overall across the country, including members of approximately 27,000 businesses and organizations in our group benefits business, through a diverse and competitive suite of financial and health-protection offerings tailored to individuals, families, and business owners. We leverage the asset management expertise and products managed by our Global Wealth and Asset Management segment.

Our Canadian business lines are: group life, health, and disability insurance solutions for employers; insurance and guaranteed investment products including life, critical illness, segregated funds, and annuities sold via retail advisors; and Affinity group insurance offerings including life, health, travel, disability, and creditor insurance solutions sold through the Manulife CoverMe® brand, mortgage brokers, travel advisors, and sponsor groups and associations. We also offer flexible banking products through Manulife Bank.

We aim to be the leading life and health insurer in Canada, by focusing on four key areas: continuing to strengthen our core operations; digital customer leadership; distribution expansion; and differentiation through health.

In 2024, our Canada segment contributed 21% of the Company's core earnings from operating segments and, as a December 31, 2024, accounted for 9% of the Company's assets under management and administration.

Profitability

Canada's reported net income attributed to shareholders of $1,221 million in 2024 compared with $1,191 million in 2023. Net income attributed to shareholders is comprised of core earnings, which were $1,568 million in 2024 compared with $1,487 million in 2023, and items excluded from core earnings, which amounted to a net charge of $347 million in 2024 compared with a net charge of $296 million in 2023. Items excluded from core earnings are outlined in the table below. See section 1 "Non-GAAP and Other Financial Measures" below, for a reconciliation of core earnings to net income attributed to shareholders.

The $81 million, or 5%, increase in core earnings was driven by business growth in Group Insurance, improved insurance experience in Individual Insurance, and a release in the provision for ECL in 2024 compared with a charge in 2023, partially offset by lower expected investment earnings. In addition, the RGA Canadian Reinsurance Transaction reduced core earnings by $80 million in 2024 compared with 2023.

The table below presents net income attributed to shareholders for Canada for 2024 and 2023 consisting of core earnings and items excluded from core earnings.

For the years ended December 31, ($ millions)		2024		2023
Core earnings	**$**	**1,568**	$	1,487
Items excluded from core earnings[1]				
Market experience gains (losses)		**(384)**		(341)
Realized gains (losses) on debt instruments		***(328)***		*(10)*
Derivatives and hedge accounting ineffectiveness		***109***		*65*
Actual less expected long-term returns on public equity		***65***		*(13)*
Actual less expected long-term returns on ALDA		***(235)***		*(327)*
Other investment results		***5***		*(56)*
Changes in actuarial methods and assumptions that flow directly through income		**2**		41
Restructuring charge		**(6)**		-
Reinsurance transactions, tax-related items and other		**41**		4
Total items excluded from core earnings		**(347)**		(296)
Net income (loss) attributed to shareholders	**$**	**1,221**	$	1,191

(1) For explanations of items excluded from core earnings, see "Items excluded from core earnings" table in the total Company "Profitability" section above.

Business Performance

APE sales were $1,689 million in 2024, an increase of 20% compared with 2023.

- Individual Insurance APE sales of $523 million in 2024 decreased 7% compared with 2023, driven by the non-recurrence of a large affinity markets sale in 2023, partially offset by higher participating life insurance sales
- Group Insurance APE sales of $923 million in 2024 increased 43% compared with 2023, reflecting higher sales across all group benefits markets, primarily due to large case sales
- Annuities APE sales of $243 million in 2024 increased 21% compared with 2023, primarily due to higher sales of segregated fund products.

CSM was $4,109 million as at December 31, 2024, an increase of $49 million compared with December 31, 2023. Organic CSM movement was $104 million in 2024 driven by the impact of new business and interest accretion, partially offset by amortization recognized in core earnings. Inorganic CSM movement was $(55) million in 2024, reflecting the impacts of the RGA Canadian Reinsurance Transaction and the net unfavourable impact of interest rates partially offset by equity markets. This reduction was partially offset by changes in actuarial methods and assumptions that adjust the CSM.

Manulife Bank average net lending assets[1] were $26.0 billion in 2024, an increase of $1.0 billion, or 4%, compared with 2023, driven by business growth and improved mortgage retention.

Business Performance

For the years ended December 31, ($ millions)		2024		2023
APE sales	**$**	**1,689**	$	1,409
Contractual service margin	**$**	**4,109**	$	4,060
Manulife Bank average net lending assets	**$**	**26,020**	$	25,050

Assets under Management

Canada's assets under management of $145.2 billion as at December 31, 2024 decreased $2.3 billion, or 2%, from $147.5 billion as at December 31, 2023, driven by the transfer of invested assets related to the RGA Canadian Reinsurance Transaction, partially offset by the net impact from interest rates and equity markets.

Assets under Management

As at December 31, ($ millions)		2024		2023
Total invested assets	**$**	**107,141**	$	111,456
Segregated funds net assets		**38,099**		36,085

Total assets under management	**$ 145,240**	$ 147,541

Strategic Highlights

We continued to accelerate the growth of our business by enhancing our digital offerings through key partnerships and innovative upgrades for our clients so that they can continue to focus on improving their health and wellness, and introducing new products to meet the expanding needs of Canadians. During 2024, we:

- Established strategic partnerships and enhanced our digital apps, enabling clients to leverage personalized features on their journey to improve their health and well-being:
  - Entered into a multi-year loyalty rewards partnership agreement with Aeroplan. We launched the Aeroplan Rewards and Challenges program in the Manulife mobile app that enables eligible group benefits plan members to earn reward points by completing programs and benefits-related activities to encourage health and well-being;
  - Added mental health features and live support to our Manulife mobile app for group benefits members in partnership with TELUS Health[2], that provide eligible members and their families immediate, personal assistance with navigating the healthcare system to help them understand the types of support available;
  - Implemented activity recommendations in the Manulife *Vitality* program app to provide customers with a more personalized app experience to help them achieve their health and wellness goals, contributing to 9 percentage point increase in the app's utilization in 2024 compared with 2023; and
  - Published a special report for employers titled "Promoting women's health for a vibrant workforce". Prepared in collaboration with Cleveland Clinic Canada and the Centre for Addiction and Mental Health, the report uncovered key insights about women's health and provided recommendations that employers can take to better support women in the workforce.
- Offered additional solutions for Canadians and their families to meet their protection and accumulation needs by expanding our product shelf:
  - Introduced a guaranteed issue life product, designed to provide accessible life insurance coverage with guaranteed fixed premiums for a wide range of individuals seeking straightforward and reliable life insurance coverage; and
  - Refreshed our suite of segregated fund options with a new product that features a simplified, all-inclusive fee structure and offers Canadians an investment solution to help with their estate planning needs.

[1] This item is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" below for more information.
[2] Telus Health (Canada) Ltd.

4. U.S.

Our U.S. segment is committed to helping our customers live longer, healthier, better lives by providing an array of life insurance and insurance-based wealth accumulation solutions to meet a variety of their needs, and making behavioural insurance a standard component on all our life insurance solutions through the John Hancock Vitality Program.

We operate under the brand of John Hancock with more than 160 years of history in the U.S. We have built lifelong customer relationships and created a vast distribution network of licensed financial advisors, who help us bring the benefits of life insurance, wellness, and wealth planning to more individuals and their families. Our life insurance solutions are designed to meet customers' estate, business, income-protection, and wealth accumulation needs; they also leverage the expertise and solutions provided by our Global Wealth and Asset Management segment.

Over the past decade, we have transitioned from being a passive claims payer to actively rewarding our customers for taking small, everyday steps toward better long-term health. To that end, we have integrated behavioural insurance across our suite of solutions, offering our customers tools, technology, education, and rewards through the John Hancock Vitality Program — in collaboration with partners including GRAIL, Verily, Apple, Prenuvo, and Massachusetts Institute of Technology ("MIT") AgeLab — to help them make more informed decisions about their overall health.

We also have in-force LTC and annuity businesses. Our proven record of organically managing our LTC blocks as well as our LTC, variable and fixed annuity reinsurance transactions over the last few years have been significant contributors to the Company's efforts to transform the business portfolio to one of higher returns and lower risk.

In 2024, our U.S. segment contributed 22% of the Company's core earnings from operating segments and, as at December 31, 2024, accounted for 13% of the Company's assets under management and administration.

Profitability

U.S. reported net income attributed to shareholders of $135 million in 2024 compared with $639 million in 2023. Net income attributed to shareholders is comprised of core earnings, which was $1,690 million in 2024 compared with $1,759 million in 2023, and items excluded from core earnings, which amounted to a net charge of $1,555 million in 2024 compared with a net charge of $1,120 million in 2023. See section 13 "Non-GAAP and Other Financial Measures" below, for a reconciliation of core earnings to net income (loss) attributed to shareholders. The changes in core earnings expressed in Canadian dollars were due to the factors described below and additionally, reflected a $24 million favourable impact from the strengthening of the U.S. dollar compared with the Canadian dollar.

Expressed in U.S. dollars, the functional currency of the segment, net income attributed to shareholders was US$96 million in 2024 compared with US$473 million in 2023. Core earnings were US$1,234 million in 2024 compared with US$1,304 million in 2023 and items excluded from core earnings amounted to a net charge of US$1,138 million in 2024 compared with a net charge of US$831 million in 2023. Items excluded from core earnings are outlined in the table below.

The US$70 million, or 5%, decrease in core earnings was mainly due to the impact of the GA Reinsurance Transaction, lower

expected investment earnings, unfavourable net claims experience, and the impact of the annual review of actuarial methods and assumptions. These impacts were partially offset by a lower charge in the ECL provision in 2024. Net claims experience primarily reflected more unfavourable experience in long-term care and less favourable experience in life. Investment income on allocated capital also increased core earnings by US$22 million in 2024 compared with 2023. The GA Reinsurance Transaction reduced core earnings by US$69 million in 2024 compared with 2023, attributable to the impact on expected earnings on insurance contracts, expected investment earnings, insurance experience, and the change in ECL.

The table below presents net income attributed to shareholders for the U.S. for 2024 and 2023 consisting of core earnings and items excluded from core earnings.

For the years ended December 31, ($ millions)	Canadian $ 2024	Canadian $ 2023	US $ 2024	US $ 2023
Core earnings	**$ 1,690**	$ 1,759	**$ 1,234**	$ 1,304
Items excluded from core earnings[1]				
Market experience gains (losses)	**(1,327)**	(1,196)	**(971)**	(887)
Realized gains (losses) on debt instruments	***(525)***	*(6)*	***(385)***	*(5)*
Derivatives and hedge accounting ineffectiveness	***(33)***	*(14)*	***(23)***	*(10)*
Actual less expected long-term returns on public equity	***(47)***	*6*	***(34)***	*5*
Actual less expected long-term returns on ALDA	***(751)***	*(1,212)*	***(550)***	*(899)*
Other investment results	***29***	*30*	***21***	*22*
Changes in actuarial methods and assumptions that flow directly through income	**(202)**	132	**(148)**	98
Reinsurance transactions, tax-related items and other	**(26)**	(56)	**(19)**	(42)
Total items excluded from core earnings	**(1,555)**	(1,120)	**(1,138)**	(831)
Net income (loss) attributed to shareholders	**$ 135**	$ 639	**$ 96**	$ 473

(1) For explanations of items excluded from core earnings, see "Items excluded from core earnings" table in the total Company "Profitability" section above.

Business Performance

U.S. APE sales of US$454 million in 2024 increased 9% compared with 2023, reflecting increased demand from affluent customers for accumulation insurance products, partially offset by lower sales of protection insurance products. APE sales of products with the John Hancock Vitality PLUS feature increased 17%, and represented 81% of overall U.S. sales compared with 75% in 2023.

CSM was US$1,715 million as at December 31, 2024, a decrease of US$1,113 million compared with December 31, 2023. Organic CSM movement was US$44 million in 2024 driven by the impact of new business and interest accretion, partially offset by amortization recognized in core earnings and net unfavourable insurance experience. The net unfavourable insurance experience was mainly due to life claims and lapse experience. Inorganic CSM movement was US$(1,157) million in 2024 due to changes in actuarial methods and assumptions that adjust the CSM, the impact of the GA Reinsurance Transaction as well as an in-force reinsurance transaction covering certain life mortality, partially offset by the favourable impacts from equity market experience and higher interest rates.

Business Performance

For the years ended December 31, ($ millions)	Canadian $ 2024	Canadian $ 2023	US $ 2024	US $ 2023
APE sales	**$ 623**	$ 562	**$ 454**	$ 416
Contractual service margin	**$ 2,468**	$ 3,738	**$ 1,715**	$ 2,828

Assets under Management

U.S. assets under management of US$149 billion as at December 31, 2024 decreased 3% compared with December 31, 2023. The decrease was primarily due to the transfer of invested assets related to the GA Reinsurance Transaction, partially offset by the net impact from interest rate and equity markets on both segregated funds net assets and total invested assets.

Assets under Management

As at December 31, ($ millions)	Canadian $ 2024	Canadian $ 2023	US $ 2024	US $ 2023
Total invested assets	**$ 136,833**	$ 133,959	**$ 95,142**	$ 101,592

Segregated funds net assets	**77,440**	68,585	**53,845**	52,014
Total assets under management	**$ 214,273**	$ 202,544	**$ 148,987**	$ 153,606

Strategic Highlights

At John Hancock, we are focused on profitably growing our life insurance business by expanding our product offering continuing to modernize the end-to-end purchase and delivery processes, as well as enhancing the customer experience. W are also focused on optimizing our legacy and in-force portfolios through both organic initiatives and strategic reinsuranc transactions to create shareholder value. In 2024, we

Delivered new business growth through innovative enhancements to our current solutions and new market offerings fo distributors and customer :

- Entered into a strategic distribution collaboration with Annexus — one of the nation' leading independent retirement planning produc design and distribution companies — to expand our portfolio of indexed account offerings and reach wider market with our Protection Indexed Universal Life solution;
- Streamlined our underwriting process to improve our customers' experience and capture more sales by expanding ou use of electronic health records and leveraging generative AI to automate preliminary underwriting assessment ; an
- Expanded a differentiated enhancement to our entire suite of survivorship solutions that allows customers to proactivel address their estate planning needs now in anticipation of an expiring estate tax legislation

Focused our attention on improving our digital offerings to create compelling customer experiences and improve expens efficiency:

- Continued to modernize the end-to-end purchase and delivery process by introducing a term solution with digital polic delivery, payment capabilities, and easy registration process to the Life Customer Storefront as well as Vitality's website
- Accelerated our distribution team's ability to act on sales opportunities and improved their efficiency to assist producer by implementing and subsequently enhancing JHINI, our AI-powered, sales enablement to ; an
- Deployed automated call summarization for our customer service representatives within all contact centres, contributing to an immediate improvement in average handle ti e since the launch in Ma , and subsequently introduced a generative AI knowledge management chatbot within annuity and long-term care contact centres to further enhance the custome experience.

Built upon our commitment to help customers live longer, healthier, better live s:

- Expanded our annual 'Longer.Healthier *Better.*' symposium to double the audience of life insurance brokers, reinsurers, industry and global longevity leaders, and local government officials, when compared to last year's symposium, to shar the latest research and innovations driving longevity. With an NPS score of 92, the symposium continues to b significantly well-received;
- Entered a five-year, multimillion-dollar research collaboration with MIT AgeLab to shape the future of longevity innovation and drive actionable insights for the business community, policymakers, as well as individuals and their families
- Became the first U.S. life insurer to offer discounted and prioritized access to Prenuv — a whole body MRI scan for the early detection of cancer and other diseases — to eligible John Hancock Vitality members; an
- Provided access to GRAIL's Galleri® multi-cancer early detection test to certain eligible John Hancock Vitality member ages 40 to 49 (previously ages 50 and up). This change aligns our offering with recent medical research indicating significant increase in early-onset cancer diagnose [1], reinforcing our commitment to early detection and better health outcomes for our members

Accelerated optimizing the financial results of our legacy and in-force blocks:

- Strengthened the value of our LTC insuranc by leveraging advanced analytic models to eliminate fraud, waste, and abuse, developing preferred provider networks, as well as ensuring not only our customers' financial protection but als fostering their overall well-being and helping them achieve better health outcomes (ultimately delaying, shortening, o preventing care requirements). In 2024, our efforts achieved significant value for our customers and businesses throug claim savings of more than 2%.

[1] Jianhui Zhao, Liying Xu, et al - Global trends in incidence, death, burden and risk factors of early-onset cancer from 1990 to 2019; BMJ Oncology 2023.

5. Global Wealth and Asset Management

Our Global Wealth and Asset Management segment, branded Manulife Wealth & Asset Management, is defined by our purpose: to make decisions easier and lives better by empowering investors for a better tomorrow. We operate across 19 geographies, including 10 in Asia[1], distributing innovative investment solutions to both individual and institutional investors through three integrated and complementary business lines. We seek to offer leading capabilities across a wide spectrum of public and private asset classes, leveraging the expertise of our team of over 500 investment professionals worldwide.

At our core, we believe in good stewardship and incorporating sustainable asset management into our business practices. We prioritize engagement with companies and investors with a view to addressing systemic risks, which we believe allows us to develop and provide resilient alpha generating investment solutions to our customers.

Our Retirement business serves more than 9 million investors in North America and Asia through retirement plan solutions, with investments managed by our internal teams and third-party managers. We offer financial guidance and advice to investors to help improve financial preparedness and also provide solutions for investors when they retire or leave their employer plan.

Our Retail business serves individual investors primarily through third-party intermediaries, and, in select markets through a direct-to-customer network including our Manulife Wealth business in Canada. Our fund platform consists predominantly of internally managed solutions. We also supplement our solutions by partnering with third-party managers through sub-advisory agreements.

Our Institutional Asset Management business serves pension plans, foundations, endowments, financial institutions, and other institutional investors worldwide including our own insurance business. Our solutions span all major asset classes including equities, fixed income, and alternative assets (real estate, timberland, farmland private equity/debt and infrastructure).

We believe that together, our global footprint, investment expertise, and channel breadth position us strongly to capitalize on high-growth opportunities in the most attractive markets globally.

In 2024, our Global WAM segment contributed 23% of the Company's core earnings from operating segments and, as at December 31, 2024, represented 64% of the Company's total assets under management and administration.

Profitability

Global WAM's net income attributed to shareholders was $1,597 million in 2024 compared with $1,297 million in 2023, and core earnings were $1,736 million in 2024 compared with $1,321 million in 2023. Items excluded from core earnings are outlined in the table below and amounted to a net charge of $139 million in 2024 compared with a net charge of $24 million in 2023. See section 13 "Non-GAAP and Other Financial Measures" below, for a reconciliation of core earnings to net income (loss) attributed to shareholders.

Core earnings increased $415 million, or 30% compared with 2023 on a constant exchange rate basis, primarily driven by an increase in net fee income from higher average AUMA reflecting the favourable impact of markets and net inflows, certain non-recurring tax true-up and tax benefits totaling $110 million in 2024, and disciplined expense management. This increase was partially offset by the impact of lower fee spreads. In addition, investment income on allocated capital increased core earnings by $37 million compared with 2023.

[1] United States, Canada, Japan, Hong Kong, Singapore, Taiwan, Indonesia, Vietnam, Malaysia, India, the Philippines, England, Ireland, Switzerland, Germany, and mainland China. In addition, we have timberland/farmland operations in Australia, New Zealand, and Chile.

The table below presents net income attributed to shareholders for the Global WAM segment for 2024 and 2023 consisting of core earnings and items excluded from core earnings.

For the years ended December 31,

($ millions)		2024		2023
Core earnings				
Retirement	**$**	**1,013**	$	745
Retail		**581**		502
Institutional		**142**		74
Core earnings		**1,736**		1,321
Items excluded from core earnings[1]				
Market experience gains (losses)		**4**		10
Realized gains (losses) on debt instruments		***-***		*-*
Derivatives and hedge accounting ineffectiveness		***-***		*-*
Actual less expected long-term returns on public equity		***4***		*10*
Actual less expected long-term returns on ALDA		***-***		*-*
Other investment results		***-***		*-*
Restructuring charge		**(66)**		(36)
Reinsurance transactions, tax-related items and other		**(77)**		2
Total items excluded from core earnings		**(139)**		(24)
Net income (loss) attributed to shareholder	**$**	**1,597**	$	1,297

(1) For explanations of items excluded from core earnings, see "Items excluded from core earnings" table in the total Company "Profitability" section above.

In 2024, core EBITDA [1] was $2,173 million, $437 million higher than core earnings. In 2023, core EBITDA was $1,771 million, $450 million higher than core earnings. Core EBITDA increased $402 million, or 22%, compared with 2023, driven by growth in net fee income and disciplined expense management, partially offset by the impact of lower fee spreads.

Core EBITDA margin [2] was 27.1% in 2024 compared with 24.9% in 2023. The 220 basis point increase was primarily driven by similar factors as mentioned above for core EBITDA.

Core EBITDA

For the years ended December 31, ($ millions)		2024		2023
Core earnings	**$**	**1,736**	$	1,321
Amortization of deferred acquisition costs and other depreciation		**188**		166
Amortization of deferred sales commissions		**78**		80
Core income tax expenses (recoveries)		**171**		204
Core EBITDA	**$**	**2,173**	$	1,771
Core EBITDA margin (%)		**27.1%**		24.9%

[1] This item is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" below.
[2] This item is a non-GAAP ratio. See "Non-GAAP and Other Financial Measures" below for more information.

Business Performance

Net inflows were $13.3 billion in 2024, compared with net inflows of $4.5 billion in 2023.

- Retirement net inflows were $0.7 billion in 2024 compared with net outflows of $4.0 billion in 2023, primarily driven by the non-recurrence of large-case retirement plan redemptions by a single sponsor in the U.S. in 2023 and higher new retirement plan sales, partially offset by higher member withdrawals.
- Retail net inflows were $6.8 billion in 2024 compared with net outflows of $0.5 billion in 2023, driven by increased demand for investment products amid constructive equity market and improved investor sentiment.
- Institutional Asset Management net inflows were $5.7 billion in 2024 compared with net inflows of $9.0 billion in 2023, reflecting lower net flows from fixed income and equity mandates.

Net Flows

For the years ended December 31, ($ millions)		2024		2023
Net flows	**$**	**13,270**	$	4,548

Assets under Management and Administration

As of December 31, 2024, AUMA for our wealth and asset management businesses were $1,031.1 billion, an increase of 14% compared with December 31, 2023, driven by the favourable impact of interest rates and equity markets, the $19 billion of assets added from the acquisition of CQS in 2Q24, as well as net inflows. As of December 31, 2024, Global WAM also managed $226.7 billion in assets for the Company's other reporting segments. Including those assets, AUMA managed by Global WAM[1] were $1,257.8 billion compared with $1,055.0 billion as at December 31, 2023.

Segregated funds net assets were $291.9 billion for December 31, 2024, an increase of 18% compared with December 31, 2023 on an actual exchange rate basis, driven by the favourable impact of equity markets and foreign currency exchange rates.

Changes in Assets under Management and Administration

For the years ended December 31, ($ millions)	2024	2023
Balance January 1,	**$ 849,163**	$ 782,340
Acquisitions / Dispositions	**18,670**	(410)
Net flows	**13,270**	4,548
Investment income (loss) and other	**149,982**	62,685
Balance December 31,	**$ 1,031,085**	$ 849,163
Average assets under management and administration	**$ 946,087**	$ 812,662

Assets under Management and Administration

As at December 31, ($ millions)	2024	2023
Total invested assets	**$ 9,743**	$ 7,090
Segregated funds net assets[(1)]	**291,860**	248,066
Mutual funds, institutional asset management and other[(2)]	**506,868**	411,961
Total assets under management	**808,471**	667,117
Other assets under administration	**222,614**	182,046
Total assets under management and administration	**$ 1,031,085**	$ 849,163

(1) Segregated funds net assets are primarily comprised of AUM in our Retirement business, which mainly consists of fee-based products with little or no guarantees.
(2) Other funds represent pension funds, pooled funds, endowment funds and other institutional funds managed by the Company on behalf of others.

Managed Assets under Management and Administration

As at December 31, ($ millions)	2024	2023
Assets under management and administration	**$ 1,031,085**	$ 849,163
AUM managed by Global WAM on behalf of Manulife's other segments	**226,752**	205,814
Total managed assets under management and administration	**$ 1,257,837**	$ 1,054,977

[1] This item is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" below.

Strategic Highlights

As one of Manulife's highest potential businesses, we remain focused on accelerating growth, achieving operational excellence, and increasing shareholder value. Our strategy is to deliver comprehensive investment solutions while providing exceptional digital-first experiences; enhancing our intermediate distribution channels; increasing focus on direct relationships with investors; and elevating our brand to be recognized as a leading global wealth and asset management organization, all while being a premier destination for top talent in our industry.

We executed on several initiatives to deliver comprehensive investment solutions and drive growth opportunities. In 2024, we:

- Completed the acquisition of CQS, a U.K.-based multi-sector alternative credit manager, which positively contributed to Global WAM net flows and core earnings in 2024. We have leveraged these expanded investment capabilities to launch the John Hancock Multi Asset Credit Fund in U.S. Retail. This fund is a strong addition to our growing lineup of liquid and semi-liquid alternative offerings which are part of our larger credit franchise; and
- Continued to meet investor needs for alternative solutions through the expansion of our product offerings with the launch of the Manulife Capital Partners VII and Manulife Private Equity Partners II for institutional investors which combined have garnered over $2 billion in AUMA.

We enhanced our digital capabilities to improve our customer experience. In 2024, we:

- Advanced and broadened our wealth planning and advice business with the implementation of a new advisor retail wealth platform and an AI-powered planning tool in Canada and a new AI-powered sales enablement app in Asia. These tools improve productivity for advisors and agents and deliver an enhanced digital experience for investors; and
- Continued to add new self service capabilities to our Canada Retirement mobile app which contributed to a 29% growth in user counts in 2024 compared with the prior year.

6. Corporate and Other

Corporate and Other is comprised of investment performance on assets backing capital, net of amounts allocated to the operating segments; financing costs; costs incurred by the corporate office related to shareholder activities (not allocated to the operating segments); our P&C Reinsurance business; as well as our run-off reinsurance operations 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.

Profitability

Corporate and Other reported net income attributed to shareholders of $77 million in 2024 compared with $628 million in 2023. Net income (loss) attributed to shareholders is comprised of core earnings and items excluded from core earnings (loss) amounted to net gain of $434 million in 2024 compared with a net gain of $559 million in 2023. Items excluded from core earnings are outlined in the table below. See section 13 "Non-GAAP and Other Financial Measures" below, for a reconciliation of core earnings to net income (loss) attributed to shareholders.

Core loss was $357 million in 2024 compared with core earnings of $69 million in 2023. Items excluded from core earnings

The unfavourable variance in core loss of $426 million was primarily attributable to the charge for GMT, higher interest on capital allocated to Asia, Global WAM and the U.S., and lower gains from updates to provisions for estimated losses in our P&C Reinsurance business compared to prior year.

The table below presents net income attributed to shareholders for 2024 and 2023 consisting of core earnings (loss) and items excluded from core earnings (loss).

For the years ended December 31, ($ millions)		2024		2023
Core earnings (loss)	**$**	**(357)**	$	69
Items excluded from core earnings (loss):[1]				
Market experience gains (losses)		**435**		290
Realized gains (losses) on debt instruments		***265***		*(1)*
Derivatives and hedge accounting ineffectiveness		***148***		*61*
Actual less expected long-term returns on public equity		***86***		*88*
Actual less expected long-term returns on ALDA		***(4)***		*(12)*
Other investment results		***(60)***		*154*
Changes in actuarial methods and assumptions that flow directly through income		**6**		-
Reinsurance transactions, tax-related items and other		**(7)**		269
Total items excluded from core earnings (loss)		**434**		559
Net income (loss) attributed to shareholders	**$**	**77**	$	628

(1) For explanations of items excluded from core earnings, see "Items excluded from core earnings" table in the total Company "Profitability" section above.

In 2024, a GMT expense of $231 million has been recorded in Corporate and Other, consisting of an expense of $164 millio in core earnings and $67 million outside core earnings. Starting in 2025, GMT is expected to be recorded in the segment th incurred this tax .

Strategic Highlights

Our P&C Reinsurance business provides substantial retrocessional capacity for a select clientele in the property and casualt reinsurance market. The business is largely non-correlated to Manulife's other businesses and helps diversify our overal business mix. We manage the risk exposure of this business in relation to the total Company balance sheet risk and volatilit as well as the prevailing market pricing conditions. The business is renewable annually, and we currently estimate ou exposure limit in 2025 for a single event to be approximately US$250 million (net of reinstatement premiums) and for multipl events to be approximately US$500 million (net of all premiums) [1] .

[1] See "Caution regarding forward-looking statements" above.

7. Investments

Our investment philosophy for the general fund is to invest in an asset mix that optimizes our risk adjusted returns an matches the characteristics of our underlying liabilities. We follow a bottom-up approach which combines our strong asse management skills with an in-depth understanding of the characteristics of each investment. We invest in a diversified mix o assets and our diversification strategy has historically produced superior risk adjusted returns while reducing overall risk. W use a disciplined approach across all asset classes. Our risk management strategy is outlined in the "Risk Management an Risk Factors" section below .

General Fund Assets

As at December 31, 2024, our general fund invested assets totaled $442.5 billion compared with $417.2 billion at the end of 2023. The following table shows the asset class composition as at December 31, 2024 and December 31, 2023.

As at December 31, ($ billions)	2024 Carrying value	2024 % of total	2024 Fair value	2023 Carrying value	2023 % of total	2023 Fair value
Cash and short-term securities	**$ 25.8**	**6**	**$ 25.8**	$ 20.3	5	$ 20.3
Debt securities and private placement debt						
Government bonds	**83.9**	**19**	**83.6**	80.1	19	79.9
Corporate bonds	**125.0**	**28**	**124.8**	130.1	31	129.9
Mortgage / asset-backed securities	**1.8**	**-**	**1.8**	2.0	1	2.0
Private placement debt	**49.7**	**11**	**49.7**	45.6	10	45.6
Mortgages	**54.4**	**12**	**54.8**	52.4	13	52.3
Loans to Bank clients	**2.3**	**1**	**2.3**	2.4	1	2.4
Public equities	**33.7**	**8**	**33.7**	25.5	6	25.5
Alternative long-duration assets ("ALDA")						
Real estate	**13.3**	**3**	**13.4**	13.0	3	13.2
Infrastructure	**17.8**	**4**	**18.3**	15.0	3	15.3
Timber and agriculture	**5.9**	**1**	**6.5**	5.7	1	6.3
Private equity	**18.3**	**4**	**18.3**	15.4	4	15.4
Energy	**1.9**	**1**	**1.9**	1.9	1	1.9
Various other ALDA	**3.9**	**1**	**3.8**	3.5	1	3.4
Leveraged leases and other	**4.8**	**1**	**4.8**	4.3	1	4.3
Total general fund invested assets	**$ 442.5**	**100**	**$ 443.5**	$ 417.2	100	$ 417.7

The carrying values for invested assets are generally equal to their fair values, however, residential mortgages and some commercial mortgages are carried at amortized cost; company own use properties, with the exception of one property whic is held at depreciated cost, are held at fair value; loans to Bank clients are carried at unpaid principal balances less allowanc for credit losses; and private equity investments, including power and infrastructure, energy, and timber, are accounted for a associates using the equity method, or at fair value. Certain public bonds are classified as held to maturity and held a amortized cost, with the remaining public and private bonds being classified as either "fair value through other comprehensiv income" or as "fair value through profit or loss".

Shareholders' accumulated other comprehensive pre-tax income (loss) at December 31, 2024 consisted of a $17.5 billion loss for bonds (2023 – loss of $15.4 billion), a $3.2 billion loss for private placements (2023 – loss of $2.8 billion), and a $1.7 billion loss for mortgages (2023 – loss of $1.7 billion). Included in the losses for bonds, private placements and mortgage were gains related to the fair value hedge basis adjustments attributable to the hedged risk of certain FVOCI bonds, FVOCI private placements and FVOCI mortgages of $414 million, $235 million and $124 million, respectively (2023 – loss of $388 million, $21 million, $2 million respectively)

Debt Securities and Private Placement Debt

We manage our high-quality fixed income portfolio to optimize yield and quality while ensuring that asset portfolios remain diversified by sector, industry, issuer, and geography. As at December 31, 2024, our fixed income portfolio of $260.3 billion (2023 – $257.8 billion) was 96% investment grade (rated BBB or better) and 70% was rated A or higher (2023 – 96% and 71%, respectively). Our private placement debt holdings provide diversification benefits (issuer, industry, and geography) and because they often have stronger protective covenants and collateral than debt securities, they typically provide better credit protection and potentially higher recoveries in the event of default. Geographically, our fixed income portfolio is well diversified. 20% is invested in Canada (2023 – 22%), 48% is invested in the U.S. (2023 – 48%), 6% is invested in Europe (2023 – 6%) and the remaining 26% is invested in Asia and other geographic areas (2023 – 24%).

Debt Securities and Private Placement Debt – by Credit Quality [1]

As at December 31, ($ billions)	2024 Debt securities	2024 Private placement debt	2024 Total	2024 % of Total	2023 Debt securities	2023 Private placement debt	2023 Total	2023 % of Total
AAA	$ 39.3	$ 0.6	$ 39.9	15	$ 38.2	$ 0.7	$ 38.9	15
AA	36.2	7.5	43.7	17	35.8	7.8	43.6	17
A	80.9	17.5	98.4	38	84.6	15.2	99.8	39
BBB	48.6	17.8	66.4	26	47.6	16.3	63.9	25
BB	4.7	0.9	5.6	2	4.8	0.8	5.6	2
B & lower, and unrated	0.9	5.4	6.3	2	1.2	4.8	6.0	2
Total carrying value	**$ 210.6**	**$ 49.7**	**$ 260.3**	**100**	$ 212.2	$ 45.6	$ 257.8	100

[1] Reflects credit quality ratings as assigned by Nationally Recognized Statistical Rating Organizations ("NRSRO") using the following priority sequence order: S&P Global Ratings ("S&P"), Moody's Investors Services ("Moody's"), DBRS Limited and its affiliated entities ("Morningstar DBRS"), Fitch Ratings Inc. ("Fitch"), Rating and Investment information, and Japan Credit Rating. For those assets where ratings by NRSRO are not available, disclosures are based upon internal ratings as described in the "Risk Management and Risk Factors" section below.

Debt Securities and Private Placement Debt – by Sector

As at December 31, (Per cent of carrying value, unless otherwise stated)	2024 Debt securities	2024 Private placement debt	2024 Total	2023 Debt securities	2023 Private placement debt	2023 Total
Government and agency	**40**	**9**	**34**	38	10	33
Utilities	**14**	**34**	**18**	14	35	18
Financial	**15**	**12**	**15**	16	12	15
Industrial	**8**	**15**	**9**	8	15	9
Consumer (non-cyclical)	**7**	**14**	**9**	8	14	9
Energy	**6**	**5**	**6**	6	4	6
Consumer (cyclical)	**3**	**5**	**3**	3	6	3
Securitized (MBS/ABS)	**1**	**1**	**1**	1	1	1
Telecommunications	**2**	**1**	**1**	2	-	2
Basic materials	**2**	**3**	**2**	2	3	2
Technology	**1**	**-**	**1**	1	-	1
Media and internet and other	**1**	**1**	**1**	1	-	1
Total per cent	**100**	**100**	**100**	100	100	100
Total carrying value ($ billions)	**$ 210.6**	**$ 49.7**	**$ 260.3**	$ 212.2	$ 45.6	$ 257.8

As at December 31, 2024, gross unrealized losses on our fixed income holdings were $26.9 billion, or 10%, of the amortized cost of these holdings (2023 – gross unrealized loss of $23.6 billion or 9%). Of this amount, $12.2 billion (2023 – $10.7 billion) related to debt securities trading below 80% of amortized cost for more than 6 months. Securitized assets represented $111.0 million of the gross unrealized losses and $0.2 million of the amounts traded below amortized cost for more than 6 months (2023 – gross unrealized loss of $141.0 million and $6.3 million, respectively). After adjusting for debt securities supporting participating policyholder and pass-through products and the provisions for credit included in the insurance and investment contract liabilities, the potential impact to shareholders' pre-tax earnings for debt securities trading at less than 80% of amortized cost for greater than 6 months was approximately $10.2 billion as at December 31, 2024 (2023 – $8.3 billion).

Mortgages

As at December 31, 2024, our mortgage portfolio of $54.4 billion represented 12% of invested assets (2023 – $52.4 billion and 13%, respectively). Geographically, 68% of the portfolio is invested in Canada (2023 – 69%) and 32% is invested in the U.S. (2023 – 31%). The overall portfolio is also diversified by geographic region, property type, and borrower. Of the total mortgage portfolio, 14% is insured (2023 – 14%), primarily by the Canada Mortgage and Housing Corporation ("CMHC") — Canada's AAA rated government-backed national housing agency, with 31% of residential mortgages insured (2023 – 32%) and 1% of commercial mortgages insured (2023 – 1%).

As at December 31, ($ billions)	2024 Carrying value	2024 % of total	2023 Carrying value	2023 % of total
Commercial				
Retail	**$ 8.0**	**15**	$ 7.9	15
Office	**7.5**	**14**	7.7	15
Multi-family residential	**6.7**	**12**	6.5	12
Industrial	**5.5**	**10**	4.9	9
Other commercial	**2.4**	**4**	2.6	5
	30.1	**55**	29.6	56
Other mortgages				
Manulife Bank single-family residential	**24.0**	**44**	22.5	43
Agricultural	**0.3**	**1**	0.3	1
Total mortgages	**$ 54.4**	**100**	$ 52.4	100

Our commercial mortgage loans are originated with a hold-for-investment philosophy. They have low loan-to-value ratios, high debt-service coverage ratios, and as at December 31, 2024, there were zero loans in arrears. Geographically, of the total commercial mortgage loans, 43% are in Canada and 57% are in the U.S. (2023 – 45% and 55%, respectively). We are diversified by property type and largely avoid risky market segments such as hotels, construction loans, and second liens.

Non-CMHC Insured Commercial Mortgages [1]

As at December 31,	2024 Canada	2024 U.S.	2023 Canada	2023 U.S.
Loan-to-Value ratio[2]	**61%**	**59%**	63%	60%
Debt-Service Coverage ratio[2]	**1.67x**	**1.94x**	1.60x	1.89x
Average duration (years)	**4.15**	**5.47**	4.08	5.90
Average loan size ($ millions)	**$ 21.7**	**$ 21.9**	$ 21.6	$ 20.1
Loans in arrears[3]	**0.00%**	**0.00%**	0.70%	0.99%

(1) Excludes Manulife Bank commercial mortgage loans of $350 million (2023 – $338 million).
(2) Loan-to-Value and Debt-Service Coverage ratios are based on re-underwritten cash flows.
(3) Arrears defined as three or more missed monthly payments or in the process of foreclosure in Canada and two or more missed monthly payments or in the process of foreclosure in the U.S.

Public Equities

As at December 31, 2024, public equity holdings of $33.7 billion represented 8% (2023 – $25.5 billion and 6%) of invested assets and, when excluding assets supporting participating policyholder and pass-through products, represented 1% (2023 – 1%) of invested assets. The portfolio is diversified by industry sector and issuer. Geographically, 20% (2023 – 26%) is held in Canada; 12% (2023 – 29%) is held in the U.S.; and the remaining 68% (2023 – 45%) is held in Asia, Europe, and other geographic areas.

Public Equities – classified by type of product-line supported

As at December 31, ($ billions)	2024 Carrying value	2024 % of total	2023 Carrying value	2023 % of total
Participating policyholders	**$ 20.8**	**62**	$ 14.6	57
Non-participating products and pass-through products	**9.3**	**28**	8.3	33
Global Wealth and Asset Management[1]	**1.5**	**4**	1.5	6
Corporate and Other segment	**2.1**	**6**	1.1	4
Total public equities	**$ 33.7**	**100**	$ 25.5	100

(1) Includes $1.1 billion of seed money investments in new segregated and mutual funds.

Alternative Long-Duration Assets ("ALDA")

Our ALDA portfolio is comprised of a diverse range of asset classes with varying degrees of correlations. The portfolio typically consists of private assets representing investments in varied sectors of the economy which act as a natural hedge against future inflation and serve as an alternative source of asset supply to long-term corporate bonds. In addition to being a suitable match for our long-duration liabilities, these assets provide enhanced long-term yields and diversification relative to traditional fixed income markets. The majority of our ALDA are managed in-house.

As at December 31, 2024, carrying value of ALDA of $61.1 billion represented 14% (2023 – $54.5 billion and 13%) of invested assets. The fair value of total ALDA was $62.3 billion at December 31, 2024 (2023 – $55.5 billion). The carrying value and corresponding fair value by sector and/or asset type are outlined above (see table in the section "General Fund Assets").

Real Estate

Our real estate portfolio is diversified by geographic region; of the total fair value of this portfolio, 45% is located in the U.S.,

37% in Canada, and 18% in Asia and Other as at December 31, 2024 (2023 – 43%, 39%, and 18%, respectively). This high quality portfolio has very low leverage and is well-diversified by property type, including industrial, multi-family, urban office, suburban office, and company own use buildings. The portfolio is well-positioned with an average occupancy rate of 84% (2023 – 87%) and an average lease term of 5.4 years (2023 – 4.9 years). During 2024, no acquisitions were executed (2023 – 2 acquisitions, representing $0.17 billion market value of commercial real estate assets). As part of ongoing portfolio management initiatives, 3 commercial real estate assets totaling $0.07 billion were sold during 2024.

The composition of our real estate portfolio based on fair value is as follows:

As at December 31, ($ billions)	2024 Fair value	2024 % of total	2023 Fair value	2023 % of total
Company Own Use	**$ 2.8**	**21**	$ 2.7	20
Office – Downtown	**3.8**	**28**	3.9	30
Office – Suburban	**0.8**	**6**	0.9	7
Industrial	**2.6**	**19**	2.3	17
Residential	**2.5**	**19**	2.1	16
Retail	**0.3**	**2**	0.3	2
Other	**0.6**	**5**	1.0	8
Total real estate[1]	**$ 13.4**	**100**	$ 13.2	100

(1) These figures represent the fair value of the real estate portfolio excluding real estate interests. The carrying value of the portfolio was $13.3 billion and $13.0 billion as at December 31, 2024 and December 31, 2023, respectively.

Infrastructure

We invest both directly and through funds in a variety of industry specific asset classes, listed below. The portfolio is well diversified with over 600 portfolio companies. The portfolio is predominantly invested in the U.S. and Canada, but also in Western Europe, the United Kingdom, Australia, Asia and Latin America. Our power and infrastructure holdings are as follows:

As at December 31, ($ billions)	2024 Carrying value	2024 % of total	2023 Carrying value	2023 % of total
Renewable power generation	**$ 3.8**	**21**	$ 3.2	22
Thermal power generation	**1.7**	**9**	1.4	9
Transportation (including roads, ports)	**4.5**	**25**	3.9	26
Electric and gas regulated utilities	**0.7**	**4**	0.8	5
Electricity transmission	**0.1**	**1**	-	-
Water distribution	**0.3**	**2**	0.4	3
Midstream gas infrastructure	**0.7**	**4**	0.8	5
Maintenance service, efficiency and social infrastructure	**1.3**	**7**	1.0	6
Digital infrastructure	**4.4**	**25**	3.4	23
Other infrastructure	**0.3**	**2**	0.1	1
Total infrastructure	**$ 17.8**	**100**	$ 15.0	100

Timber and Agriculture

Our timber and agriculture assets are managed by a proprietary entity, Manulife Investment Management Timberland and Agriculture ("MIM Timberland and Agriculture"). In addition to being the world's largest timberland investment manager for institutional investors[1], with timberland properties in the U.S., New Zealand, Australia, Chile, Brazil, and Canada, MIM Timberland and Agriculture also manages farmland properties in the U.S., Australia, Chile, and Canada. The general fund's timber holdings comprised 21% of MIM's total timberland AUM (2023 – 21%). The farmland portfolio includes annual (row) crops, fruit crops, wine grapes, and nut crops. The general fund's farmland holdings comprised 41% of MIM's total farmland AUM (2023 – 41%).

Private Equities

Our private equity portfolio of $18.3 billion (2023 – $15.4 billion) includes both directly held private equity and private equity funds. Both are diversified across vintage years and industry sectors.

[1] Based on the global timber investment management organization ranking in the *RISI International Timberland Ownership and Investment Database*.

Energy

This category is comprised of $1.9 billion (2023 – $1.9 billion), which includes legacy oil and gas equity interests related to upstream and midstream assets that are in runoff, and energy transition private equity interests in areas supportive of the transition to lower carbon forms of energy, such as wind, solar, and carbon sequestration.

Investment Income

For the years ended December 31, ($ millions, unless otherwise stated)	2024	2023
Interest income	**$ 13,761**	$ 12,802
Dividend, rental income and other income[1]	**3,719**	3,318
Impairments, provisions and recoveries, net	**109**	(304)
Other	**660**	364
	18,249	16,180

Realized and unrealized gains (losses) on assets supporting insurance and investment contract liabilities		
Debt securities	**(1,857)**	430
Public equities	**4,178**	2,157
Mortgages	**(151)**	99
Private placements	**235**	375
Real estate	**(592)**	(1,289)
Other invested assets	**1,256**	491
Derivatives	**(859)**	875
	2,210	3,138
Investment expenses	**(1,348)**	(1,297)
Total investment income (loss	**$ 19,111**	$ 18,021

(1) Rental income from investment properties is net of direct operating expenses.

In 2024, the $19.1 billion of investment income (2023 – income of $18.0 billion) consisted of

- $18.2 billion of investment income before net realized and unrealized gains on assets supporting insurance and investment contract liabilities (2023 – gains of $16.2 billion);
- $2.2 billion of net realized and unrealized gains on assets supporting insurance and investment contract liabilities (2023 – gains of $3.1 billion); and
- $1.3 billion of investment expenses (2023 – $1.3 billion).

The $2.1 billion increase in net investment income before unrealized and realized gains was primarily due to higher interest income from fixed income assets driven by higher interest rates in U.S. and Canada.

In 2024, net realized and unrealized gains on assets supporting insurance and investment contract liabilities were $2.2 billion compared with gains of $3.1 billion in 2023. The 2024 gains were primarily driven by gains on equities resulting from higher equity markets in U.S., Canada and Asia, partially offset by losses on fixed income assets resulting from higher interest rates in U.S. and Canada. The 2023 gains were primarily driven by higher equity markets, partially offset by losses on real estate driven by declining office property values.

8. Fourth Quarter Financial Highlights

Profitability

	Quarterly Results	
($ millions, unless otherwise stated)	**4Q24**	4Q23
Net income (loss) attributed to shareholders	**$ 1,638**	$ 1,659
Core earnings[1]	**$ 1,907**	$ 1,773
Diluted earnings (loss) per common share ($)	**$ 0.88**	$ 0.86
Diluted core earnings per common share ($)	**$ 1.03**	$ 0.92
ROE	**14.0%**	15.3%
Core return on shareholders' equity	**16.5%**	16.4%
Expense efficiency ratio	**44.4%**	45.5%
General expenses	**$ 1,328**	$ 1,180
Core expenses	**$ 1,797**	$ 1,725

(1) Impact of currency movement on the fourth quarter of 2024 ("4Q24") core earnings compared with the fourth quarter of 2023 ("4Q23") was a $36 million favourable variance.

Manulife's 4Q24 net income attributed to shareholders was $1,638 million compared with $1,659 million in 4Q23. 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 $1,907 million in 4Q24 compared with $1,773 million in 4Q23, and items excluded from core earnings, which amounted to a net charge of $269 million in 4Q24 compared with a net charge of $114 million in 4Q23.

Net income attributed to shareholders in 4Q24 decreased $21 million compared with 4Q23 primarily reflecting the non

recurrence of a net gain from updates to actuarial methods and assumptions in 4Q23 and a higher charge from marke experience, partially offset by core earnings growth. The net charge from market experience of $192 million in 4Q24 wa mainly related to lower-than-expected returns from public equity and lower-than-expected returns on ALDA driven by rea estate investments.

The 6% increase in core earnings on a constant exchange rate basis compared wit 4Q23 was driven by higher core earnings in Global WAM, largely reflecting an increase in net fee income from higher average AUMA and positive net flows along with disciplined expense management, certain non-recurring tax benefits and tax true-ups in 4Q24 and performanc fees from CQS, partially offset by lower fee spreads. In addition, growth in our insurance business an improved insurance experience in North America and Asia also contributed to higher core earning These increases were partially offset by lower expected investment earnings and a charge related to GMT. The impact of updates to actuarial methods and assumption was neutral in the quarter. The GA Reinsurance Transaction reduced core earnings by $17 million in 4Q24 compared wit 4Q23 reflecting the impact on expected earnings on insurance contracts, insurance experience and expected investmen earnings. The RGA Canadian Reinsurance Transaction reduced core earnings by $7 millio in 4Q24 compared with 4Q2 .

Core earnings by segment are presented in the table below for the periods presente d.

For the quarters ended December 31, ($ millions)		2024		2023
Core earnings by segment				
Asia	**$**	**666**	$	564
Canada		**390**		352
U.S.		**412**		474
Global Wealth and Asset Management		**481**		353
Corporate and Othe		**(42)**		30
Total core earnings	**$**	**1,907**	$	1,773

In Asia, core earnings were $666 million in 4Q24 compared with $564 million in 4Q23. The 16% increase on a constant exchange rate basis was driven by an increase in expected earnings on insurance contracts and higher expected investmen earnings. The increase in expected earnings on insurance contracts primarily reflected business growth and the net impact o updates to actuarial methods and assumptions on our CSM and risk adjustment. Investment income on allocated capital als increased core earnings by $27 million in 4Q24 compared with 4Q23. In addition, the GA Reinsurance Transaction increase core earnings by $1 million in 4Q24 compared with 4Q23, attributable to the impact on expected investment earnings an expected earnings on insurance contracts .

In Canada core earnings were $390 million in 4Q24 compared with $352 million in 4Q23. The 11% increase primarily reflected more favourable insurance experience overall, and business growth in Group Insurance. In addition, the RG Canadian Reinsurance Transaction reduced core earnings b $7 million in 4Q24 compared with 4Q23 .

In the U.S., core earnings were $412 million in 4Q24 compared with $474 million in 4Q23. The 16% decrease on a constant exchange rate basis reflected lower expected investment earnings, as well as the impact of the GA Reinsurance Transactio and the annual review of actuarial methods and assumptions, both of which impacted expected investment earnings an insurance service resul . Net insurance experience was modestly favourable mainly due to improved life lapse experience partially offset by less favourable life claims experience. Investment income on allocated capital also increased core earning by $8 million in 4Q24 compared with 4Q23. The GA Reinsurance Transaction reduced core earnings by $18 million in 4Q2 compared with 4Q23, attributable to the impact on expected earnings on insurance contracts, insurance experience, an expected investment earnings .

Global WAM core earnings were $481 million in 4Q24 compared with $353 million in 4Q23. The 34% increase was driven by an increase in net fee income from higher average AUMA reflecting the favourable impact of markets and net inflows, certai non-recurring tax benefits and tax true-ups in 4Q24 totaling $23 million, performance fees from CQS, as well as discipline expense management. This was partially offset by the impact of lower fee spreads. In addition, investment income o allocated capital increased core earnings by $9 million compared with 4Q2 .

Corporate and Other core loss was $42 million in 4Q24 compared with core earnings of $30 million in 4Q23. The $72 million decrease in core earnings was primarily driven by the charge for GMT and higher interest on capital allocated to operating segments, Asia, Global WAM and the U.S .

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

For the quarters ended December 31, ($ millions)		2024		2023
Core earnings	**$**	**1,907**	$	1,773
Items excluded from core earnings:				
Market experience gains (losses)[1]		**(192)**		(133)
Realized gains (losses) on debt instruments		***(43)***		*(51)*
Derivatives and hedge accounting ineffectiveness		***40***		*34*
Actual less expected long-term returns on public equity		***(113)***		*182*
Actual less expected long-term returns on ALDA		***(97)***		*(381)*
Other investment results		***21***		*83*
Changes in actuarial methods and assumptions that flow directly through income		**-**		119
Restructuring charge[2]		**(52)**		(36)
Reinsurance transactions, tax-related items and other[3]		**(25)**		(64)
Total items excluded from core earnings		**(269)**		(114)
Net income (loss) attributed to shareholders	**$**	**1,638**	$	1,659

(1) Market experience was a net charge of $192 million in 4Q24 primarily reflecting lower-than-expected returns from public equity, lower-than-expected returns on ALDA driven by real estate investments, and net realized losses from the sale of debt instruments which are classified as FVOCI. These were partially offset by a gain from derivatives and hedge accounting ineffectiveness and other investment results. Market experience was a net charge of $133 million in 4Q23 primarily driven by lower-

than-expected returns on ALDA related to real estate and private equity investments, partially offset by higher-than-expected returns on public equity.

(2) In 4Q24, we reported a restructuring charge of $52 million post-tax ($67 million pre-tax) in Global WAM and Canada. In 4Q23, we reported a restructuring charge of $36 million post-tax ($46 million pre-tax) in Global WAM.

(3) The 4Q24 net charge of $25 million mainly included a $22 million for an investment impairment in Global WAM. The 4Q23 net charge of $64 million included a $38 million for an investment impairment in Asia and a charge for tax-related true-ups of $23 million.

Net income attributed to shareholders by segment are presented in the following tables.

Net income (loss) attributed to shareholders by segment	**Quarterly Results**	
($ millions)	**4Q24**	4Q23
Asia	**$ 583**	$ 615
Canada	**439**	365
U.S.	**103**	198
Global Wealth and Asset Management	**384**	365
Corporate and Other	**129**	116
Total net income (loss) attributed to shareholders	**$ 1,638**	$ 1,659

Expense efficiency ratio

The **expense efficiency ratio** was 44.4% in 4Q24, compared with 45.5% in 4Q23. The 1.1 percentage point decrease in the ratio compared with 4Q23 reflects a 7% increase in pre-tax core earnings, and a 3% increase in core expenses. The increase in core expenses was driven by higher workforce-related costs, including higher performance-related costs, and the inclusion of ongoing operating expenses related to our acquisition of the CQS business.

Total general expenses in 4Q24 increased 13% on an actual exchange rate basis and 11% on a constant exchange rate basis compared with 4Q23 driven by the items noted above related to the increase in core expenses, as well as a reallocation of expenses from directly attributable maintenance to general expense, higher restructuring charges in Global WAM and Canada. General expenses excluded from core earnings consisted primarily of restructuring charges in Global WAM and Canada in 4Q24, and a restructuring charge in Global WAM in 4Q23.

Business Performance

As at and for the quarters ended December 31, ($ millions, unless otherwise stated)	**2024**	2023
Asia APE sales	**$ 1,661**	$ 995
Canada APE sales	**376**	363
U.S. APE sales	**211**	192
Total APE sales	**2,248**	1,550
Asia new business value	**585**	417
Canada new business value	**168**	139
U.S. new business value	**89**	74
Total new business value	**842**	630
Asia new business CSM	**586**	414
Canada new business CSM	**116**	70
U.S. new business CSM	**140**	142
Total new business CSM	**842**	626
Asia CSM net of NCI	**15,540**	12,617
Canada CSM	**4,109**	4,060
U.S. CSM	**2,468**	3,738
Corporate and Other CSM	**10**	25
Total CSM net of NCI	**22,127**	20,440
Post-tax CSM net of NCI	**19,682**	17,748
Global WAM gross flows ($ billions)	**43.5**	35.1
Global WAM net flows ($ billions)	**1.2**	(1.3)
Global WAM assets under management and administration ($ billions)	**1,031.1**	849.2
Global WAM total invested assets ($ billions)	**9.7**	7.1
Global WAM segregated funds net assets ($ billions)	**291.9**	248.1
Total assets under management and administration ($ billions)	**1,608.0**	1,388.8
Total invested assets ($ billions)	**442.5**	417.2
Total net segregated funds net assets ($ billions)	**436.0**	377.5

APE sales were $2.2 billion in 4Q24, an increase of 42% compared with 4Q23, **NBV** was $842 million in 4Q24, an increase of 31% compared with 4Q23, and **New business CSM** was $842 million in 4Q24, an increase of 32% compared with 4Q23.

- In Asia, APE sales increased 63% compared with 4Q23, driven by growth in Hong Kong, Japan and Asia Other[1]. Combined with business mix, this led to 38% and 37% increases in new business CSM and NBV, respectively, compared with 4Q23.
- In Canada, APE sales increased 4% reflecting strong sales growth in participating life insurance and segregated fund products partially offset by lower Group Insurance sales. NBV increased 21% from sales growth in Individual Insurance and higher margins in across all insurance products. New business CSM increased 66% driven by higher sales volumes in Individual Insurance and segregated fund products.
- U.S. APE sales and NBV increased 7% and 17%, respectively, driven by increased demand from affluent customers for accumulation insurance products. New business CSM decreased 5% driven by product mix and the impact of interest rates, partially offset by higher sales volumes.

Global WAM net inflows were $1.2 billion in 4Q24 compared with net outflows of $1.3 billion in 4Q23.

- Net outflows in Retirement were $1.9 billion in 4Q24 compared with net outflows of $2.5 billion in 4Q23, primarily driven

by the non-recurrence of a large-case retirement plan redemption in the U.S. and higher member contributions, partially offset by higher withdrawals.

- Net inflows in Retail were $1.3 billion in 4Q24 compared with net outflows of $1.0 billion in 4Q23, driven by increased demand for investment products amid a constructive equity market and improved investor sentiment.
- Net inflows in Institutional Asset Management were $1.8 billion compared with net inflows of $2.1 billion in 4Q23, as higher net flows from fixed income mandates were more than offset by lower net flows in equity mandates.

[1] Asia Other excludes Hong Kong and Japan.

9. Risk Management and Risk Factors

This section provides an overview of our overall risk management approach along with detailed description of specific risks.

Enterprise Risk Management Framework

Our approach to risk management is governed by our Enterprise Risk Management ("ERM") Framework. The ERM Framework is a foundational, holistic, compliant, integrated, and adaptive approach to understanding and managing risk while balancing the need to remain competitive. This structure is designed to provide guardrails on our risk profile while optimizing risk adjusted returns without compromising our ability to meet our commitments.

The ERM Framework is comprised of five interrelated components: Risk Taxonomy, Risk Appetite, Risk Governance, Risk Process, and Risk Culture.

Risk Taxonomy

Our businesses and operations expose Manulife to a broad range of risks. The Risk Taxonomy categorizes and defines these potentially material risks. It creates a common risk language and provides reasonable assurance that risks are consistently understood and managed.

The risks in the Risk Taxonomy are categorized in a mutually exclusive and collectively exhaustive manner, starting with five overarching categories (known collectively as "Principal Risks"): Strategic Risk, Market & Liquidity Risk, Credit & Investment Risk, Product & Insurance Risk, and Operational Risk. The Principal Risks are further subdivided into subcategories, with increasing levels of granularity as appropriate. The following sections of the MD&A describe the risk management strategies and risk factors for each Principal Risk category. Additional risks not presently known to us or that are currently immaterial could impair our businesses, operations and financial condition in the future. If any such risks should occur, the trading price of our securities, including common shares, preferred shares and debt securities, could decline, and investors may lose all or part of their investment.

The Risk Taxonomy is a core element of the ERM Framework, supporting all other components. It provides the basis for policy and committee coverage (Risk Governance), enables risk identification (Risk Process), reasonably assures that Risk Appetite Statements and Limits are established for material risks (Risk Appetite), and clarifies who is accountable for managing each risk (Risk Culture).

Risk Appetite

The Risk Appetite Framework ("RAF") guides risk taking by establishing our Risk Appetite, which is the aggregate level of each type of risk we are prepared to accept in pursuit of our strategic priorities, as well as how much additional risk we can tolerate before reaching Risk Limits established by the risk committee of MFC's board of directors (the "Board").

The RAF creates a balanced view of risk and return that promotes sustainable growth and resilience, supports informed decision-making, and fosters prudent Risk Culture. The RAF is integral to the Board and management discussions and decision-making. They receive regular reports on the RAF's effectiveness and compliance, including comparisons of actual results versus stated RAF measures, and notification of any limit breaches and corresponding action plans. Risk Appetite Statements are designed to provide guardrails on our appetite for identified risks. Risk Appetite Statements regarding our Principal Risks are summarized as follows:

- **Strategic** – Manulife accepts a total level of risk that provides a very high level of confidence to meeting stakeholder obligations while targeting an appropriate overall return to shareholders over time.
- **Market & Liquidity** – Market risks are acceptable when they are managed within specific risk limits and tolerances.
- **Credit & Investment** – Manulife believes a diversified portfolio reduces overall risk and enhances returns; therefore, it accepts credit and investment-related risks within appropriate limits.
- **Product & Insurance** – Manulife pursues product risks that add customer and shareholder value where there is competence to assess and monitor them, and for which appropriate compensation is received.
- **Operational** – Manulife accepts that operational risks are an inherent part of the business and are managed by implementing appropriate controls that provide reasonable assurance that we are within our risk thresholds and tolerances. Management will protect its business and customers' assets through cost-effective operational risk mitigation.

Risk Governance

Risk Governance is intended to provide an organized, hierarchical approach to risk management oversight. It is articulated in policies and executed through a Three Lines Operating Model that is supported by a risk committee structure. Requirements, limits, and decisions are cascaded top-down; issues, escalations, and reporting are raised bottom-up.

Risk Committee Structure

The Board governs oversight of risk management and is supported by a dedicated Board Risk Committee ("BRC").

Management is responsible for directing the Company's operations within the authority delegated to them by the Board and BRC, and for implementing their decisions in compliance with applicable laws and regulations.

Management has established an Executive Risk Committee ("ERC"), which strategically manages our global risk profile, and shapes our Risk Appetite and Risk Culture.

The ERC is supported by Risk Oversight Committees including Credit Committee, Product Oversight Committee, Global Asset Liability Committee, Operational Risk Committee, Reinsurance Risk Oversight Committee, and Capital Outlook Committee.

Segment Risk Committees have also been established, each with mandates similar to the ERC with a focus on the applicable segment (Asia, Canada, U.S., and Global WAM). All functional and segment risk oversight committees oversee our risks with independent chairs. These committees may further delegate oversight activities to various subcommittees.

Three Lines Operating Model

Management has established an operating model that separates duties between risk taking, risk oversight, and independent assurance as follows:

The First Line consists of the CEO, General Managers for the Segments and Business Units ("Business Management") Group Function Heads ("Group Functions"), and their respective teams. Business Management and Group Functions are accountable for maintaining an effective control environment, managing risks arising from everyday operations, and overseeing the execution of the business strategy. They have a responsibility to identify, assess, manage, monitor, and report on their risk exposures, and to sufficiently document these activities.

The Second Line consists of oversight functions, which provide objective assessments to the Board and BRC. These include the Chief Risk Officer ("CRO") who leads the Global Risk Management ("GRM") function, the Global Compliance Chief who leads the Global Compliance function, and the Chief Actuary who leads the Actuarial function. Collectively, these oversight functions design and implement policies and procedures to independently identify, assess, monitor, and report on risks. They have a responsibility to oversee and objectively challenge the effectiveness of First Line risk management and internal controls; to determine whether operations, results and risk exposures are consistent with Risk Appetite; and to sufficiently document their Second Line oversight and objectives assessments.

The Third Line consists of the Chief Auditor and the Audit & Advisory Services team, which provides independent assurance to the Board and management on the effectiveness of internal controls, risk management, and governance processes.

Risk Process

The Risk Process involves the First Line managing risk in alignment with the RAF and within Risk Limits, and the Second Line overseeing risk management and providing objective challenge. It entails the First Line and the Second Line independently identifying, assessing, monitoring, and reporting on our current risk profile and our risk profile under stressed conditions at both the segment and Company levels, with appropriate controls and documentation.

Risk Identification

Risk identification is the first step in the Risk Process. Given the constantly evolving operating environment, risk identification is an ongoing process conducted using a risk based approach that considers risk exposure size, likelihood of the risk occurring, and its impact.

Risks within the Company's strategic and business plans are identified and assessed for alignment with Risk Appetite at least annually.

Risk identification distinguishes between the identification of risk events, their drivers, and their impacts. Multiple different drivers can contribute to or result in the same risk event. One risk event can result in multiple different impacts. Understanding the difference between drivers, risk events, and impacts results in a more effective control environment.

Risk Assessment

Risk assessment involves granular understanding of the probability of a risk event occurring as well as the potential impacts it may have. Risk assessment must be current, timely, and of sufficient granularity and quality to support decision-making. It can leverage both quantitative approaches and qualitative perspectives. On a Company-wide basis, multiple approaches are used to assess risk in aggregate.

Risk Management

Risks are effectively managed to an acceptable level. The First Line establishes processes and controls for managing risk arising from their activities within stated Risk Appetite, which can include risk avoidance, risk acceptance, risk mitigation, and risk transfer techniques. The Second Line is intended to provide an independent oversight and objective challenge.

Risk Monitoring

Risk exposures fluctuate over time. We monitor risk exposures on an ongoing basis and take appropriate action to keep exposures within the range of Risk Appetite. At times, risk exposures may move beyond Risk Appetite into the tolerance range and in those circumstances, we act to further mitigate or transfer the risk to avoid a breach of our Risk Limits.

Risk Reporting

The Company produces Risk Reporting that is accurate, timely, comprehensive and of sufficient quality, clarity, and granularity so that it can be relied upon for decision-making.

Risk Culture

The Company is committed to a set of shared values, which reflect our culture, inform our behaviours, actions, and decisions and help define how we work together. Refer to "Enterprise Strategy" above for more information on our values.

Risk Culture is a subset of the Company's culture; it reflects norms of behaviours, actions, and decisions in relation to risk awareness, risk taking, and risk oversight. A sound Risk Culture balances risk-return to remain within Risk Appetite and in alignment with the ERM Framework. It emphasizes the importance of maintaining an effective control environment. It promptly detects and remediates policy/limit breaches and operational incidents, and then follows up to understand root causes, enhances preventative and detective controls, and takes appropriate disciplinary action if warranted.

In alignment with regulatory expectations and international standards, we believe that the combination of Risk Governance, Risk Appetite, and aligned compensation programs sets the foundation for sound Risk Culture including the core elements of Tone from the Top, Accountability, Communication and Challenge, and Compensation and Incentives.

- **Tone from the Top** is set by the Board and management through effective communication and the example of their own behaviours, actions, and decisions.
- Clear **Accountability** is defined for the First Line to understand and manage risk in alignment with the RAF, which is reinforced by Risk Governance throughout the Risk Process.
- An environment of open **Communication and effective Challenge** exists in which decision-making processes encourage a range of views, stimulate a positive critical attitude, and encourage constructive engagement, allowing for the identification, escalation, and resolution of issues.
- **Compensation and Incentives** encourage appropriate risk taking, and are designed to reward behaviours, actions, and decisions that are aligned with the ERM Framework.

We foster a sound Risk Culture that promotes integrity and risk awareness. We balance the level of risk with obligations to our stakeholders. We incentivize behaviours, actions and decisions that achieve consistent and sustainable performance over the long-term. Our values support our Risk Culture by creating an environment where we communicate openly, raise issues proactively, take accountability, and make decisions that align to the ERM Framework.

Risk Profile and Stress Testing

Regular and timely stress testing, including sensitivity testing and scenario testing, is designed to facilitate risk identification and assessment, which contributes to the establishment of risk mitigation plans and control. Stress testing supports strategic decision-making and assesses the impact of severe but plausible events on our risk profile. Subject to the specific stress test it can inform:

- Evaluation of implications on earnings and capital
- Evaluation of the Company's liquidity profile
- Identification of potential portfolio vulnerabilities
- The establishment of the Company's internal capital target ratios; and
- Validation of contingency plans.

A range of stress tests are regularly considered. On a regular basis, the Second Line establishes the parameters of stress testing with the involvement of the First Line to determine appropriate scenario definitions and assumptions. Ad hoc stress testing is often developed in response to changes in the environment or to aid management, BRC and the Board in decision making. For key exposures, stress testing is performed at least annually.

Strategic Risk

Strategic risk is the risk of loss resulting from the inability to adequately plan or implement an appropriate business strategy that allows us to effectively compete in the markets in which we operate, or to adapt to change in the external business, political or regulatory environment.

We compete for customers with both insurance and non-insurance companies. Customer loyalty and retention, and access to distributors, are important to the Company's success and are influenced by many factors, including our distribution practices and regulations, service levels including digital capabilities, investment performance, and our financial strength ratings and reputation. Our ability to effectively compete is highly dependent upon being quick to react and adapt to changes from the external environment while continuing to proactively drive innovation.

Strategic Risk Management Strategy

While the Board approves the overall strategy of the Company, the CEO and Executive Leadership Team establish and oversee execution of business strategies and have accountability to understand and manage the risks embedded in these strategies. They are supported by several processes:

- Strategic business, risk, and capital planning that is reviewed with the Board, Executive Leadership Team, and the ERC;
- Performance and risk reviews of all key businesses with the CEO and reviews with the Board;
- Risk based capital allocation designed to encourage a consistent decision-making framework across the organization; and
- Review and approval of significant acquisitions and divestitures by the CEO and Deal Committee and, where appropriate, the Board.

Reputation Risk

Our reputation is among our most valuable assets. Our Risk Management Principles compel us to protect our reputation an brand. Our RAF reinforces this expectation, making reputational impact a central consideration in defining Risk Appetite .

Reputation risk is the risk that the Company's corporate reputation may be eroded by adverse publicity, real or perceived, as a result of business practices of the Company or its representatives, potentially resulting in damage to the Company' franchise value.

Reputation risk may arise from both internal and external drivers. This transverse nature of reputation risk, which can be casual risk driver, a risk event, or an impact arising from other risks, means that understanding and managing it cannot b done in isolation. Reputation risk identification, assessment and monitoring processes and practices are embedded in :

- Business operations and management decisions;
- Governance and mitigation/control processes, including within the Crisis Management Framework, and stress, scenario and evolving risk monitoring process;
- Impact analysis of changes in society, social media, and political and regulatory factors
- Regular amendments to the Code of Business Conduct and Ethics for review and sign off, as well as disclosure of conflicts of interest by employees and directors; and
- Inclusion of the Code of Business Conduct and Ethics and explicit discussion of corporate reputation as a valued asse within training materials .

Environmental, Social and Governance Framework

Environmental, social and governance ("ESG") issues may impact our investments, underwriting, and operations, which coul lead to adverse financial, operational, legal, reputational, or brand value risks for Manulife due to our actual or perceive actions, or inaction in relation to ESG issues .

The Board's Corporate Governance and Nominating Committee ("CGNC") oversees Manulife's ESG framework, includin matters related to climate change strategy and disclosures. On a regular basis, the CGNC is updated on relevant ESG topics including our progress against the commitments set out in Manulife's Climate Action Plan. Each member of the CGNC als participates in at least one externally facilitated ESG-related education session every two years. The CGNC's oversigh complements Manulife's Executive Sustainability Council ("ESC"), which consists of the CEO, the Chief Sustainability Officer, the CRO and other members of the Executive Leadership Team. As part of its mandate, the ESC is responsible for guidin the development and execution of our climate strategy, including climate-related risk management activities. The ESC meet monthly and is supported by the Sustainability Centre of Expertise ("CoE"), which consists of corporate function and busines unit leads tasked with integrating sustainability into our business practices. Manulife's Climate Change working groups consisting of cross-functional teams, are responsible for the execution of the Climate Action Plan and manage climate-relate performance and disclosures. Additionally, our global executive Diversity, Equity and Inclusion ("DEI") Council, which include members of the Executive Leadership Team and is chaired by the CEO, meets quarterly and guides, supports, and facilitate the implementation of our DEI strategy, encourages innovative thinking about DEI challenges and opportunities, and drive and builds accountability for DEI throughout the organization.

Climate Risk Management Strateg y

Consistent with the International Sustainability Standards Board's IFRS S2 "Climate-related Disclosures" standard which leverages the Taskforce on Climate-Related Financial Disclosures framework, Manulife defines climate-related risks as the potential negative impacts from climate change, which may be experienced directly (e.g., through financial loss) or indirectl (e.g., through reputational harm), resulting from the physical impacts of climate change or the transition to a low-carbo economy.

Climate change impacts can manifest across a diverse set of pathways, with the potential to impact any of our principal risk including strategic, market & liquidity, credit & investment, product, and operational risk, as well as legal and reputational risk We view climate as a transverse driver of our existing principal risks. Failure to adequately prepare for the potential impact of climate change can have material adverse impacts on our balance sheet or our ability to operat e.

In response, we have enhanced the integration of climate-related risk drivers into our ERM Framework with an aim o ensuring that they are managed in a manner consistent with our approach to risk management. Our Environmental Ris k

Policy and other relevant policies and standards are used to guide business operations on climate risk identification an assessment. GRM continues to enhance risk management practices to consider the potential impacts from climate-relate risk, including in our investment decision-making processes, life insurance underwriting due diligence, and assessment o operational risks and controls .

For additional information regarding strategic risks associated with Manulife's sustainability commitments, see "Strategic Ris k Factors – We may not be able to achieve our sustainability commitments, or our commitments may not meet the expectation of stakeholders or regulators". For an overview of our approach to transitioning to a lower-carbon economy and associate risk management strategies, please see our "Climate Action Implementation Plan Report" Please also see our annual "Sustainability Report", published in the second quarter of each year, for details on our alignment with requirements in OSF Guideline B-15 – Climate Risk Management, including our climate risk management and governance practices, as well as ou ESG performance.

Strategic Risk Factor s

We may not be successful in executing our business strategies or these strategies may not achieve our objectives .

- The global environment has a significant impact on our financial plans and ability to implement our business strategy
- Our business strategy and associated financial plans are developed by considering forecasts of economic growth. Actu economic growth can be significantly impacted by the macroeconomic environment and can deviate significantly fro forecasts, thus impacting our financial results and the ability to implement our business strateg y
- Operations in new markets may achieve low margins or may be unprofitable, and expansion in existing markets may b affected by local economic and market conditions
- Changes in the global environment can also have a significant impact on financial markets, including movements i interest rates, spreads on fixed income assets, and returns on public equity and ALDA investments. Our financial pla n,

including income, balance sheet, and capital projections are based on certain assumptions with respect to future interes rates and spreads on fixed income assets, and future returns from our public equity and ALDA investments. Actu experience is highly variable and can deviate significantly from our assumptions, thus impacting our financial results. Fo example, for changes to interest rates, please refer to the risk factor “Prolonged changes in market interest rates ma impact our net income attributed to shareholders and capital ratios”

- The spending and savings patterns of our customers can evolve, impacting the products and services we offer to ou customers.
- Customer behaviour and emergence of claims on our liabilities can change. For example, a prolonged period o economic weakness in certain markets may adversely impact policyholders’ behaviour (such as higher withdrawals lapses, lower premium deposits, and lower policy persistency than anticipated), increase expenses and cost of funding along with other adverse impacts from continued uncertainty in our operating environment as noted in the Market Liquidity Risk Factors section.
- A rise in geopolitical tensions and political risk either within or outside of jurisdictions in which we operate can trigge changes in the global environment, overall regulatory landscape, and consumer behaviour, which can have variou impacts across our business. For example, economic sanctions imposed on a country could adversely impact our abilit to achieve specific business objectives. Military conflicts could drive financial and economic dislocations across globa capital markets, supply chains or commodity markets. See also “Operational Risk Factors – Our operations face political legal, operational and other risks that could negatively affect those operations or our results of operations and financi condition.”

Adverse publicity, litigation or regulatory action resulting from our business practices or actions by our employees, representatives and/or business partners, could erode our corporate image and damage our franchise value and/o create losses.

- Manulife’s reputation is one of its most valuable assets. Harm to a company’s reputation is often a consequence of ris control failure. Manulife’s reputation could also be harmed by the actions of third parties with whom we do business. Ou representatives include affiliated broker-dealers, agents, wholesalers and independent distributors, such as broker dealers and banks, on whose services and representations our customers rely. Business partners include, among others joint venture partners and third parties to whom we outsource certain functions and that we rely on to fulfill variou obligations.
- If any of these representatives or business partners fail to adequately perform their responsibilities, or monitor their ow risks, these failures could affect our business reputation and operations. While we seek to maintain adequate internal ris management policies and procedures and protect against performance failures, events may occur involving ou representatives or our business partners that could cause us to lose customers or cause us or our representatives o business partners to become subject to legal, regulatory, economic or trade sanctions, which could have a materia adverse effect on our reputation, our business, and our results of operations. For further discussion of governmen regulation and legal proceedings refer to “Government Regulation” in MFC’s Annual Information Form date February 19, 2025 and note 18 of the 2024 Annual Consolidated Financial Statements.

Our businesses are heavily regulated, and changes in regulation or laws, or in the interpretation or enforcement of regulation and laws, may reduce our profitability and limit our growth.

- Our operations are subject to a wide variety of insurance and other laws and regulations including with respect t financial crimes (which include, but are not limited to, money laundering, bribery and economic or trade sanctions) privacy, market conduct, consumer protection, business conduct, prudential and other generally applicable non-financia requirements. Legislators, regulators and self-regulatory or government authorities in Canada, the United States, Asi and other jurisdictions regularly re-examine existing laws, regulations, rules and standards applicable to insuranc companies, investment advisors, broker-dealers and their products. Compliance with applicable laws and regulations i time consuming and personnel-intensive, and changes in these laws and regulations or in the interpretation o enforcement thereof, may materially increase our direct and indirect compliance costs and other expenses of doin business, thus having a material adverse effect on our results of operations and financial conditio
- Future regulatory capital, actuarial and accounting changes, including changes with a retroactive impact, could have material adverse effect on the Company’s consolidated financial condition, results of operations and regulatory capita both on transition and going forward. In addition, such changes could have a material adverse effect on the Company’ position relative to that of other Canadian and international financial institutions with which Manulife competes fo business and capital.
- In Canada, MFC and its principal operating subsidiary, MLI, are governed by the Insurance Companies Act (Canada (“ICA”). The ICA is administered, and the activities of the Company are supervised, by the Office of the Superintendent o Financial Institutions (“OSFI”). MLI is also subject to regulation and supervision under the insurance laws of each of th provinces and territories of Canada. Regulatory oversight is vested in various governmental agencies having broa administrative power with respect to, among other things, dividend payments, capital adequacy and risk based capita requirements, asset and reserve valuation requirements, permitted investments and the sale and marketing of insuranc contracts. OSFI has an expanded mandate to supervise institutions to determine whether they have adequate policie and procedures to protect against threats to integrity and security, including foreign interference. In general, OSFI ha increased their supervisory focus on other non-financial risks, which has led to new or enhanced regulations, includin conduct risk, third party risk, cybersecurity, and operational resilience. These regulations focus on protectin policyholders, beneficiaries, and the stability of the Canadian financial system, rather than investors and may adversel impact shareholder value
- Some recent examples of regulatory and professional standard developments, which could impact our net incom attributed to shareholders and/or capital position are provided below
  - A new Segregated Fund Guarantees LICAT capital framework became effective on January 1, 2025. The new framework includes adjustments to the available capital calculation, adjustments to the Base Solvency Buffer and the inclusion of transition measures. We continue to meet OSFI’s requirements and maintain capital in excess o regulatory expectations.
  - The International Association of Insurance Supervisors (“IAIS”) announced the adoption of a new global Insuranc Capital Standard (“ICS”) at their annual conference in December 2024. LICAT continues to provide an appropriat

risk based measure of group capital in Canada and we do not expect any impact from the adoption of ICS by IAI
- The National Association of Insurance Commissioners (“NAIC”) continues to review and revise reserving and capita methodologies as well as the overall risk management framework as required to keep pace with an evolvin landscape. These reviews will affect U.S. life insurers, including John Hancock, and could lead to increase reserving and/or capital requirements for our business in the U.S. In addition, in December 2020 the NAIC adopted group capital calculation (“GCC”) and amendments to the NAIC Insurance Holding Company System Regulatory Act which exempt certain insurance holding groups, including John Hancock and Manulife, from the requirements relating to the GCC. In Michigan, which is the lead state for NAIC regulation of John Hancock, the Michiga Insurance Code was recently amended to adopt the NAIC GCC model language and the Michigan Department of Insurance and Financial Services (“DIFS”) has promulgated the implementation rules. As the Canadian group-wid supervisor, OSFI has been working with the NAIC to achieve mutual recognition and treatment of the Canadia group supervision and regulatory framework. Mutual recognition will avoid redundant group oversight at the John Hancock level by U.S. regulators, and Manulife and John Hancock have taken a leadership role to ensure the NAI process could accommodate a process that OSFI could and would undertake. In the fall of 2024, the NAIC’s Mutua Recognition of Jurisdictions (E) Working Group and the Financial Condition (E) Committee reviewed an recommended Canada / OSFI as a Recognized and Accepted Jurisdiction. The NAIC Commissioners then adopte the E Committee recommendation on December 18, 2024. Accordingly, we should have no future obligations fo annual GCC filing waiver requests with Michigan DIFS
- The use of asset-intensive reinsurance, where investment risk is transferred to the reinsurer along with insuranc risk, has been the subject of increased focus by insurance authorities in several jurisdictions. NAIC is considerin additional guidelines regarding the use of asset-intensive reinsurance and it, or other insurance regulator authorities, may in the future impose additional rules or standards. New guidelines or regulatory requirements may impact the reinsurance market and limit the availability of asset-intensive reinsurance, increase its cost, or reduc the capital or risk management benefits of such reinsurance in a manner that could have a material impact o Manulife.
- Regulators in various jurisdictions in which we operate continue to reform their respective capital regulations. W continue to closely monitor the developments

- Increasingly, global financial regulators are promulgating guidance and rules related to climate change and its potenti impacts on financial services firms. OSFI, the SEC and several regulators across Asia have been engaging industry t assess the impacts of climate change and to set expectations on establishing climate transition plans, including ensurin effective risk management and governance structures to manage climate change-related risks, and have begun releasin guidance and disclosure requirements. There are also increasing expectations from investors, regulators, and othe stakeholders to provide comparable, decision-useful data and reporting on climate change-related risks and opportunities including performance metrics such as an organization’s Scope 1, 2 and 3 carbon emissions. Regulatory disclosur requirements are guided by private sector bodies, where there is a convergence in the industry around sustainabilit reporting frameworks. The IFRS Foundation’s International Sustainability Standards Board (“ISSB”) is one such body an has published draft standards for a comprehensive global baseline of sustainability disclosures for capital market
- In the United States, state insurance laws regulate most aspects of our business, and our U.S. insurance subsidiarie are regulated by the insurance departments of the states in which they are domiciled and the states in which they ar licensed. State laws grant insurance regulatory authorities broad administrative powers with respect to, among othe things: licensing companies and agents to transact business; calculating the value of assets to determine compliance with statutory requirements; mandating certain insurance benefits; regulating certain premium rates; reviewing an approving policy forms; regulating unfair trade and claims practices, including through the imposition of restrictions o marketing and sales practices, distribution arrangements and payment of inducements; regulating advertising; protectin privacy; establishing statutory capital and reserve requirements and solvency standards; fixing maximum interest rate on insurance policy loans and minimum rates for guaranteed crediting rates on life insurance policies and annuit contracts; approving changes in control of insurance companies; restricting the payment of dividends and othe transactions between affiliates; and regulating the types, amounts and valuation of investments. Changes in any suc laws and regulations, or in the interpretation or enforcement thereof by regulators, could significantly affect our business results of operations and financial condition
- Currently, the U.S. federal government does not directly regulate the business of insurance. However, federal legislatio and administrative policies in several areas can significantly and adversely affect state regulated insurance companies These areas include financial services regulation, securities regulation, pension regulation, privacy, tort refor legislation, and taxation. In addition, under the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dod Frank”), the U.S. Board of Governors of the Federal Reserve has supervisory powers over non-bank financial companie that are determined to be systemically important.
- Insurance guaranty associations in Canada and the United States have the right to assess insurance companies doin business in their jurisdiction for funds to help pay the obligations of insolvent insurance companies to policyholders an claimants. Typically, an insurer is assessed an amount related to its proportionate share of the line of business written b all insurers in the relevant jurisdiction. Because the amount and timing of an assessment is beyond our control, th liabilities that we have currently established for these potential liabilities may not be adequate, particularly if there is a increase in the number of insolvent insurers or if the insolvent insurers operated in the same lines of business and in th same jurisdictions in which we operate
- Manulife operates in numerous jurisdictions in Asia. These operations are subject to the regulations and laws in eac local jurisdiction, with the structure or model for oversight of insurance differing by jurisdiction. We are encouraged to se further regional economic and trade integration in Asia, with most jurisdictions supportive of foreign investment and man regulators’ increasing willingness to benchmark domestic law and regulation against international standards and best practices. However, the increasing geopolitical complexity, rising political and regulatory uncertainty, and regulatory tightening in some jurisdictions have created heightened complexity and risk for Manulife to mitigate and navigate, whic may adversely impact shareholder value.
- While many of the laws and regulations to which we are subject are intended to protect policyholders, beneficiaries depositors and investors in our products and services, others also set standards and requirements for the governance o our operations. Failure to comply with applicable laws or regulations could result in financial penalties or sanctions, an damage our reputation
- All aspects of Manulife’s Global WAM businesses are subject to various laws and regulations around the world. Thes

- laws and regulations are primarily intended to protect investment advisory clients, investors in registered and unregistered funds, and clients of Manulife's global retirement businesses. Agencies that regulate investment advisors, investment funds and retirement plan products and services have broad administrative powers, including the power to limit, restrict or prohibit the regulated entity or person from carrying on business if it fails to comply with such laws and regulations. Possible sanctions for significant compliance failures include the suspension of individual employees, limitations on engaging in certain lines of business for specified periods of time, revocation of investment advisor and other registration and censures and fines both for individuals and Manulife, along with the resulting damage to our reputation.
- From time to time, regulators raise issues during examinations or audits of Manulife that could have a material adverse impact on us. We cannot predict whether or when regulatory actions may be taken that could adversely affect our operations. Our failure to comply with existing and evolving regulatory requirements could also result in regulatory sanctions and could affect our relationships with regulatory authorities and our ability to execute our business strategies and plans. For further discussion of government regulation and legal proceedings refer to "Government Regulation" in MFC's Annual Information Form dated February 19, 2025 and note 18 of the 2024 Annual Consolidated Financial Statements. See also "Operational Risk Factors – Our operations face political, legal, operational and other risks that could negatively affect those operations or our results of operations and financial condition" for further discussion on the impact to our operations.

Changes to International Financial Reporting Standards could have a material impact on our financial results.

- New standards or modifications to existing standards could have a material adverse impact on our financial results and regulatory capital position (the regulatory capital framework in Canada uses IFRS as a base). Additionally, any mismatch between the underlying economics of our business and new accounting standards could have significant unintended negative consequences on our business model and potentially affect our customers, shareholders and our access to capital markets.

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 insurance and investment contract liabilities. This could have a material adverse effect on our business, results of operations and financial condition[1].

- Many of the products that the Company sells benefit from one or more forms of preferred tax treatment under current income tax regimes. For example, the Company sells life insurance policies that benefit from the deferral or elimination of taxation on earnings accrued under the policy, as well as permanent exclusion of certain death benefits that may be paid to policyholders' beneficiaries. We also sell annuity contracts that allow the policyholders to defer the recognition of taxable income earned within the contract. Other products that the Company sells, such as certain employer-paid health and dental plans, also enjoy similar, as well as other, types of tax advantages. The Company also benefits from certain tax benefits, including tax-exempt interest, dividends-received deductions, tax credits (such as foreign tax credits), and favourable tax rates and/or income measurement rules for tax purposes.
- There is risk that tax legislation could be enacted that would lessen or eliminate some or all of the tax advantages currently benefiting the Company or its policyholders or its other clients. This could occur in the context of deficit reduction or other tax reforms. The effects of any such changes could result in materially lower product sales, lapses of policies currently held, and/or our incurrence of materially higher corporate taxes, any of which could have a material adverse effect on our business, results of operations and financial condition.
- Additionally, the Company may be required to change its provision for income taxes or carrying amount of deferred tax assets or liabilities if the characterization of certain items is successfully challenged by taxing authorities or if future transactions or events, which could include changes in tax laws, tax regulations or interpretations of such laws or regulations, occur. Any such changes could significantly affect the amounts reported in the consolidated financial statements in the year these changes occur.
- In 2021, 136 of the 140 members of the Organization for Economic Co-Operation and Development / 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 June 20, 2024, the Canadian government further affirmed its commitment to these tax reforms by passing the Global Minimum Tax ("GMT") Act into law. Canada's GMT applies retroactively to fiscal periods commencing on or after December 31, 2023, resulting in a GMT expense of $231 million recorded for the year. While numerous variables contribute to the determination of our GMT liability, we generally expect that it will increase the effective tax rate by approximately 2 to 3 percentage points. Furthermore, the subsequent adoption of GMT by other countries in which we operate is likely to impact the tax jurisdictions in which our GMT liabilities will arise, but it should not have an effect on our overall GMT liability, as any higher local country taxes should reduce our GMT payable to Canada.
- On January 31, 2025, the Canadian government announced its intention to increase the capital gains inclusion rate from 50% to 66.67%, effective January 1, 2026. Most of Manulife's investments are not treated as capital property, however and therefore we do not expect to be materially affected by this tax change. For investments treated as capital properties, the increased effective tax rate on capital gains would result in a modest increase in the deferred tax liabilities on such investments with accrued gains.
- The U.S. Inflation Reduction Act of 2022 includes a 15% minimum tax based on financial statement income, starting in 2023. Many related regulations remain to be finalized to clarify how the tax will operate, but at this time we do not expect our IFRS effective tax rate to be materially affected by this new tax, though the timing of cash tax payments could be accelerated.
- On December 27, 2023, Bermuda enacted a 15% domestic corporate income tax regime applicable to large multinational entities that will come into force in 2025. Bermuda has also introduced a transition process intended to phase in the tax impact to affected taxpayers over a number of years. There are no immediate consequences to Manulife from the passage of this tax reform and the longer-term impact on the Company's income tax expense is not expected to be material.

Access to capital may be negatively impacted by market conditions

- Disruptions, uncertainty or volatility in the financial markets may limit or delay our access to the capital markets to raise capital required to operate our business, satisfy regulatory capital requirements or meet our refinancing needs. Under extreme conditions, we may be forced, among other things, to delay raising capital, issue different types of capital than we would otherwise under normal conditions, issue shorter-term securities than we prefer, or issue securities that bear

an unattractive cost of capital which could decrease our financial flexibility, profitability, and/or dilute our existing shareholders.

[1] See "Caution regarding forward-looking statements" above.

As a holding company, MFC depends on the ability of its subsidiaries to transfer funds to MFC to meet its obligations and pay dividends. Subsidiaries' remittance of capital depends on subsidiaries' earnings, regulatory requirements and restrictions, and macroeconomic and market conditions

- MFC is a holding company and relies on dividends and interest payments from our insurance and other subsidiaries as the principal source of cash flow to meet MFC's obligations and pay dividends. As a result, MFC's cash flows and ability to service its obligations are dependent upon the earnings of its subsidiaries and the distribution of those earnings and other funds by its subsidiaries to MFC. Substantially all of MFC's business is currently conducted through its subsidiaries
- The ability of MFC's insurance subsidiaries to pay dividends to MFC in the future will depend on their earnings, macroeconomic and market conditions, and their respective local regulatory requirements and restrictions, including capital adequacy and requirements, exchange controls and economic or trade sanctions
- MFC's insurance subsidiaries are subject to a variety of insurance and other laws and regulations that vary by jurisdiction and are intended to protect policyholders and beneficiaries in that jurisdiction first and foremost, rather than investors. These subsidiaries are generally required to maintain solvency and capital standards as set by their local regulators and may also be subject to other regulatory restrictions, all of which may limit the ability of subsidiary companies to pay dividends or make distributions to MFC.
- Potential changes to regulatory capital and actuarial and accounting standards could also limit the ability of the insurance subsidiaries to pay dividends or make distributions and could have a material adverse effect on internal capital mobility. We may be required to raise additional capital, which could be dilutive to existing shareholders, or to limit the new business we write, or to pursue actions that would support capital needs but adversely impact our subsequent earnings potential. In addition, the timing and outcome of these initiatives could have a significantly adverse impact on our competitive position relative to that of other Canadian and international financial institutions with which we compete for business and capital.
- The Company seeks to maintain capital in its regulated subsidiaries in excess of the minimum required in all jurisdictions in which the Company does business. The minimum requirements in each jurisdiction may increase due to regulatory changes and we may decide to maintain additional capital in our operating subsidiaries for competitive reasons, to fund expected growth of the business or to deal with changes in the risk profile of such subsidiaries. Any such increases in the level of capital may reduce the ability of the operating companies to pay dividends
- The payment of dividends to MFC by MLI is subject to restrictions set out in the ICA. The ICA prohibits the declaration or payment of any dividend on shares of an insurance company if there are reasonable grounds for believing: (i) the company does not have adequate capital and adequate and appropriate forms of liquidity; or (ii) the declaration or the payment of the dividend would cause the company to be in contravention of any regulation made under the ICA respecting the maintenance of adequate capital and adequate and appropriate forms of liquidity, or of any order made to the company by the Superintendent. All of our U.S. and Asian operating life insurance companies are subsidiaries of MLI. Accordingly, a restriction on dividends from MLI would restrict MFC's ability to obtain dividends from its U.S. and Asian businesses.
- Certain of MFC's U.S. insurance subsidiaries also are subject to insurance laws in Michigan, New York and Massachusetts, the jurisdictions in which these subsidiaries are domiciled, which impose general limitations on the payment of dividends and other upstream distributions by these subsidiaries to MLI
- Our Asian insurance subsidiaries are also subject to restrictions in the jurisdictions in which these subsidiaries are domiciled which could affect their ability to pay dividends to MLI in certain circumstances

The declaration and payment of dividends and the amount thereof is subject to change.

- The holders of common shares are entitled to receive dividends as and when declared by the Board, subject to the preference of the holders of Class A Shares, Class 1 Shares, Class B Shares (collectively, the "Preferred Shares") and any other shares ranking senior to the common shares with respect to priority in payment of dividends. The declaration and payment of dividends and the amount thereof is subject to the discretion of the Board of MFC and is dependent upon the results of operations, financial condition, cash requirements and future prospects of, and regulatory and contractual restrictions on the payment of dividends by MFC and other factors deemed relevant by the Board of MFC. Although MFC has historically declared quarterly cash dividends on the common shares, MFC is not required to do so and the Board of MFC may reduce, defer, or eliminate MFC's common share dividend in the future
- The foregoing risk disclosure in respect of the declaration and payment of dividends on the common shares applies equally in respect of the declaration and payment of dividends on the Preferred Shares, notwithstanding that the Preferred Shares have a fixed rate of dividend
- See "Government Regulation" and "Dividends" in MFC's Annual Information Form dated February 19, 2025 for a summary of additional statutory and contractual restrictions concerning the declaration of dividends by MFC

We may experience future downgrades in our financial strength or credit ratings, which may materially adversely impact our financial condition and results of operations.

- Credit rating agencies publish financial strength ratings on life insurance companies that are indicators of an insurance company's ability to meet contract holder and policyholder obligations. Credit rating agencies also assign credit ratings which are indicators of an issuer's ability to meet the terms of its obligations in a timely manner and are important factors in a company's overall funding profile and ability to access external capital. Ratings reflect the views held by each credit agency, which are subject to change based on various factors that may be within or beyond a company's control.

- Ratings are important factors in establishing the competitive position of insurance companies, maintaining publi confidence in products being offered, and determining the cost of capital. A ratings downgrade, or the potential for such downgrade, could adversely affect our operations and financial condition. A downgrade could, among other things increase our cost of capital and limit our access to the capital and loan markets; cause some of our existing liabilities t be subject to acceleration, additional collateral support, changes in terms, or additional financial obligations; result in th termination of our relationships with broker-dealers, banks, agents, wholesalers and other distributors of our product and services; increase our cost of hedging; unfavourably impact our ability to execute on our hedging strategie materially increase the number of surrenders, for all or a portion of the net cash values, by the owners of policies an contracts we have issued; impact our ability to obtain reinsurance at reasonable prices or at all; and materially increas the number of withdrawals by policyholders of cash values from their policies and reduce new sale s.

Competitive factors may adversely affect our market share and profitability.

- The insurance, wealth and asset management, and banking industries are highly competitive. Our competitors includ other insurers, securities firms, investment advisors, asset managers, banks and other financial institutions. The rapi advancement of new technologies, such as blockchain, artificial intelligence ("AI") (e.g., generative AI) and advance analytics, may enable other non-traditional firms (e.g., big technology competitors providing financial products an services) to compete directly in the industry space, or offer services to our traditional competitors to enhance their valu propositions. The rapid growth and availability of AI and generative AI technologies presents significant opportunities t enhance customer experience, improve business decisions, manage risk and drive operational efficiencies, however there can be no assurances that the use of AI and generative AI technologies will have their intended effect appropriately or sufficiently replicate certain outcomes, or accurately predict future events or exposures. The use of A and generative AI technologies presents complex challenges, including balancing and mitigating potential risks posed b the development or deployment of AI technologies. Additionally, future legislation may restrict certain usage of AI models or technologies or data that feed into AI models or technologies, which could impact our ability to effectively use suc models or technology.
- The impact from technological disruption may result in our competitors improving their customer experience, produc offerings and business costs. Our competitors compete with us for customers, access to distribution channels such a brokers and independent agents, and for employees. In some cases, competitors may be subject to less onerou regulatory requirements, have lower operating costs or have the ability to absorb greater risk while maintaining thei financial strength ratings, thereby allowing them to price their products more competitively or offer features that mak their products more attractive. These competitive pressures could result in lower new business volumes and increase pricing pressures on a number of our products and services that may harm our ability to maintain or increase ou profitability. Due to the highly competitive nature of the financial services industry, there can be no assurance that we wi continue to effectively compete with our traditional and non-traditional industry rivals, and competitive pressure may hav a material adverse effect on our business, results of operations and financial conditio n.

We may experience difficulty in marketing and distributing products through our current and future distribution channels.

- We distribute our insurance and wealth management products through a variety of distribution channels, includin brokers, independent agents, broker-dealers, banks, wholesalers, affinity partners, other third-party organizations an our own sales force in Asia. We generate a significant portion of our business through individual third-part arrangements. We periodically negotiate provisions and renewals of these relationships, and there can be no assuranc that such terms will remain acceptable to us or relevant third parties. An interruption in our continuing relationship wit certain of these third parties could significantly affect our ability to market our products and could have a materia adverse effect on our business, results of operations and financial conditio n.

Industry trends could adversely affect the profitability of our businesses

- Our business segments continue to be influenced by a variety of trends that affect our business and the financi services industry in general. The impact of the volatility and instability of the financial markets on our business is difficul to predict and the results of operations and our financial condition may be significantly impacted by general business an economic trends in the geographies in which we operate. These conditions includ . but are not limited to market factors, such as public equity, foreign currency, interest rate and other market risks, demographic shifts, consumer behaviours and governmental policies (e.g., fiscal, monetary, and global trade). In addition, the future of global trade remain uncertain, as companies and countries look to decrease reliance on global supply chains and countries implemen increased protectionist measures, including through protectionist trade policies and tariffs. Such policies and measures and increasing economic nationalism could reshape global alliances and impact the economies in which we operate. Th Company's business plans, results of operations, and financial condition have been negatively impacted in the past an may be negatively affected in the future .

We may face unforeseen liabilities or asset impairments arising from possible mergers with, or acquisitions an dispositions of, or strategic investments in, businesses or difficulties integrating acquired businesses.

- We have engaged in mergers with, acquisitions and dispositions of, or strategic investments in, businesses in the pas and expect to continue to do so in the future as we may deem appropriate. There could be unforeseen liabilities or ass impairments, including goodwill impairments that arise in connection with the businesses that we may sell, hav acquired, or may acquire in the future. In addition, there may be liabilities or asset impairments that we fail, or are unabl to discover in the course of performing due diligence investigations on acquisition targets. Furthermore, the use of ou r

own funds as consideration in any acquisition would consume capital resources that would no longer be available fo other corporate purposes.

- Our ability to achieve some or all of the benefits we anticipate from any mergers with, acquisitions and dispositions of, o strategic investments in, businesses will depend in large part upon our ability to successfully integrate the businesses i an efficient and effective manner. We may not be able to integrate the businesses smoothly or successfully, and th process may take longer than expected. The integration of operations may require the dedication of significan management resources, which may distract management's attention from our day-to-day business. Mergers with, acquisitions and dispositions of, or strategic investments in, operations outside of North America, especially an acquisition in a jurisdiction in which we do not currently operate, may be particularly challenging or costly to integrate. I we are unable to successfully integrate the operations of any acquired businesses, we may be unable to realize th benefits we expect to achieve as a result of the acquisitions and the results of operations may be less than expecte d.

If our businesses do not perform well, or if the outlook for our businesses is significantly lower than historical trends, we may be required to recognize an impairment of goodwill or intangible assets or to establish a valuation allowance against our deferred tax assets, which could have a material adverse effect on our results of operations and financial condition.

- Goodwill represents the excess of the amounts we paid to acquire subsidiaries and other businesses over the fair value of their net identifiable assets at the date of acquisition. Intangible assets represent assets that are separately identifiable at the time of an acquisition and provide future benefits such as the John Hancock brand.
- As outlined below under "Critical Actuarial and Accounting Policies – Goodwill and Intangible Assets", goodwill and intangible assets with indefinite lives are tested at least annually for impairment at the cash generating unit ("CGU") or group of CGUs level, representing the smallest group of assets that is capable of generating largely independent cash flows. As a result of the impact of economic conditions and changes in product mix and the granular level of goodwill testing under IFRS, additional impairment charges could occur in the future. Any impairment in goodwill would not affect LICAT capital.
- If market conditions deteriorate in the future and, in particular, if MFC's common share price is low relative to book value per share, if the Company's actions to limit risk associated with its products or investments cause a significant change in any one CGU's recoverable amount, or if the outlook for a CGU's results deteriorate, the Company may need to reassess the value of goodwill and/or intangible assets which could have a material adverse effect on our results of operations and financial condition.
- Deferred income tax balances represent the expected future tax effects of the differences between the book and tax basis of assets and liabilities, loss carry forwards and tax credits. Deferred tax assets are recorded when the Company expects to claim deductions on tax returns in the future for expenses that have already been recorded in the financial statements.
- The availability of those deductions is dependent on future taxable income against which the deductions can be made. Deferred tax assets are assessed periodically by management to determine if they are realizable.
- Factors in management's determination include the performance of the business including the ability to generate gains from a variety of sources and tax planning strategies. If based on information available at the time of the assessment, it is determined that the deferred tax asset will not be realized, then the deferred tax asset is reduced to the extent that it is no longer probable that the tax benefit will be realized.

We may not be able to protect our intellectual property and may be subject to infringement claims.

- We rely on a combination of registrations, contractual rights and copyright, trademark, patent and trade secret laws to establish and protect our intellectual property. In particular, we have invested considerable resources in promoting and protecting the brand names "Manulife" and "John Hancock" and expect to continue to do so. Although we use a broad range of measures to protect our intellectual property rights, third parties may infringe or misappropriate our intellectual property. As the occurrence of potential infringements or misappropriations against our intellectual property increases, we may have to litigate more often to enforce and protect our copyrights, trademarks, patents, trade secrets and know-how or to determine their scope, validity or enforceability, which represents a diversion of resources that may be significant in amount and may not prove successful. The loss of intellectual property protection or the inability to secure or enforce the protection of our intellectual property assets could have a material adverse effect on our business and our ability to compete.
- We also may be subject to costly litigation in the event that another party alleges our operations or activities infringe upon its intellectual property rights. Third parties may have, or may eventually be issued, patents that could be infringed by our products, methods, processes or services. Any party that holds such a patent could make a claim of infringement against us. We may also be subject to claims by third parties for breach of copyright, trademark, trade secret or license usage rights. Any such claims and any resulting litigation could result in significant liability for damages. If we were found to have infringed a third-party patent or other intellectual property rights, we could incur substantial liability, and in some circumstances could be enjoined from providing certain products or services to our customers or utilizing and benefiting from certain methods, processes, copyrights, trademarks, trade secrets or licenses, or alternatively could be required to enter into costly licensing arrangements with third parties, all of which could have a material adverse effect on our business, results of operations and financial condition.

Applicable laws may discourage takeovers and business combinations that common shareholders of MFC might consider in their best interests.

- The ICA contains restrictions on the purchase or other acquisition, issue, transfer and voting of the shares of a Canadian insurance company. In addition, under applicable U.S. insurance laws and regulations in states where certain of our Canadian insurance company subsidiaries are domiciled, no person may acquire control of MFC without obtaining prior approval of those states' insurance regulatory authorities. These restrictions may delay, defer, prevent, or render more difficult a takeover attempt that common shareholders of MFC might consider in their best interests. For instance, they may prevent shareholders of MFC from receiving the benefit from any premium to the market price of MFC's common shares offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of MFC's common shares if they are viewed as discouraging takeover attempts in the future.

Entities within the MFC group are interconnected which may make separation difficult.

- MFC operates in local markets through subsidiaries and branches of subsidiaries. These local operations are financially and operationally interconnected to lessen expenses, share and reduce risk, and efficiently utilize financial resources. In general, external capital required for companies in the Manulife group has been raised at the MFC level in recent years and then transferred to other entities primarily as equity or debt capital as appropriate. Other linkages include policyholder and other creditor guarantees and other forms of internal support between various entities, loans, capital maintenance agreements, derivatives, shared services and affiliate reinsurance treaties. Accordingly, the risks undertaken by a subsidiary may be transferred to or shared by affiliates through financial and operational linkages. Some of the consequences of this are:
  - Financial difficulties at a subsidiary may not be isolated and could cause material adverse effects on affiliates and the group as a whole.

- Linkages may make it difficult to dispose of or separate a subsidiary or business within the group by way of a spin-off or similar transaction and the disposition or separation of a subsidiary or business may not fully eliminate the liability of the Company and its remaining subsidiaries for shared risks. Issues raised by such a transaction could include: (i) the Company cannot terminate, without policyholder consent, and in certain jurisdictions regulator consent, parental guarantees on in-force policies and therefore would continue to have residual risk under any such non-terminated guarantees; (ii) internal capital mobility and efficiency could be limited; (iii) significant potential tax consequences; (iv) uncertainty about the accounting and regulatory outcomes of such a transaction; (v) obtaining any other required approvals; (vi) there may be a requirement for significant capital injections; and (vii) the transaction may result in increased sensitivity of net income attributed to shareholders and capital of MFC and its remaining subsidiaries to market declines.

We may not be able to achieve our sustainability commitments, or our commitments may not meet the expectations of stakeholders or regulators.

- We continue to build on our sustainability commitments, including our climate-related commitments, as set out in our sustainability strategy, and continue to adopt policies and processes to manage these commitments, in alignment with our business priorities. Internal or external circumstances could affect our ability to successfully meet some or all of our sustainability commitments. Our commitments could also materially change in the future and this could affect stakeholders' evaluation of us and lead to adverse impacts on our business operations and reputation.
- Our progress towards the commitments is disclosed periodically, which allows our stakeholders, including shareholders, customers and employees, to evaluate our business based on our advancement towards these commitments. Our reporting on our progress relies on various external frameworks, methodologies, taxonomies and other standards, which may change over time, resulting in changes to or restatements of our reporting processes and results. Stakeholders may also evaluate our business by their own sustainability criteria which may not be consistent with our own criteria or performance indicators, which could result in varying levels of expectations for which we may not be able to entirely satisfy.
- The availability of quality and reliable data, including issuer data, is a notable factor in our ability to set targets, make effective decisions against, and report on our progress towards our targets and strategic areas of focus, for our general fund. However, as a consequence of incomplete, inadequate, or unavailable data, our targets, and our progress toward achieving them, may need to be revisited.
- Interim targets support us in understanding how our investments can contribute to decarbonization of the real economy and provide guideposts against which to measure our progress towards our long-term commitments. However, our targets, and our progress toward achieving them, may need to be revisited if the assumptions underlying net zero scenarios and pathways prove incorrect, or if regulatory, economic, technological and other external factors needed to enable such scenarios and pathways fail to evolve.
- As regulators adopt mandatory sustainability-related disclosure requirements and investment criteria and taxonomies, there is an increasing possibility of regulatory sanctions, including fines, and litigation resulting from inaccurate or misleading statements, often referred to as "greenwashing". As a result, we may face adverse investor, media, or public scrutiny which may negatively impact our financial results and reputation.
- With respect to our asset management business, we may be subject to competing demands from investors who have divergent views on ESG matters and may choose to invest or not invest in our products based on their assessment of

how we address ESG in our investment process. This divergence increases the risk that action, or inaction, on ESG matters will be perceived negatively by at least some stakeholders thereby potentially adversely impacting our business.

Market & Liquidity Risk

Market risk is the risk of loss resulting from market price volatility, interest rate change, credit and swap spread changes, and adverse foreign currency exchange rate movements. Market price volatility primarily relates to changes in prices of publicly traded equities and alternative long-duration assets. The profitability of our insurance and annuity products, as well as the fees we earn in our investment management business, are subject to market risk.

Liquidity risk is the risk of loss resulting from the inability to access sufficient funds or liquid assets to meet expected and unexpected cash and collateral demands.

IFRS 7 Disclosures

Text and tables in this and the following section ("Market Risk Sensitivities and Market Risk Exposure Measures") include disclosures on market and liquidity risk in accordance with IFRS 7, "Financial Instruments – Disclosures", and discussions on how we measure risk and our objectives, policies and methodologies for managing them. Disclosures in accordance with IFRS 7 are identified by a vertical line in the left margin of each page. The identified text and tables represent an integral part of our audited 2024 Annual Consolidated Financial Statements. The fact that certain text and tables are considered an integral part of the 2024 Annual Consolidated Financial Statements does not imply that the disclosures are of any greater importance than the sections not part of the disclosures. Accordingly, the "Risk Management and Risk Factors" disclosure should be read in its entirety.

Market & Liquidity Risk Management Strategy

Market & liquidity risk management strategy is governed by the Global Asset Liability Committee which oversees the market and liquidity risk program. Our overall strategy to manage our market & liquidity risks incorporates several component strategies, each targeted to manage one or more of the market & liquidity risks arising from our businesses. At an enterprise level, these strategies are designed to manage our aggregate exposures to market & liquidity risks against limits associated with earnings and capital volatility.

The following table outlines our key market & liquidity risks and identifies the risk management strategies which contribute to managing these risks.

Risk Management Strategy

	Key Market & Liquidity Risk				
	Public Equity	Interest Rate and Spread	ALDA	Foreign Currency	Liquidity

	Risk	Risk	Risk	Exchange Risk	Risk
Product design and pricing	ü	ü	ü	ü	ü
Variable annuity guarantee dynamic hedging	ü	ü		ü	ü
Macro equity risk hedging	ü			ü	ü
Asset liability management	ü	ü	ü	ü	ü
Foreign currency exchange management				ü	ü
Liquidity risk management					ü

Public Equity Risk – To manage public equity risk from our insurance and annuity businesses, we primarily use a variable annuity and segregated fund guarantee dynamic hedging strategy which is complemented by a general macro equity risk hedging strategy, in addition to asset liability management strategies. Our strategies employed for dynamic hedging of variable annuity and segregated fund guarantees and macro equity risk hedging expose the Company to additional risks. See "Market & Liquidity Risk Factors" below.

Interest Rate and Spread Risk – To manage interest rate and spread risk, we primarily employ asset liability management strategies to manage the duration of our fixed income investments and execute interest rate hedges.

ALDA Risk – We seek to limit concentration risk associated with ALDA performance by investing in a diversified basket of assets including commercial real estate, timber, farmland, private equities, infrastructure, and energy assets. We further diversify risk by managing investments against established investment and risk limits.

Foreign Currency Exchange Risk – Our policy is to generally match the currency of our assets with the currency of the liabilities they support. Where assets and liabilities are not currency matched, we seek to hedge this exposure where appropriate to stabilize our consolidated capital positions and remain within our enterprise foreign exchange risk limits.

Liquidity Risk – In the operating companies, cash and collateral demands arise day-to-day to fund policyholder benefits, customer withdrawals, reinsurance settlements, derivative instrument settlements/collateral pledging, expenses, and investment activities. Under stressed conditions, additional cash and collateral demands could arise from changes to policyholder termination or policy renewal rates, withdrawals of customer deposit balances, loan extensions, derivative settlements or collateral demands, and reinsurance settlements.

Our liquidity risk management framework is designed to provide adequate liquidity to cover cash and collateral obligations as they come due, and to sustain and grow operations in both normal and stressed conditions. Refer to "Liquidity Risk Management Strategy" below for more information.

Product Design and Pricing Strategy

Our policies, standards, and guidelines, with respect to product design and pricing, are designed with the objective of aligning our product offerings with our risk taking philosophy and risk appetite, and in particular, ensuring that incremental risk generated from new sales aligns with our strategic risk objectives and risk limits. The specific design features of our product offerings, including level of benefit guarantees, policyholder options, fund offerings and availability restrictions as well as our associated investment strategies, help to mitigate the level of underlying risk. We regularly review and modify key features within our product offerings, including premiums and fee charges with a goal of meeting profit targets and staying within risk limits. Certain of our general fund adjustable benefit products have minimum rate guarantees. The rate guarantees for an particular policy are set at the time the policy is issued and governed by insurance regulation in each jurisdiction where the products are sold. The contractual provisions allow crediting rates to be reset at pre-established intervals subject to the established minimum crediting rate guarantees. The Company may partially mitigate the interest rate exposure by setting new rates on new business and by adjusting rates on in-force business where permitted. In addition, the Company partially mitigates this interest rate risk through its asset liability management process, product design elements, and crediting rate strategies. All material new product, reinsurance and underwriting initiatives must be reviewed and approved by the CRO or key individuals within risk management functions.

Hedging Strategies for Variable Annuity and Other Equity Risks

The Company's exposure to movement in public equity market values primarily arises from insurance contract liabilities related to variable annuity guarantees and general fund public equity investments.

Dynamic hedging is the primary hedging strategy for variable annuity market risks. Dynamic hedging is employed for new variable annuity guarantees business when written or as soon as practical thereafter.

We see to manage public equity risk arising from unhedged exposures in our insurance contract liabilities through our macro equity risk hedging strategy. We see to manage interest rate risk arising from variable annuity business not dynamically hedged through our asset liability management strategy.

Variable Annuity Dynamic Hedging Strategy

The variable annuity dynamic hedging strategy is designed to hedge the sensitivity of variable annuity guarantee insurance contract liabilities to fund performance (both public equity and bond funds) and interest rate movements. The objective of the variable annuity dynamic hedging strategy is to offset, as closely as possible, the change in the economic value of guarantees with the profit and loss from our hedge asset portfolio.

Our variable annuity hedging program uses a variety of exchange-traded and over-the-counter ("OTC") derivative contracts to offset the change in value of variable annuity guarantees. The main derivative instruments used are equity index futures, government bond futures, currency futures, interest rate swaps, total return swaps, equity options, and interest rate swaptions. The hedge instruments' positions against insurance contract liabilities are continuously monitored as market conditions change. As necessary, the hedge asset positions will be dynamically rebalanced to stay within established limits. We may also utilize other derivatives with the objective to improve hedge effectiveness opportunistically.

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 profit (loss) on the hedging instruments will not completely offset the underlying losses (gains) related to the guarantee liabilities hedged because:

- Policyholder behaviour and mortality experience are not hedged

- Risk adjustment related to cost of guarantees in the insurance contract liabilities is largely hedged
- A portion of interest rate risk is not hedged
- Credit spreads may widen and actions might not be taken to adjust accordingl
- Fund performance on a small portion of the underlying funds is not hedged due to lack of availability of effectiv exchange-traded hedge instruments
- Performance of the underlying funds hedged may differ from the performance of the corresponding hedge instruments
- Correlations between interest rates and equity markets could lead to unfavourable material impacts
- Unfavourable hedge rebalancing costs can be incurred during periods of high volatility from equity markets, bon markets, and / or interest rates, which is magnified when these impacts occur concurrently; an
- Not all other risks are hedged

Differences in the profit (loss) on the hedge instruments versus the underlying losses (gains) related to the guarante liabilities hedged are reported in CSM.

Macro Equity Risk Hedging Strateg

The objective of the macro equity risk hedging program is to maintain our overall earnings sensitivity to public equity market movements within our Board approved risk appetite limits. The macro equity risk hedging program is designed to hedge earnings sensitivity due to movements in public equity markets arising from all sources (outside of dynamically hedge exposures). Sources of equity market sensitivity addressed by the macro equity risk hedging program includ general fund equity holdings backing guaranteed, and adjustable liabilities

Asset Liability Management Strateg

Our asset liability management strategy is designed to help ensure that the market risks embedded in our assets and liabilities held in the Company's general fund are effectively managed and that risk exposures arising from these assets an liabilities are maintained within risk limits. The embedded market risks include risks related to the level and movement of interest rates and credit and swap spreads, public equity market performance, ALDA performance, and foreign currenc exchange rate movements

General fund product liabilities are categorized into groups with similar characteristics in order to support them with a specifi asset strategy. We seek to align the asset strategy for each group to the premium and benefit patterns, policyholder options and guarantees, and crediting rate strategies of the products they support. The strategies are set using portfolio analysi techniques intended to optimize returns, subject to considerations related to regulatory and economic capital requirements and risk tolerances. They are designed to achieve broad diversification across asset classes and individual investment risk while being suitably aligned with the liabilities they support. The strategies encompass asset mix, quality rating, term profile liquidity, currency, and industry concentration targets

Products which feature guaranteed liability cash flows (i.e., where the projected net flows are not materially dependent upo economic scenarios) are managed to a target return investment strategy. The products backed by this asset group includ e:

- Accumulation annuities (other than annuities with pass-through features), which are primarily short-to-medium-ter m obligations and offer interest rate guarantees for specified terms on single premiums. Withdrawals may or may not hav market value adjustments;
- Payout annuities, which have no surrender options and include predictable and very long-dated obligations; an d
- Insurance products, with recurring premiums extending many years in the future, and which also include a significan t component of very long-dated obligations

We seek to manage the assets backing these long-dated benefits to achieve a target return sufficient to support th e obligations over their lifetime, subject to established risk tolerances and the impact of regulatory and economic capit al requirements. Fixed income assets are managed to a benchmark developed to minimize interest rate risk against the liabilit y cash flows. Utilizing ALDA and public equity investments provides a suitable match for long-duration liabilities that als o enhances long-term investment returns and reduces aggregate risk through diversification

For insurance and annuity products where significant pass-through features exist, a total return strategy approach is used generally combining fixed income with ALDA plus public equity investments. ALDA and public equity may be included t o enhance long-term investment returns and reduce aggregate risk through diversification. Target investment strategies are established using portfolio analysis techniques that seek to optimize long-term investment returns while considering the risk related to embedded product guarantees and policyholder withdrawal options, the impact of regulatory and economic capita l requirements and considering management tolerances with respect to short-term income volatility and long-term tail ris k exposure. For these pass-through products such as participating insurance and universal life insurance, the investmen t performance of assets supporting the liabilities will be largely passed through to policyholders as changes in the amounts o f dividends declared or rates of interest credited, subject to embedded minimum guarantees. Shorter duration liabilities such a s fixed deferred annuities do not incorporate ALDA plus public equity investments into their target asset mixes. Authority t o manage our investment portfolios is delegated to investment professionals who manage to benchmarks derived from th e target investment strategies established for each group, including interest rate risk tolerances

Our asset liability management strategy incorporates a wide variety of risk measurement, risk mitigation and risk management, and hedging processes. The liabilities and risks to which the Company is exposed, however, cannot b e completely matched or hedged due to both limitations on instruments available in investment markets and uncertainty o f impact on liability cash flows from policyholder experience / behaviou r.

Foreign Currency Exchange Risk Management Strateg

Our policy is to generally match the currency of our assets with the currency of the liabilities they support. Where assets an liabilities are not currency matched, we see to hedge this exposure where appropriate to stabilize our earnings and consolidated capital positions and remain within our enterprise foreign exchange risk limits

Risk from small balance sheet mismatches is accepted if managed within set risk limits. Risk exposures are measured i

terms of potential changes in earnings and capital ratios, due to foreign currency exchange rate movements, determined to represent a specified likelihood of occurrence based on internal models.

Liquidity Risk Management Strategy

Global liquidity management policies and procedures are designed to provide adequate liquidity to cover cash and collateral obligations as they come due, and to sustain and grow operations in both normal and stressed conditions. They consider legal, regulatory, tax, operational or economic impediments to inter-entity funding. The asset mix of our balance sheet takes into account the need to hold adequate unencumbered and appropriate liquid assets to satisfy the requirements arising under stressed scenarios and to allow our liquidity ratios to remain strong. We manage liquidity centrally and closely monitor the liquidity positions of our principal subsidiaries.

We seek to mitigate liquidity risk by diversifying our business across different products, markets, geographical regions, and policyholders. We design insurance products to encourage policyholders to maintain their policies in-force, to help generate diversified and stable flow of recurring premiums. We design the policyholder termination features with the goal of mitigating the financial exposure and liquidity risk related to unexpected policyholder terminations. We establish and implement investment strategies intended to match the term profile of the assets to the liabilities they support, taking into account the potential for unexpected policyholder terminations and resulting liquidity needs. Liquid assets represent a large portion of our total assets. We aim to reduce liquidity risk in our businesses by diversifying our funding sources and appropriately managing the term structure of our funding. We forecast and monitor daily operating liquidity and cash movements in various individual entities and operations as well as centrally, aiming to ensure liquidity is available and cash is employed optimally.

We also maintain centralized cash pools and access to other sources of liquidity and contingent liquidity such as repurchase funding agreements. Our centralized cash pools consist of cash or near-cash, high quality short-term investments that are continually monitored for their credit quality and market liquidity.

As at December 31, 2024, the Company held $263.3 billion in cash and cash equivalents, comprised of cash on deposit, Canadian and U.S. Treasury Bills and high quality short-term investments, and marketable securities comprised of investment grade government and agency bonds, investment grade corporate bonds, investment grade securitized instruments, publicly traded common stocks and preferred shares, compared with $250.7 billion as at December 31, 2023 as noted in the table below.

As at December 31, ($ millions, unless otherwise stated)	2024	2023
Cash and cash equivalents	**$ 25,789**	$ 20,338
Marketable securities		
Government bonds (investment grade)	**80,891**	77,191
Corporate bonds (investment grade)	**122,324**	126,992
Securitized – ABS, CMBS, RMBS (investment grade)	**1,758**	1,971
Public equities	**32,576**	24,211
Total marketable assets	**237,549**	230,365
Total cash and cash equivalents and marketable securities[1]	**$ 263,338**	$ 250,703

(1) Including $15.6 billion encumbered cash and cash equivalents and marketable securities as at December 31, 2024 (2023 – $11.0 billion).

We have established a variety of contingent liquidity sources. These include, among others, a $500 million committed unsecured revolving credit facility with certain Canadian chartered banks available for MFC, and a US$500 million committed unsecured revolving credit facility with certain U.S. banks available for MFC and certain of its U.S. subsidiaries. There were no outstanding borrowings under these facilities as at December 31, 2024 (2023 – $nil). In addition, John Hancock Life Insurance Company (U.S.A.) ("JHUSA") is a member of the Federal Home Loan Bank of Indianapolis ("FHLBI"), which enables the Company to obtain loans from FHLBI as an alternative source of liquidity that is collateralizable by qualifying mortgage loans, mortgage-backed securities, municipal bonds, and U.S. Treasury and Agency securities. As a December 31, 2024, JHUSA had an estimated maximum borrowing capacity of US$3.8 billion (2023 – US$4.3 billion) based on regulatory limitations with an outstanding balance of US$500 million (2023 – US$500 million) under the FHLBI facility.

The following table outlines the maturity of the Company's significant financial liabilities.

Maturity of financial liabilities [1]

As at December 31, 2024 ($ millions)	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Long-term debt	$ -	$ 2,829	$ -	$ 3,800	$ 6,629
Capital instruments	-	-	-	7,532	7,532
Derivatives	2,320	2,304	1,244	8,379	14,247
Deposits from Bank clients[2]	15,690	3,774	2,599	-	22,063
Lease liabilities	105	151	52	47	355

(1) The amounts shown above are net of the related unamortized deferred issue costs.

(2) Carrying value and fair value of deposits from Bank clients as at December 31, 2024 were $22,063 million and $22,270 million, respectively (2023 – $21,616 million and $21,518 million, respectively). Fair value is determined by discounting contractual cash flows, using market interest rates currently offered for deposits with similar terms and conditions. All deposits from Bank clients were categorized in Level 2 of the fair value hierarchy (2023 – Level 2).

Through the normal course of business, pledging of assets is required to comply with jurisdictional regulatory and othe requirements including collateral pledged to partially mitigate derivative counterparty credit risk, assets pledged to exchange as initial margin, and assets held as collateral for repurchase funding agreements. Total unencumbered assets were $516.6 billion as at December 31, 2024 (2023 – $470.2 billion).

Market Risk Sensitivities and Market Risk Exposure Measures

Variable Annuity and Segregated Fund Guarantees Sensitivities and Risk Exposure Measure

Guarantees on variable annuity products and segregated funds may include one or more of death, maturity, income an withdrawal guarantees. Variable annuity and segregated fund guarantees are contingent and only payable upon th occurrence of the relevant event, if fund values at that time are below guarantee values. Depending on future equity marke levels, liabilities on current in-force business would be due primarily in th period from 2025 to 2044.

We see to mitigate a portion of the risks embedded i ou retained (i.e., net of reinsurance) variable annuity and segregated fund guarantee business through the combination of our dynamic and macro hedging strategies (see 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 reinsuranc e

As at December 31, ($ millions)	2024 Guarantee value [1]	2024 Fund value	2024 Net amount at risk[1],[2],[3]	2023 Guarantee value [1]	2023 Fund value	2023 Net amount at risk[1],[2],[3]
Guaranteed minimum income benefit	**$ 3,628**	**$ 2,780**	**$ 918**	$ 3,864	$ 2,735	$ 1,156
Guaranteed minimum withdrawal benefit	**33,473**	**33,539**	**3,339**	34,833	33,198	4,093
Guaranteed minimum accumulation benefit	**18,987**	**19,097**	**70**	18,996	19,025	116
Gross living benefits[4]	**56,088**	**55,416**	**4,327**	57,693	54,958	5,365
Gross death benefits[5]	**8,612**	**19,851**	**644**	9,133	17,279	975
Total gross of reinsurance	**64,700**	**75,267**	**4,971**	66,826	72,237	6,340
Living benefits reinsured	**23,768**	**23,965**	**3,016**	24,208	23,146	3,395
Death benefits reinsured	**3,430**	**2,776**	**289**	3,400	2,576	482
Total reinsured	**27,198**	**26,741**	**3,305**	27,608	25,722	3,877
Total, net of reinsurance	**$ 37,502**	**$ 48,526**	**$ 1,666**	$ 39,218	$ 46,515	$ 2,463

(1) 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.

(2) 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.

(3) The amount at risk net of reinsurance at December 31, 2024 was $1,666 million (December 31, 2023 – $2,463 million) of which: US$293 million (December 31, 2023 – US$391 million) was on our U.S. business, $1,021 million (December 31, 2023 – $1,559 million) was on our Canadian business, US$100 million (December 31, 2023 – US$140 million) was on our Japan business, and US$56 million (December 31, 2023 – US$155 million) was related to Asia (other than Japan) and our run-off reinsurance business.

(4) 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.

(5) Death benefits include stand-alone guarantees and guarantees in excess of living benefit guarantees where both death and living benefits are provided on a policy.

Investment categories for variable contracts with guarantee s

Variable contracts with guarantees, including variable annuities and variable life, are invested at the policyholder's discretio n subject to contract limitations, in various fund types within the segregated fund accounts and other investments. The accoun t balances by investment category are set out below.

As at December 31, ($ millions)	2024	2023
Investment category		
Equity funds	**$ 51,457**	$ 45,593
Balanced funds	**37,381**	35,801
Bond funds	**9,017**	8,906
Money market funds	**1,712**	1,559
Other debt investments	**2,082**	1,907
Total	**$ 101,649**	$ 93,766

Caution Related to Sensitivities

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

comprehensive income attributed to shareholders or on MLI's LICAT rati will be as indicated

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

Publicly Traded Equity Performance Risk Sensitivities and Exposure Measure

As outlined above, we have net exposure to equity risk through asset and liability mismatches; our variable annuity an segregated fund guarantee dynamic hedging strategy is not designed to completely offset the sensitivity of insurance contrac liabilities to all risks associated with the guarantees embedded in these products. The macro hedging strategy is designed t mitigate public equity risk arising from variable annuity and segregated fund guarantee not dynamically hedged, and from other unhedged exposures in our insurance contracts

Changes in public equity prices may impact other items including, but not limited to, asset-based fees earned on assets unde 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 immediat 10%, 20% and 30% change in market values of publicly traded equities on net income attributed to shareholders. CSM, other comprehensive income attributed to shareholders. and total comprehensive income attributed to shareholders. The potential impact is shown after taking into account the impact o the change in markets on the hedge assets. While we cannot reliably estimate the amount of the change in dynamically hedged variable annuity and segregated fund guarantee liabilities that will not be offset by the change in the dynamic hedg assets, we make certain assumptions for the purposes of estimating the impact on net income attributed t shareholders.

This estimate assumes that the performance of the dynamic hedging program would not completely offset the gain/loss fro the dynamically hedged variable annuity and segregated fund guarantee liabilities. It assumes that the hedge assets ar based on the actual position at the period end, and that equity hedges in the dynamic program offse 95% of the hedged variable annuity liability movement that occurs 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 ma underperform these estimates, particularly during periods of high realized volatility and/or periods where both interest rate and equity market movements are unfavourable. The method used for deriving sensitivity information and significan assumptions did not change from the previous period.

Changes in equity markets impact our available and required components of the LICAT ratio. The second set of tables show 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[1]

As at December 31, 2024	Net income attributed to shareholders					
($ millions)	-30%	-20%	-10%	+10%	+20%	+30%
Underlying sensitivity						
Variable annuity and segregated fund guarantees[2]	**$ (2,050)**	**$ (1,240)**	**$ (560)**	**$ 470**	**$ 860**	**$ 1,190**
General fund equity investments[3]	**(1,240)**	**(820)**	**(400)**	**390**	**780**	**1,180**
Total underlying sensitivity before hedging	**(3,290)**	**(2,060)**	**(960)**	**860**	**1,640**	**2,370**
Impact of macro and dynamic hedge assets[4]	**720**	**430**	**190**	**(150)**	**(260)**	**(360)**
Net potential impact on net income attributed to shareholders after impact of hedging and before impact of reinsurance	**(2,570)**	**(1,630)**	**(770)**	**710**	**1,380**	**2,010**
Impact of reinsurance	**1,320**	**810**	**370**	**(320)**	**(590)**	**(830)**
Net potential impact on net income attributed to shareholders after impact of hedging and reinsurance	**$ (1,250)**	**$ (820)**	**$ (400)**	**$ 390**	**$ 790**	**$ 1,180**

As at December 31, 2023	Net income attributed to shareholders					
($ millions)	-30%	-20%	-10%	+10%	+20%	+30%
Underlying sensitivity						
Variable annuity and segregated fund guarantees[2]	$ (2,370)	$ (1,460)	$ (670)	$ 550	$ 1,010	$ 1,390
General fund equity investments[3]	(1,170)	(770)	(390)	380	760	1,140
Total underlying sensitivity before hedging	(3,540)	(2,230)	(1,060)	930	1,770	2,530
Impact of macro and dynamic hedge assets[4]	880	530	240	(190)	(340)	(460)
Net potential impact on net income attributed to shareholders						

after impact of hedging and before impact of reinsurance	(2,660)	(1,700)	(820)	740	1,430	2,070
Impact of reinsurance	1,470	900	420	(350)	(650)	(910)
Net potential impact on net income attributed to shareholders after impact of hedging and reinsurance	$ (1,190)	$ (800)	$ (400)	$ 390	$ 780	$ 1,160

(1) See "Caution related to sensitivities" above.

(2) For variable annuity contracts measured under the variable fee approach ("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 .

(3) 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.

(4) Includes the impact of assumed rebalancing of equity hedges in the macro and dynamic hedging program. The impact of dynamic hedging 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 and 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 [1],[2],[3]

As at December 31, 2024

($ millions)	-30%	-20%	-10%	+10%	+20%	+30%
Variable annuity and segregated fund guarantees reported in CSM	**$ (3,420)**	**$ (2,110)**	**$ (970)**	**$ 840**	**$ 1,580**	**$ 2,250**
Impact of risk mitigation - hedging[4]	**940**	**560**	**250**	**(190)**	**(350)**	**(470)**
Impact of risk mitigation - reinsurance[4]	**1,670**	**1,020**	**470**	**(400)**	**(740)**	**(1,050)**
VA net of risk mitigation	**(810)**	**(530)**	**(250)**	**250**	**490**	**730**
General fund equity	**(1,140)**	**(740)**	**(370)**	**370**	**750**	**1,110**
Contractual service margin ($ millions, pre-tax)	**$ (1,950)**	**$ (1,270)**	**$ (620)**	**$ 620**	**$ 1,240**	**$ 1,840**
Other comprehensive income attributed to shareholders ($ millions, post-tax)[5]	**$ (840)**	**$ (560)**	**$ (280)**	**$ 270**	**$ 530**	**$ 790**
Total comprehensive income attributed to shareholders ($ millions, post-tax)	**$ (2,090)**	**$ (1,380)**	**$ (680)**	**$ 660**	**$ 1,320**	**$ 1,970**
MLI's LICAT ratio (change in percentage points)	**(1)**	**(1)**	**-**	**1**	**1**	**1**

As at December 31, 2023

($ millions)	-30%	-20%	-10%	+10%	+20%	+30%
Variable annuity and segregated fund guarantees reported in CSM	$ (3,810)	$ (2,370)	$ (1,100)	$ 940	$ 1,760	$ 2,470
Impact of risk mitigation - hedging[4]	1,150	700	310	(250)	(450)	(600)
Impact of risk mitigation - reinsurance[4]	1,850	1,140	530	(450)	(830)	(1,150)
VA net of risk mitigation	(810)	(530)	(260)	240	480	720
General fund equity	(940)	(610)	(300)	290	590	870
Contractual service margin ($ millions, pre-tax)	$ (1,750)	$ (1,140)	$ (560)	$ 530	$ 1,070	$ 1,590
Other comprehensive income attributed to shareholders ($ millions, post-tax)[5]	$ (730)	$ (490)	$ (240)	$ 230	$ 460	$ 680
Total comprehensive income attributed to shareholders ($ millions, post-tax)	$ (1,920)	$ (1,290)	$ (640)	$ 620	$ 1,240	$ 1,840
MLI's LICAT ratio (change in percentage points)	(3)	(2)	(1)	1	2	2

(1) See "Caution related to sensitivities" above.

(2) This estimate assumes that the performance of the dynamic hedging program would not completely offset the gain/loss from the dynamically hedged variable

annuity and segregated fund 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.

(3) 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.

(4) 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.

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

Interest Rate and Spread Risk Sensitivities and Exposure Measure

As at December 31, 2024, 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 shows the potential impacts from a 50 basis point parallel move in interest rates on CSM, 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 method used for deriving sensitivity information and significant assumptions did not change from the previous period.

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 at fair value through other comprehensive income 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 impact 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 rate 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, CSM 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" below). More information on ALDA can be found below in the "Alternative Long-Duration Asset Performance Risk Sensitivities and Exposure Measures" section.

The impact to the LICAT ratio from a change in interest rates reflects the impacts on total comprehensive income, the LICAT adjustments to earnings for the CSM, the surplus allowance and required capital components of the regulatory capital framework.

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 (1),(2),(3)

As at December 31, 2024	Interest rates		Corporate spreads		Swap spreads	
($ millions, post-tax except CSM)	-50bp	+50bp	-50bp	+50bp	-20bp	+20bp
CSM	**$ 100**	**$ (200)**	**$ -**	**$ (100)**	**$ -**	**$ -**
Net income attributed to shareholders	**100**	**(100)**	**100**	**(100)**	**100**	**(100)**
Other comprehensive income attributed to shareholders	**(100)**	**200**	**(200)**	**300**	**(100)**	**100**
Total comprehensive income attributed to shareholders	**-**	**100**	**(100)**	**200**	**-**	**-**

As at December 31, 2023	Interest rates		Corporate spreads		Swap spreads	
($ millions, post-tax except CSM)	-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)	300	(200)	300	(100)	100
Total comprehensive income attributed to shareholders	(200)	200	(200)	300	-	-

(1) See "Caution related to sensitivities" above.

(2) 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.

(3) 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.

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 [1],[2],[3],[4],[5]

As at December 31, 2024	Interest rates		Corporate spreads		Swap spreads	
(change in percentage points)	-50bp	+50bp	-50bp	+50bp	-20bp	+20bp
MLI's LICAT ratio	**-**	**-**	**(3)**	**3**	**-**	**-**

As at December 31, 2023	Interest rates		Corporate spreads		Swap spreads	
(change in percentage points)	-50bp	+50bp	-50bp	+50bp	-20bp	+20bp
MLI's LICAT ratio	-	-	(4)	4	-	-

(1) See "Caution related to sensitivities" above.
(2) 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.
(3) 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.
(4) LICAT impacts reflect the impact of anticipated scenario switches.
(5) 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.

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[1] based on current market inputs and the Company's Consolidated Statements of Financial Position.

With the current level of interest rates in 2024, the probability of a scenario switch that could materially impact our LICAT ratio is low[2]. Should the future interest rate movements differ from those presented above, a scenario switch, if applicable, may cause the impact to the LICAT ratio to be different from the disclosed values. 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.

Alternative Long-Duration Asset Performance Risk Sensitivities and Exposure Measures

The following table shows the potential impact on CSM, 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 method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

ALDA used in this sensitivity analysis includes commercial real estate, private equity, infrastructure, timber and agriculture, energy[3] and other investments.

The impacts do not reflect any future potential changes to non-fixed income return volatility. Refer to "Publicly traded equity performance risk sensitivities and exposure measures" above 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 [1]

As at	December 31, 2024		December 31, 2023	
($ millions, post-tax except CSM)	-10%	+10%	-10%	+10%
CSM excluding NCI	**$ (200)**	**$ 200**	$ (100)	$ 100
Net income attributed to shareholders[2]	**(2,500)**	**2,500**	(2,400)	2,400
Other comprehensive income attributed to shareholders	**(200)**	**200**	(200)	200
Total comprehensive income attributed to shareholders	**(2,700)**	**2,700**	(2,600)	2,600

(1) See "Caution related to sensitivities" above.
(2) 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 [1]

	December 31, 2024		December 31, 2023	
(change in percentage points)	-10%	+10%	-10%	+10%
MLI's LICAT ratio	**(1)**	**1**	(2)	2

(1) See "Caution Related to Sensitivities" above.

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. As at December 31, 2024, we did not have a material unmatched currency exposure.

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.

[1] LICAT geographic locations to determine the most adverse scenario include North America, the United Kingdom, Europe, Japan and Other Region.
[2] See "Caution regarding forward-looking statements" above.
[3] Energy includes legacy oil and gas equity interests related to upstream and midstream assets that are in runoff, and energy transition private equity interests in areas supportive of the transition to lower carbon forms of energy, such as wind, solar, and carbon sequestration.

Potential impact on core earnings of changes in foreign exchange rates[1]

As at December 31, ($ millions)	2024 +10% strengthening	2024 -10% weakening	2023 +10% strengthening	2023 -10% weakening
10% change in the Canadian dollar relative to the U.S. dollar and the Hong Kong dollar	**$ (450)**	**$ 450**	$ (390)	$ 390
10% change in the Canadian dollar relative to the Japanese yen	**(50)**	**50**	(40)	40

(1) 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.

Liquidity Risk Exposure Strategy

We manage liquidity levels of the consolidated group and key subsidiaries against established thresholds, which are based on extreme but plausible liquidity stress scenarios over varying time horizons.

Our use of derivatives for hedging purposes is a significant source of liquidity risk through collateral and cash settlement requirements for OTC bilateral and centrally cleared derivatives under adverse market conditions. To assess these potential liquidity needs, we regularly stress test the market value of our derivative portfolio under various stress scenarios and measure and monitor the contingent requirements against our liquid asset holdings. Additionally, we maintain a liquidity contingency plan with diverse sources of contingent liquidity that can be utilized under severe stress conditions.

Manulife Bank (the "Bank") has a stand-alone liquidity risk management framework. The framework includes daily monitoring of liquidity levels, liquidity forecasting and stress testing, and a liquidity contingency plan. The Bank maintains a unencumbered, high-quality liquidity buffer and has established a diversified funding program to meet its funding and liquidity requirements. The Bank's funding program includes retail demand deposits and GICs, wholesale term funding, and a well-established program to securitize residential mortgage assets. The Bank models extreme but plausible stress scenarios that demonstrate the Bank has sufficient liquid marketable securities and sufficient contingent liquidity to manage its requirements during periods of elevated market stress.

Similarly, Global WAM has a stand-alone liquidity risk management framework for the businesses managing assets or manufacturing investment products for third-party clients. We maintain fiduciary standards designed to ensure that client and regulatory expectations are met in relation to the liquidity risks taken within each investment. Additionally, we regularly monitor and review the liquidity of our investment products as part of our ongoing risk management practices.

Market & Liquidity Risk Factors

Our most significant source of publicly traded equity risk arises from equity-linked products with guarantees, where the guarantees are linked to the performance of the underlying funds.

- Publicly traded equity performance risk arises from a variety of sources, including guarantees associated with equity-linked investments such as variable annuity and segregated fund products, general fund investments in publicly traded equities and mutual funds backing general fund product liabilities
- Market conditions resulting in reductions in the asset value we manage have an adverse effect on the revenues and profitability of our investment management business, which depends on fees related primarily to the values of assets under management and administration
- Guaranteed benefits of variable annuity and segregated funds are contingent and payable upon death, maturity, permitted withdrawal or annuitization. If equity markets decline or even if they increase by an amount lower than the risk-free rate plus an adjustment for product illiquidity assumed in our actuarial valuation, additional liabilities may need to be established to cover the contingent liabilities, resulting in reductions that could impact net income attributed to shareholders, the contractual service margin, and regulatory capital ratios. Further, if equity markets do not recover to the amount of the guarantees, by the dates the liabilities are due, the accrued liabilities will need to be paid out in cash. In addition, sustained flat or declining public equity markets would likely reduce asset-based fee revenues related to variable annuities and segregated funds with guarantees, unit linked products, and other wealth and insurance products.
- Where publicly traded equity investments are used to support general fund product liabilities, adverse public equity returns and associated impacts to insurance contract liabilities from certain product features such as universal life minimum crediting rate guarantees, or participating product zero dividend floor implicit guarantees, could result in a reduction to the contractual services margin or total comprehensive income.

We experience interest rate and spread risk within the general fund primarily due to differences in how our asset and liabilities respond to changes in these variables.

- Interest rate and spread risk arises from differences in the movements of our assets and liabilities due to changes in these variables. For our assets, changes in value from movements in interest rates and spreads would vary by asset and would be impacted by factors such as duration and credit rating. For insurance contract liabilities, which are discounted using risk-free yields adjusted by an illiquidity premium, changes in the value would be impacted by factors such as the duration of the liability, and the spread exposure through the illiquidity premium. To the extent that there are mismatches

between the assets and liabilities such as through differences in duration, or differences in spread exposure, interest rat or spread movements could result in a reduction in the contractual service margin or total comprehensive income

- The Company's disclosed estimated impact from interest rate movements reflects a parallel increase and decrease i interest rates of specific amounts. The impact from non-parallel movements may be different from the estimated impac of parallel movements. For further information on interest rate scenarios refer to "Interest Rate and Spread Ris Sensitivities and Exposure Measures".

We experience ALDA performance risk from the risk of low returns, including lower valuation s.

- ALDA performance risk arises from general fund investments in directly-owned real estate, timber properties, farmlan properties, infrastructure, private equities, and energy assets
- Difficult economic conditions could result in higher vacancy, lower rental rates, and lower demand for real estat investments, all of which would adversely impact the value of our diversified real estate investments. Continual advance in the digitization of work and the transformation of physical retail may have further negative impact to our commercia real estate investments. Difficult economic conditions could also prevent companies in which we have made privat equity investments from achieving their business plans and could cause the value of these investments to fall, or eve cause the companies to fail. Sustained declines in valuation multiples in the public equity market would also likely caus values to decline in our private equity portfolio. The timing and amount of investment income from private equit investments is difficult to predict, and investment income from these investments can vary from quarter to quarte
- Our timberland and farmland holdings are exposed to natural risks, such as prolonged drought, wildfires, insects windstorms, flooding, and climate change. We are generally not insured for these types of risks but seek to proactivel mitigate their impact through portfolio diversification and prudent operating practices
- The value of energy assets, including oil and gas, could be adversely affected by declines in energy prices as well as b a number of other factors including production declines, difficult economic conditions, changes in consumer preference to transition to a low-carbon economy, and geopolitical events. Changes in government regulation, includin environmental regulation, such as carbon taxes, could also adversely affect the value of our investments in energ assets.
- Higher interest rates, in combination with uncertain economic environments, could precipitate higher ALDA discount rate as buyers demand higher current returns to invest in ALDA. Since ALDA cash flows may, to some degree, be fixed in th near to medium term, some ALDA values may initially decline in order for the asset returns to meet the desired highe discount rates in future periods, resulting in lowered current portfolio returns
- The negative impact of changes in market or economic factors can take time to be fully reflected in the valuations private investments, including ALDA, especially if the change is large and rapid, as market participants endeavor to adjust their forecasts and better understand the potential medium to long-term impact of such changes. As a result valuation changes in any given period may reflect the delayed impact of events that occurred in prior periods. Our re estate valuations are based on external appraisals and these appraisals may lag behind current market transaction
- We rely on a diversified portfolio of ALDA to generate relatively stable investment returns. Diversification benefits may b reduced at times, especially during a period of economic stress, which would adversely affect portfolio return s.

We experience foreign exchange risk as a substantial portion of our business is transacted in currencies other tha Canadian dollars.

- Our financial results are reported in Canadian dollars. A substantial portion of our business is transacted in currencie other than Canadian dollars, mainly U.S. dollars, Hong Kong dollars and Japanese yen. If the Canadian dolla strengthens relative to these currencies, net income attributed to shareholders would decline and our reporte shareholders' equity would decline. A weakening of the Canadian dollar against the foreign currencies in which we d business would have the opposite effect and would increase net income attributed to shareholders and shareholder equity.

The Company's hedging strategies will not fully reduce the market risks related to the product guarantees and fee being hedged, hedging costs may increase and the hedging strategies expose the Company to additional risks.

- Our hedging strategies rely on the execution of derivative transactions in a timely manner. Market conditions can limi availability of hedging instruments, requiring us to post additional collateral, and can further increase the costs o executing derivative transactions. Therefore, hedging costs and the effectiveness of the strategy may be negativel impacted if markets for these instruments become illiquid. The Company is subject to the risk of increased funding an collateral demands which may become significant as equity markets and interest rates increase
- The Company is also subject to counterparty risks arising from the derivative instruments and to the risk of increase funding and collateral demands which may become significant as equity markets and interest rates increase. Th strategies are highly dependent on complex systems and mathematical models that are subject to error and rely o forward-looking long-term assumptions that may prove inaccurate, and which rely on sophisticated infrastructure an personnel which may fail or be unavailable at critical times. Due to the complexity of the strategies, there may b additional unidentified risks that may negatively impact our business and future financial results. In addition, rising equit markets and interest rates that would otherwise result in profits on variable annuities and segregated funds will be offs by losses from our hedging positions. For further information pertaining to counterparty risks, refer to the risk factor "If a counterparty fails to fulfill its obligations, we may be exposed to risks we had sought to mitigate .

- Under certain market conditions, which include a sustained increase in realized equity and interest rate volatilities, decline in interest rates, or an increase in the correlation between equity returns and interest rate declines, the costs of hedging the benefit guarantees provided in variable annuities and segregated funds may increase or becom uneconomic. In addition, there can be no assurance that our dynamic hedging strategy will fully offset the risks arisin from the variable annuities and segregated funds being hedged
- The level of guarantee claims returns or other benefits ultimately paid will be impacted by policyholder longevity an policyholder behaviour including the timing and amount of withdrawals, lapses, fund transfers, and contributions. Th sensitivity of liability values to equity market and interest rate movements that we hedge are based on long-ter expectations for longevity and policyholder behaviour since the impact of actual policyholder longevity and policyholde behaviour variances cannot be hedged using capital markets instruments. The efficiency of our market risk hedging i

directly affected by accuracy of the assumptions related to policyholder longevity and policyholder behaviour

- Policy liabilities for variable annuity guarantees are determined using long-term forward-looking estimates of volatilities. These long-term forward-looking volatilities assumed for policy liabilities meet the Canadian Institute of Actuaries calibration standards. To the extent that realized equity or interest rate volatilities in any quarter exceed the assume long-term volatilities, or correlations between interest rate changes and equity returns are higher, there is a risk tha rebalancing will be greater and more frequent, resulting in higher hedging cost

Prolonged changes in market interest rates may impact our net income attributed to shareholders and capital ratio

- A prolonged low or negative (nominal or real) interest rate environment may result in lower net investment results and decrease in new business CSM until products are repositioned for the lower rate environment. Other potentia consequences of low interest rates include
  - Negative impact on sales and reduced new business profitabilit
  - Increased cost of hedging and as a result, the offering of guarantees could become uneconomic
  - Reinvestment of cash flows into low yielding bonds could result in lower future earnings due to lower returns o surplus and general fund assets supporting in-force liabilities, and due to guarantees embedded in product including minimum guaranteed rates in participating and adjustable products
  - Negative impacts to other macroeconomic factors including unfavourable economic growth and lower returns o other asset classes
  - Potential impairments of goodwill
  - Lower expected earnings on in-force policies
  - Potential risk of lowering the ultimate spot rate within our discount rates that would increase our liabilities;
  - A switch in the prescribed interest stress scenario that impacts LICAT capital. See “LICAT Scenario Switch” abov and
  - Reduced ability of MFC’s insurance subsidiaries to pay dividends to MFC
- While higher interest rates are generally good for our business, there are some associated risks. A rapid rise in intere rate or a prolonged high-rate environment may result in material changes in policyholder behaviour such as highe surrenders, withdrawals, changes in fund contributions or fund transfers. Other potential consequences of a rapid rise i or prolonged high interest rates include
  - Decrease in value of existing fixed income assets supporting general account surplus and liabilities, including th employee benefit plans
  - Losses attributable to early liquidation of fixed income instruments supporting contractual surrender benefits;
  - Decline in value of some of our ALDA investments, particularly those with fixed contractual cash flows such as lon leased real estate and certain infrastructure investments
  - Increase in collateral demands, especially for our interest rate hedging book which incurs market-to-market losses i n a rising rate environment;
  - Adverse effect on the local solvency ratio for some countries in which we operat
  - A switch in the prescribed interest stress scenario that impacts LICAT capital. See “LICAT Scenario Switch” abov
  - Shift in new sales mix from competitive pressure on wealth products that are less attractive on a yield basis
  - Increase in funding costs on repurchase agreements (i.e., repo transactions); an
  - Increase in borrowing costs as we refinance our debt.

While we have successfully transitioned our exposure to decommissioned IBORs according to our transition plan, the ongoing global interest rate benchmark reform may pose risk

- Various interest rate benchmarks, including Interbank Offered Rates (IBORs) such as London Interbank Offered Rat (LIBOR) and Canadian Dollar Offered Rate (CDOR) have been the subject of international regulatory guidance an proposals for reform. Regulators in various jurisdictions have pushed for the transition of IBORs to alternative referenc rates based on risk-free rates. Manulife holds different types of instruments, including derivatives, bonds, loans, an other floating rate instruments that referenced IBORs. Changes from IBORs to alternative reference rates that hav different characteristics compared to IBORs may affect the valuation of our existing interest rate linked and derivative securities we hold, the effectiveness of those derivatives in mitigating our risks, securities we have issued, or othe assets, liabilities and other contractual rights, and obligations whose value is tied to IBORs or to IBOR alternatives. T ensure a timely transition to alternative reference rates, Manulife established an enterprise-wide program and

governance structure across functions to identify, measure, monitor, and manage financial and non-financial risks o transition. Manulife’s enterprise-wide program focused on quantifying our exposures to various IBORs, evaluating contract fallback language, contract remediation, risk management, assessing accounting and tax implications, and ensuring operational readiness for IT systems, models, processes, and controls. The interest rate benchmark reform ha not resulted in material changes in the Company’s risk management strategy.

- Further to previous announcements by various regulators, the publication of GBP, EUR, CHF and JPY LIBOR settings, as well as one-week and two-month USD LIBOR settings was discontinued on December 31, 2021. The publication o the remaining USD LIBOR tenors (overnight and one, three, six and twelve-month USD LIBOR) was discontinued o June 30, 2023. We have successfully transitioned our exposures to the LIBOR rates that were decommissioned o December 31, 2021 and June 30, 2023
- In December 2021, the Canadian Alternative Reference Rate (CARR) working group recommended that th administrator of CDOR, Refinitiv Benchmark Services (UK) Limited (RBSL), cease publication of CDOR after the end o June 2024. On May 16, 2022, RBS announced that the calculation and publication of all tenors of CDOR wil permanently cease immediately following a final publication on June 28, 2024. Further to the confirmation of CDOR’s cessation date, OSFI expected all new derivative contracts and securities to transition to alternative reference rates by June 30, 2023, with no new CDOR exposure being booked after that date, with limited exceptions. OSFI also expecte Federally Regulated Financial Institutions (FRFIs) to transition all loan agreements referencing CDOR by June 28, 2024 including prioritizing system and model updates to accommodate the use of Canadian Overnight Repo Rate Averag (CORRA), the alternative reference rate to which CDOR is expected to transition, or any alternative reference rates, as necessary. In July 2023, CARR announced that there should be no new CDOR or Banker’s Acceptance (BA) loans afte November 1, 2023 to facilitate a tapered transition for the loan market. In October 2023, Bank of Canada announced that

Bankers' Acceptances will no longer be issued by major Canadian banks after June 28, 2024. In April 2024, RBS reaffirmed that all three tenors of CDOR will cease to be published after June 28, 2024 and CARR further announced that no synthetic CDOR rate will be made available after CDOR's cessation. Manulife incorporated these development in its project plan to align with updated timelines and ensure an orderly transitio As of Decembe 31, 2024, we have successfully addressed our exposures to CDOR, in accordance with our transition plan

Liquidity risk is impacted by various factors, including but not limited to, capital and credit market conditions, repricing risk on letters of credit, collateral pledging obligations, and reliance on deposits sensitive to confidence or broad macroeconomic factors

- Adverse market conditions may significantly affect our liquidity risk
  - Reduced asset liquidity may restrict our ability to sell certain types of assets for cash without taking significan losses. If providers of credit preserve their capital, our access to borrowing from banks and others or access to oth types of credit, such as letters of credit, may be reduced. If investors have a negative perception of ou creditworthiness, this may reduce access to the debt capital markets or increase borrowing costs.
  - Liquid assets are required to pledge as collateral and to cover cash settlements for variation margin to suppor activities such as the use of derivatives for hedging purposes.
  - The principal sources of our liquidity are cash, insurance and annuity premiums, fee income earned on AUM, cas flow from our investment portfolios, and our assets that are readily convertible into cash, including money marke securities. The issuance of long-term debt, common and preferred shares, and other capital securities may also increase our available liquid assets or be required to replace certain maturing or callable liabilities. In the event w seek additional financing, the availability and terms of such financing will depend on a variety of factors includin market conditions, the availability of credit to the financial services industry, our credit ratings and credit capacity, a well as the possibility that customers, lenders, or investors could develop a negative perception of our long-term or short-term financial prospects if we incur large financial losses or if the level of our business activity decreases du to a significant market downturn.
- Increased cleared derivative transactions, combined with margin rules on non-cleared derivatives, could adversel impact our liquidity risk
  - Over time our existing over-the-counter derivatives will migrate to clearing houses, or the Company and it counterparties may have the right to cancel derivative contracts after specific dates or in certain situations such as ratings downgrade, which could accelerate the transition to clearing houses. Cleared derivatives are subject to bot initial and variation margin requirements, and a more restrictive set of eligible collateral than non-cleared derivative
  - In addition, initial margin rules for new non-cleared derivatives further increase our liquidity need s.
- We are exposed to repricing risk on letters of credit
  - In the normal course of business, third-party banks issue letters of credit on our behalf. In lieu of posting collateral our businesses utilize letters of credit for which third parties are the beneficiaries, as well as for affiliate reinsuranc transactions between subsidiaries of MFC. Letters of credit and letters of credit facilities must be renewe periodically. At time of renewal, the Company is exposed to repricing risk and under adverse conditions, increases i costs may be realized. In the most extreme scenarios, letters of credit capacity could become constrained due t non-renewals which would restrict our flexibility to manage capital. This could negatively impact our ability to mee local capital requirements or our sales of products in jurisdictions in which our operating companies have bee affected. As at December 31, 2024, letters of credit for which third parties are beneficiaries, in the amount $271 million, were outstanding 2023 – $466 million). There were no assets pledged against these outstanding letters of credit as at December 31, 2024.
- Our obligations to pledge collateral or make payments related to declines in value of specified assets may adversel affect our liquidity.
  - In the normal course of business, we are obligated to pledge assets to comply with jurisdictional regulatory and othe requirements including collateral pledged in relation to derivative contracts and assets held as collateral fo repurchase funding agreements. The amount of collateral we may be required to post under these agreements, an the payments we are required to make to our counterparties, may increase under certain circumstances, including sustained or continued decline in the value of our derivative contracts. Such additional collateral requirements an payments could have an adverse effect on our liquidity. As a December 31, 2024, total pledged assets were $26,272 millio , compared with $21,108 millio as at December 31, 2023.
- Our bank subsidiary relies on deposits sensitive to confidence as well as macroeconomic conditions
  - The Bank is a wholly owned subsidiary of our Canadian life insurance operating company, MLI. Retail deposits are significant part of the funding base of the Bank. A real or perceived problem with the Bank or its parent compan could result in a loss of confidence in the Bank's ability to meet its obligations, which in turn may trigger a significan withdrawal of deposit funds. Depositors are protected through the Bank's membership in the Canada Deposit Insurance Corporation (CDIC) which insures demand deposits up to $100,000 per eligible depositor. Insure demand deposits are less susceptible to runoff and a significant proportion of the Bank's deposits are CDIC insured The Bank also protects depositors through mitigation strategies outlined in the Bank's liquidity contingency plan an the Bank may elect to sell or securitize assets with third parties to increase liquidity. The Bank may consider the us of Bank of Canada facilities to generate short term liquidity to pay depositors; however, access to these facilities is a the sole discretion of the Bank of Canada

Credit & Investment Risk

Credit risk is the risk of loss due to the inability or unwillingness of a borrower or counterparty to fulfill its payment obligation Investment risk, such as those pertaining to market fluctuations (e.g., interest rates, foreign exchange) or operatin performance, that can affect both fixed income and ALDA valuations, are covered under the Market & Liquidity section above

Credit Risk Management Strateg

Credit risk is governed by the Credit Committee which oversees the overall credit risk management program. The Company has established objectives for overall quality and diversification of our general fund investment portfolio and criteria for th

selection of counterparties, including derivative counterparties, reinsurers, and insurance providers. Our policies establis
exposure limits by borrower, corporate connection, quality rating, industry, and geographic region, and govern the usage o
credit derivatives. Corporate connection limits vary according to risk rating. Our general fund fixed income investments ar
primarily public and private investment grade bonds and commercial mortgages. We have a program for selling Credit Defaul
Swaps ("CDS") that employs a highly selective, diversified, and conservative approach. CDS decisions follow the sam
underwriting standards as our cash bond portfolio. Our credit granting units follow a defined evaluation process that provide
an objective assessment of credit proposals. We assign a risk rating, based on a standardized 22-point scale consistent wit
those of external rating agencies, following a detailed examination of the borrower that includes a review of business strategy
market competitiveness, industry trends, financial strength, access to funds, and other risks facing the counterparty. W
assess and update risk ratings regularly. For additional input to the process, we also assess credit risks using a variety
industry standard market-based tools and metrics. We map our risk ratings to pre-established probabilities of default and los
given defaults, based on historical industry and Company experience, and to resulting default cost
s.

We establish delegated credit approval authorities and make credit decisions on a case-by-case basis at a management lev
appropriate to the size and risk level of the transaction, based on the delegated authorities that vary according to risk rating
Major credit decisions are approved by the Credit Committee and the largest decisions are approved by the CEO and, i
certain cases, by the Board
.

We limit the types of authorized derivatives and applications and require pre-approval of all derivative application strategie
and regular monitoring of the effectiveness of derivative strategies. Derivative counterparty exposure limits are establishe
based on a minimum acceptable counterparty credit rating (generally A- from internationally recognized rating agencies). W
measure both bilateral and exchange-traded derivative counterparty exposure as net potential credit exposure. Th
measurement takes into consideration the replacement cost, which reflects mark-to-market values of the exposure adjuste
for the effects of net collateral, and the potential future exposure, which reflects the potential increase in exposure until th
closure or replacement of the transactions. Reinsurance counterparty exposure is measured reflecting the level of ceded
liabilities on a best estimate basis net of collateral held. The creditworthiness of all reinsurance counterparties is reviewe
internally on a regular basis
.

Regular reviews of credits within the various portfolios are undertaken with the goal of prompt identification of changes t
credit quality and, where appropriate, taking corrective action
.

We establish Expected Credit Loss ("ECL") allowances for investments in debt instruments which are measured at FVOCI o
amortized cost. On an ongoing basis, these ECL allowances are monitored and adjusted for changes in credit quality an
d

conditions. Credit risk arising from reinsurance counterparties is included in the valuation models of reinsurance contract
assets. There is no assurance that the ECL allowances or valuation results will be adequate to cover future potential losse
s.

Our credit policies, procedures and investment strategies are established under a strong governance framework and ar
designed to ensure that risks are identified, measured, and monitored consistent with our risk appetite. We seek to activel
manage credit exposure in our investment portfolio to reduce risk and minimize losses, and derivative counterparty exposur
is managed proactively. However, we could experience volatility on a quarterly basis and losses could potentially rise as a
result.

Credit Risk Exposure Measure

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

We measure ECL allowances using a three-stage approach. We recognize ECL on performing financial instruments that hav
not experienced significant increases in credit risk since acquisition to the extent of losses expected to result from default
occurring within 12 months of the reporting date (Stage 1). Full lifetime ECLs are recognized for financial instrument
experiencing significant increase in credit risk since acquisition or having become 30 days in arrears in principal or intere
payments (Stage 2). Full lifetime ECLs are also recognized for financial instruments which have become credit-impaire
(Stage 3), with a probability of default set at 100%. Interest income on Stage 3 financial instruments is determined based o
the carrying amount of the asset, net of any credit loss allowance
.

For more information on our ECL allowances, refer to notes 1 and 8 of th 2024 Annual Consolidated Financial Financial Statements
e .

Credit & Investment Risk Factor
s

**Borrower or counterparty defaults or downgrades could adversely impact our earning
s.**

- Worsening regional and global economic conditions could result in borrower or counterparty defaults or downgrades an
could lead to increased allowances or impairments related to our general fund invested assets and derivative financia
instruments, and an increase in the credit risk factored into modeling of our reinsurance contract assets and insuranc
contract liabilities.
- Our invested assets subject to credit risk primarily include investment grade bonds, private placements, commercia
mortgages, asset-backed securities, and consumer loans. These assets are generally carried at FVOCI, and as a result,
changes in the required ECL allowance would be recorded in the provision for credit losses in the Consolidate
Statements of Income. The return cash inflow assumptions incorporated in actuarial liabilities include an expected leve
of future asset impairments. There is a risk that actual impairments will exceed the assumed level of impairments in the
future and earnings could be adversely impacted
.
- Volatility may arise from defaults and downgrade charges on our invested assets, and as a result, losses coul
potentially rise above long-term expected levels. The ECL impairment allowance wa $828 million, representing 0.19% of
total general fund invested assets as at December 31, 2024, compared wit $929 million, representing 0.22% of total
general fund invested assets as at December 31, 2023
h .

If a counterparty fails to fulfill its obligations, we may be exposed to risks we had sought to mitigate.

- The Company uses derivative financial instruments to mitigate exposures to public equity, foreign currency, interest rat

and other market risks arising from on-balance sheet financial instruments, guarantees related to variable annuit products, selected anticipated transactions and certain other guarantees. The Company may be exposed to counterpart risk if a counterparty fails to pay amounts owed to us or otherwise perform its obligations to us. Counterparty ris increases during economic downturns because the probability of default increases for most counterparties. If any o these counterparties default, we may not be able to recover the amounts due from that counterparty. As a December 31, 2024, the largest single counterparty exposure, without taking into account the impact of master netting agreements o the benefit of collateral held, was $1,319 million (2023 – $1,357 million). The net exposure to this counterparty, after taking into account master netting agreements and the fair value of collateral held, wa $nil (2023 – $nil). As at December 31, 2024, the total maximum credit exposure related to derivatives across all counterparties, without takin into account the impact of master netting agreements and the benefit of collateral held, wa $9,048 million (2023 – $9,044 million) compared with $429 million after taking into account master netting agreements and the benefit of fai value of collateral held 2023 – $154 million). The exposure to any counterparty would grow if, upon the counterparty' default, markets moved such that our derivatives with that counterparty gain in value. Until we are able to replace thos derivatives with another counterparty, the gain on the derivatives subsequent to the counterparty's default would not b backed by collateral.

- The Company reinsures a portion of the insurance policies it sells, which also includes the use of reinsurance to sel blocks of business to third party purchasers. Unless the policies are novated to the reinsurer, the Company remain directly liable to policyholders to fulfill obligations under these policies. The Company is reimbursed by the reinsurer fo payments made to policyholders on the reinsured policies. To mitigate credit risk to the reinsurer, the Company ma require reinsurers to provide collateral for their reinsurance obligations. In the event that a reinsurer fails to fulfill it

contractual obligations to the Company under the reinsurance contract, a proportional decrease to the value of th reinsurance asset would be acknowledged with a consequent negative impact to any net income attributed t shareholders and capital position. Such negative impact would be offset to the extent the amount of collateral provide by the reinsurer is sufficient to cover the reinsurer's obligations

- We participate in a securities lending program whereby blocks of securities are loaned to third parties, primarily majo brokerage firms and commercial banks. Collateral, which exceeds the market value of the loaned securities, is retaine by the Company until the underlying security has been returned. If any of our securities lending counterparties defaul and the value of the collateral is insufficient, we would incur losses. As a December 31, 2024, the Company had loaned securities (which are included in invested assets) valued at approximately $1,021 million, compared with $626 million as at December 31, 2023.

The determination of loss allowances and impairments on our investments is subjective and changes could materially impact our results of operations or financial position.

- The determination of impairment losses on debt investments measured at FVOCI or amortized cost is based upon th ECL model which is applied quarterly. ECL allowances are measured under four probability-weighted macroeconomic scenarios and are estimated as the differences between all contractual cash flows due in accordance with the contrac and all the cash flows that we expect to receive, discounted at the original effective interest rates of the contracts. Thi process includes consideration of past events, current market conditions, and reasonable and supportable informatio about future economic conditions. Forward-looking macroeconomic variables used within the estimation models represent variables that are the most closely related with credit loss expectations for the relevant issuanc
- The estimation and measurement of ECL impairment losses requires significant judgment. These estimates are driven b many elements, changes in which can result in different levels of allowances. Elements include the estimation of th amount and timing of future cash flows, our criteria for assessing if there has been a significant increase in credit ris ("SICR"), the selection of forward-looking macroeconomic scenarios and their probability weights, the application o expert credit judgment in the development of the models, inputs and, when applicable, overlay adjustments. It is ou process to regularly review our models in the context of actual loss experience and adjust when necessary. We hav implemented formal policies, procedures, and controls over all significant impairment processe
- Such evaluations and assessments are revised as conditions change and new information becomes available. W update our evaluations regularly and reflect changes in allowances and impairments as such evaluations warrant. Th evaluations are inherently subjective and incorporate only those risk factors known to us at the time the evaluation i made. There can be no assurance that management has accurately assessed the level of impairments that hav occurred. Additional impairments will likely need to be taken or allowances provided for in the future as conditions evolve Historical trends may not be indicative of future impairments or allowances

Product & Insurance Risk

We make a variety of assumptions related to the expected future level of claims, policyholder behaviour, expenses reinsurance costs and sales levels when we design and price products, and when we establish insurance and investmen contract liabilities. Product & Insurance risk is the risk of failure to design, implement and maintain a product or service t achieve these expected outcomes, and the risk of loss due to actual experience emerging differently than assumed when product was designed and priced. Assumptions for future claims are generally based on both Company and industr experience, and assumptions for future policyholder behaviour and expenses are generally based on Company experience Assumptions for future policyholder behaviour include assumptions related to the retention rates for insurance and wealth products. Assumptions for expenses include assumptions related to future maintenance expense levels and volume of th business.

Product & Insurance Risk Management Strategy

Product & Insurance risk is governed by the Product Oversight Committee for the insurance business. Global WAM product risk is managed by First Line Local/Regional Product Committees and the Global Investment Product Committee. Notable product which could introduce new and material risks are reviewed and approved by the Global WAM Risk Committee prior to launch

Product Oversight Committee

The Product Oversight Committee oversees the overall insurance risk management program. The Product Oversigh Committee has established a broad framework for managing insurance risk under a set of policies, standards, and guidelines designed to ensure that our product offerings align with our risk taking philosophy and risk limits, and achieve acceptabl profit margins. These cover

- product design feature
- use of reinsurance
- pricing models and software
- internal risk based capital allocations
- target profit objectives
- pricing methods and assumption setting
- stochastic and stress scenario testing
- required documentation
- review and approval processes
- experience monitoring programs

In each business unit that sells insurance, we designate individual pricing officers who are accountable for pricing activities, chief underwriters who are accountable for underwriting activities, and chief claims risk managers who are accountable for claims activities. Both the pricing officer and the general manager of each business unit approve the design and pricing of each product, including key claims, policyholder behaviour, investment return and expense assumptions, in accordance with global policies and standards. Risk management functions provide additional oversight, review and approval of material product and pricing initiatives, as well as material underwriting initiatives. Actuarial functions provide oversight review and approval of insurance and investment contract liability valuation methods and assumptions. In addition, both risk and actuarial functions review and approve new reinsurance arrangements. We perform annual risk and compliance self-assessments of the product development, pricing, underwriting and claims activities of all insurance businesses. To leverage best practices we facilitate knowledge transfer between staff working with similar businesses in different geographies.

We utilize an internally developed global underwriting manual, supplemented with reinsurers' manuals in certain jurisdictions and for certain coverages. This is intended to ensure insurance underwriting practices for direct written life business are consistent across the organization while reflecting local conditions. Each business unit establishes underwriting policies and procedures, including criteria for approval of risks and claims adjudication policies and procedures.

We apply retention limits per insured life that are intended to reduce our exposure to individual large claims which are monitored in each business unit. These retention limits vary by market and jurisdiction. We reinsure exposure in excess of these limits with other companies (see "Risk Management and Risk Factors – Product & Insurance Risk Factors – External market conditions determine the availability, terms and cost of reinsurance protection" below). Our current global life retention limit is US $40 million for individual policies (US $45 million for survivorship life policies) and is shared across businesses. We apply lower limits in some markets and jurisdictions. We aim to further reduce exposure to claims concentrations by applying geographical aggregate retention limits for certain covers. Enterprise-wide, we aim to reduce the likelihood of high aggregate claims by operating globally, insuring a wide range of unrelated risk events, and reinsuring some risks. We seek to actively manage the Company's aggregate exposure to each of policyholder behaviour risk and claims risk against enterprise-wide economic capital limits. Policyholder behaviour risk limits cover the combined risk arising from policy lapses and surrenders, withdrawals, and other policyholder driven activity. The claims risk limits cover the combined risk arising from mortality, longevity, and morbidity.

Internal experience studies, as well as trends in our experience and that of the industry, are monitored to update current and projected claims and policyholder behaviour assumptions, resulting in updates to insurance contract liabilities as appropriate.

Global WAM Risk Management Committee

Global WAM product risk is managed by First Line Local/Regional Product Committees and the Global Investment Product Committee. The Global WAM Risk Management Committee reviews and approves notable new products prior to launch. The Global WAM Risk Management Committee has established a framework for managing risk intended to ensure that notable product offerings align with Global WAM risk taking philosophy and risk appetite.

Product & Insurance Risk Factors

Losses may result should actual experience be materially different than that assumed in the valuation of insurance contract liabilities.

- Such losses could have a significant adverse effect on our results of operations and financial condition. In addition, we periodically review the assumptions we make in determining our insurance contract liabilities and the review may result in an increase in insurance contract liabilities and a decrease in net income attributed to shareholders. Such assumptions require significant professional judgment, and actual experience may be materially different than the assumptions we make. (See "Critical Actuarial and Accounting Policies" below)
- Policyholder behaviour including premium payment patterns, policy renewals, lapse rates and withdrawal, and surrender activity are influenced by many factors including market and general economic conditions, and the availability and relative attractiveness of other products in the marketplace. For example, a weak or declining economic environment could increase the value of guarantees associated with variable annuities or other embedded guarantees and contribute to adverse policyholder behaviour experience, or a rapid rise in interest rates could increase the attractiveness of alternatives for customers holding products that offer contractual surrender benefits that are not market value adjusted which could also contribute to adverse policyholder behaviour experience. If premium persistency or lapse rates are significantly different from our expectations, it could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

We may be unable to implement necessary price increases on our in-force businesses or may face delays in implementation.

- We continue to seek state regulatory approvals for price increases on existing long-term care business in the United States. We cannot be certain whether or when each approval will be granted. For some in-force business, regulatory approval for price increases may not be required. However, regulators or policyholders may nonetheless seek to challenge our authority to implement such increases. Our insurance contract liabilities reflect our estimates of the impact of these price increases, but should we be less successful than anticipated in obtaining them, then insurance contract liabilities could increase accordingly and reduce net income attributed to shareholders.

Evolving legislation related to genetic testing could adversely impact our underwriting abilities.

- Current or future legislation in jurisdictions where Manulife operates may restrict its right to underwrite based on acces to genetic test results. Without the obligation of disclosure, the asymmetry of information shared between applicant an insurer could increase anti-selection in both new business and in-force policyholder behaviour. The impact of restrictin insurers' access to this information and the associated problems of anti-selection becomes more acute where geneti technology leads to advancements in diagnosis of life-threatening conditions that are not matched by improvements i treatment. We cannot predict the potential financial impact that this would have on the Company or the industry as whole. In addition, there may be further unforeseen implications as genetic testing continues to evolve and become more established in mainstream medical practice.

Evolving AI models could adversely impact our underwriting and claims abilities.

- The rapid growth and availability of AI and generative AI technologies presents significant opportunities to enhanc underwriting and claims activities, together with certain risks and challenges. AI models have been implemented in som geographies to enhance underwriting and claims processes that could have unknown risks that materially impac experience.
- Future legislation may restrict certain usage of AI models or data that feed into the AI models, which could adversel impact our underwriting and claims abilities.

Life and health insurance claims may be impacted unexpectedly by changes in the prevalence of diseases o illnesses, medical and technology advances, widespread lifestyle changes, natural disasters, large-scale human made disasters and acts of terrorism.

- Claims resulting from catastrophic events could cause substantial volatility in our financial results in any period and coul materially reduce our profitability or harm our financial condition. Large-scale catastrophic events may also reduce th overall level of economic activity, which could hurt our business and our ability to write new business. It is possible tha geographic concentration of insured individuals could increase the severity of claims we receive from future catastrophi events. The effectiveness of external parties, including governmental and non-governmental organizations, in combating the severity of such an event is outside of our control and could have a material impact on the losses we experienc Additionally, catastrophic events could harm our reinsurers' financial condition, resulting in reinsurance defaults.
- The cost of health insurance benefits may be impacted by unforeseen trends in the incidence, termination and severit rates of claims. The ultimate level of lifetime benefits paid to policyholders may be increased by an unexpected increas in life expectancy. For example, advances in technology could lead to longer lives through better medical treatment o better disease prevention. As well, adverse claims experience could result from systematic anti-selection, which could arise from anti-selective lapse behaviour, underwriting process failures, anti-selective policyholder behaviour due to greater consumer accessibility to home-based medical screening, or other factors.

External market conditions determine the availability, terms and cost of reinsurance protection which could impact our financial position and our ability to write new policies.

- As part of our overall risk and capital management strategy, we purchase reinsurance protection on certain risk underwritten or assumed by our various insurance businesses. As the global reinsurance industry continues to revie their business models, certain of our reinsurers have attempted to increase rates on our existing reinsuranc contracts. The ability of our reinsurers to increase rates depends upon the terms of each reinsurance contract. Typically a reinsurer's ability to raise rates is restricted by terms in our reinsurance contracts, which we seek to enforce. Over th past several years, we have received rate increase requests from some of our reinsurers. Thus far, dealing with thos requests has not had a material adverse effect on our results of operation or financial condition. Consistent with pas practice, we dispute requested increases and, if necessary, we can pursue legal action in order to protect our contractu rights. While possible outcomes remain unknown and there can be no assurance that the outcome of any one or more these disputes would not have a material adverse effect on our results of operation or financial condition for a particula reporting period, we believe that our reserves, inclusive of reinsurance provisions, are appropriate overal.
- In addition, an increase in the cost of reinsurance could also adversely affect our ability to write future new business o result in the assumption of more risk with respect to policies we issue. Premium rates charged on new policies we writ are based, in part, on the assumption that reinsurance will be available at a certain cost. Certain reinsurers may attemp to increase rates they charge us for new policies we write, and for competitive reasons, we may not be able to raise th premium rates we charge for newly written policies to offset the increase in reinsurance rates. If the cost of reinsuranc were to increase, or if reinsurance were to become unavailable and if alternatives to reinsurance were not available, ou ability to write new policies at competitive premium rates could be adversely affected.

Operational Risk

Operational risk is naturally present in all of our business activities and encompasses a broad range of risks, includin business disruptions, technology failures, information security and privacy breaches, damage to physical assets, huma resource management failures, processing errors, modelling errors, business integration, theft and fraud, as well as regulatory compliance failures or legal disputes.

Operational risk is also embedded in all the practices we use to manage other risks; therefore, if not managed effectively operational risk can impact our ability to manage other key risks such as credit & investment risk, market & liquidity risk, an product & insurance risk.

Like many firms, operational risk is inherently on the rise as we expand our ecosystem to include more third parties and ado newer technologies to drive better customer outcomes and efficiencies. In such cases, an operational risk can arise fro outside of Manulife's immediate span of direct control and have material consequences for Manulife, our customers, an other key stakeholders. If left unmitigated, these risks can be amplified across multiple business units and processes resultin in significant exposures.

Exposures can take the form of financial losses, regulatory sanctions, loss of competitive positioning, or damage to our brand and reputation. As such, there are higher expectations from Manulife's management, our customers and other key stakeholders, including regulators, on our ability to ensure continued operations of our most critical operations and services in the face of disruption.

Furthermore, Manulife has strengthened its operational risk management program by identifying its critical operations, defining impact tolerances and establishing effective mitigations against severe but plausible disruptions, and have been embedded into our Operational Risk Frameworks and risk management practices.

Operational Risk and Resilience Management Strategy

Our corporate governance practices, corporate values, and integrated enterprise-wide approach to managing risk set the foundation for mitigating operational risks. This base is further strengthened by internal controls and systems, compensation programs, and talent management throughout the organization. We align compensation programs with business strategy, long-term shareholder value and good governance practices, and we benchmark these compensation practices against peer companies.

We have our enterprise operational risk management framework that sets out the processes we use to identify, assess, manage, mitigate, and report on significant operational risk exposures. Complementary to this, we have our operational resilience framework which outlines Manulife's approach to resilience including our ability to adapt to, recover from and withstand disruption of our most critical operations. Operational resilience entails a sound understanding of critical operations and services end to end and their delivery through severe but plausible circumstances within tolerance for disruption. Overall, the execution of our operational risk management strategy supports the drive towards a focus on the effective management of our key global operational risks. Our Operational Risk and Segment Risk Committees oversee all operational risk matters including operational risk strategy, management, and governance. We have enterprise-wide risk management programs for specific operational risks that could materially impact our ability to do business or impact our reputation.

Business Continuity Risk Management Strategy

Effective business continuity management is an important capability to help ensure the resilience of a firm's most critical operations and services. However it has traditionally focused on the 'recovery after' rather than the 'continued operation through' disruption. At Manulife, we connect our business continuity with other key disciplines such as third-party risk management, technology risk and disaster recovery, and change risk and data risk management through the lens of critical operations and seek to ensure that resilience is embedded into the design of processes and technologies to reduce the likelihood of failure in the first instance.

We manage business continuity risk through its lifecycle in accordance with regulatory requirements, our business continuity risk management standard, and industry best practices. Management develops and owns the business continuity plans (BCPs) and processes that seeks to minimize the impact of, and continue to operate through disruptions resulting from internal or external factors. BCPs are developed with a level of detail and comprehensiveness commensurate with the criticality of the business process and address business strategy and requirements, incorporate inputs from key stakeholders and details upstream and downstream dependencies. The BCPs are updated through regular monitoring and testing recalibrating them to meet the evolving environment conditions and business requirements. Oversight and challenge are provided by the risk teams at all stages of the business continuity management lifecycle, helping to ensure the requirements set out in the standard are being met and that our plans are up to date and actionable.

Third-Party Risk Management Strategy

We manage third-party risk through its lifecycle in accordance with regulatory requirements, our third-party risk management framework, and associated standards (covering procurement, business-managed and distribution-managed third parties). Our governance framework and standard for addressing third-party risk includes the sourcing of third parties, ensuring appropriate contracts are in place, the regular monitoring of risk including concentration risk and ongoing performance of the third party and its eventual termination or renewal. It also includes enhanced requirements to be applied to critical third parties, aiming to ensure the continuity of their service in the event of an exit or a disruption. Oversight and challenge are provided by the Independent Oversight function, helping to ensure the requirements set out in the framework and standards are being met.

Change Risk Management Strategy

We seek to ensure that significant changes are practical and meet company objectives, and are successfully implemented and monitored by management. Our practices are enforced through our framework, policies and standards which are benchmarked against leading practices and regulatory requirements.

Legal and Regulatory Risk Management Strategy

Compliance oversees our Regulatory Compliance Management program and function. For our centralized programs, support is provided by our designated Segment Chief Compliance Officers and Compliance Functional leads. Programs supported include Financial Crimes Compliance, Privacy Compliance, the Global Ethics Office, and Distribution Compliance.

The program is designed to promote compliance with regulatory obligations worldwide and to assist in making the Company's employees aware of the laws and regulations that affect it, along with the risks associated with failing to comply. Compliance monitors emerging legal and regulatory developments and prepares the Company to address any new requirements or obligations.

Compliance seeks to ensure significant issues are escalated and proactively mitigated. Compliance also independently assesses and monitors the effectiveness of a broad range of regulatory compliance processes and business practices against potential legal, regulatory, fraud, and reputation risks. These processes and business practices include Privacy (such as the handling of personal and other confidential information), Sales and Marketing practices, Sales conduct (including compensation practices, product design, suitability and fiduciary responsibilities), Asset Management practices, the Ethics Hotline, and Regulatory filings. In addition, the Company has standards, policies, processes and controls in place to help protect the Company, our customers and relevant third parties from acts of fraud, and from risks associated with money laundering and terrorist financing. Audit Services and Compliance personnel periodically assess the effectiveness of the system of internal controls. For further discussion of government regulation and legal proceedings, refer to "Government Regulation" in MFC's Annual Information Form dated February 19, 2025 and note 18 of the 2024 Annual Consolidated Financial Statements.

Technology & Information Security Risk Management Strategy

We have a global framework for managing the Company's technology and information security risks, including disruptive technologies like generative AI. Programs supporting this framework are overseen by the Chief Information Risk Officer. These programs establish the governance, policies and standards, and appropriate controls to protect information and computer systems.

Our Technology Risk Management program provides strategy, direction and oversight, and facilitates governance for all technology risk domain activities across the Company. The scope of this program includes: proactively identifying, managing, monitoring, and reporting on critical information risk exposures; promoting transparency and informed decision-making by building and maintaining information risk profiles and risk dashboards for global and segment teams aligned with enterprise and operational risk reporting; providing advisory services to global and segment teams around current and evolving technology risks and their impact to the Company's information risk profile; and reducing vendor information risk exposure by incorporating sound information risk management practices into sourcing, outsourcing, and offshoring initiatives and programs.

Our Information Security Management program, which is overseen by the Vice President of Information Security, provides strategy, direction and oversight, and facilitates governance for all cybersecurity risk domain activities across the Company. The scope of this program includes: managing confidentiality, integrity, and availability risks through asset and access management, systems security and vulnerability management, and other operational security practices; providing advisory services to global and segment teams around current and evolving cybersecurity risk exposures and their impact to the Company's information risk profile; and providing challenge and oversight for the Company's cybersecurity program and practices globally and locally within segments.

We also have ongoing security awareness training sessions for all employees. The Board's Risk Committee regularly reviews the Company's technology and information security programs and engages in discussions regarding the effectiveness of these programs for identifying and addressing relevant risks.

Many jurisdictions in which we operate are implementing more stringent privacy legislation. We also have a global framework for managing the Company's privacy risk. It is overseen by our Global Chief Privacy Officer and includes policies and standards, ongoing monitoring of emerging privacy legislation and risks, and a network of privacy officers. Processes have been established to provide guidance on handling personal information and for reporting privacy incidents and issues to appropriate management for response and resolution. As a global company, Manulife is subject to a wide variety of laws and regulations throughout its operations, including those related to privacy and information security. In many jurisdictions, privacy and information security requirements are becoming more onerous, including stringent incident reporting requirements, and may increase our compliance costs as well as the risks associated with any compliance failure.

The Chief Information Risk Officer, the Global Chief Privacy Officer, and their teams work closely on information security and privacy matters.

Human Resource Risk Management Strategy

We have multiple human resource policies, practices and programs in place that seek to manage the risks associated with attracting and retaining top talent. These include recruiting programs at every level of the organization, training and development programs for our individual contributors and people leaders, initiatives to help increase diversity, equity and inclusion, employee engagement surveys, and competitive compensation programs that are designed to attract, motivate and retain high performing and high potential employees.

Communications Risk Management Strategy

Our Communications team is responsible for both protecting and managing our reputation and the risk associated with distributing communications – internally and externally. Our Media and Social Media policies help ensure that proper reviews of content are taking place ahead of distribution. We also use tools to listen for what others are saying about Manulife as a way to proactively understand and respond to inherent risk. We regularly facilitate Reputation Outlook meetings to plan for future risk, and we have teams that are able to distribute communications in response to a crisis should we need to.

Marketing Risk Management Strategy

We have policies, processes and controls in place across all media channels and forums globally which seek to ensure Manulife's brands, trademarks, advertising, other marketing-related materials and all communications are presented accurately.

Model Risk Management Strategy

We have designated Model Risk Management teams working closely with model owners and users that seek to manage model risk. Our model risk oversight program includes processes intended to ensure that our critical business models are conceptually sound and used as intended, and to assess the appropriateness of the calculations and outputs.

Operational Risk Factors

Competition for the best people is intense and an inability to recruit qualified individuals may negatively impact our ability to execute on business strategies, conduct our operations or to meet the rapid changes in external environments such as demographics and regulatory landscape

- Market fluctuations aside, the competition for top talent and key capabilities continues to be fierce. Our ability to attract external talent while developing our own internal capabilities is core to our high performing team ambitions. Our industry continues to require specific core capabilities and in meeting those talent needs we compete against other insurance companies, financial institutions, and wealth management organizations to attract talent. We compete against organizations across many industries for digital talent, functional experts, leaders, and sales talent. We also monitor and react to rapid changes in regulations across the globe. These regulations are often complex and may have a significant impact to our operations. To find the talent we need to deliver on our strategic objectives and maintain our competitive advantage, our core approach is focused on building enhanced talent networks to entice top candidates in the market. The risk of other organizations both inside and outside of our geographic footprint targeting our employees is heightened

ds companies maintain flexible remote working arrangements. Additionally, we are in an environment where pay level
save been increasing more quickly than in recent years due to the competitive talent market, inflation, and other factors
We help ensure that our value proposition remains competitive and current through offerings such as flexible wor
arrangements, learning investments, wellbeing, recognition & incentive programs, and a culture that strives to b
recognized as a top employer within the markets we operate

If we are not able to attract, motivate and retain agency leaders and individual agents, our competitive position, growth and profitability will suffer.

- The attraction and motivation of productive and engaged sales representatives (agents) is critical to achieving ou financial targets and a positive customer experience and brand. We compete with other financial services companies fo sales representatives primarily based on the opportunity available, our brand and culture, support services compensation and product features. Negative changes to any of these factors, or falling below market competitive levels could impact our ability to attract, retain and engage sufficient sales representatives which could pose a risk to ou business objectives and ambitions and could have a material adverse effect on our business, results of operations an financial condition

If we are unable to manage the risk of significan changes to our business in accordance with our standards, our business strategies and plans, and operations may be impaired

- We must successfully deliver several significant changes to our business to implement our business strategies an successfully achieve our plans. If we are unable to manage risk imposed by significant changes in accordance with o Hsk appetite and in order to capture the projected benefits and outcomes of such changes, there could be a materia adverse effect on our business and financial condition

Key business processes may fail, causing material loss events and impacting our customers and reputatio n.

- Our institution processes a substantial volume of complex transactions both internally and through third-party relationships. This complexity introduces a risk that errors could have material impact on our customers or result i financial loss for the organization. To mitigate these risks, we have instituted controls that seek to ensure timely an accurate processing for our most significant business processes. Furthermore, we have established necessar monitoring, escalation and reporting processes to promptly address errors that may arise

The interconnectedness of our operations and risk management strategies could expose us to risk if all factors ar not appropriately considered and communicated.

- Our business operations, including strategies and operations related to risk management, asset liability management an liquidity management, are interconnected and complex. Changes in one area may have a secondary impact in anothe area of our operations. For example, risk management actions, such as the increased use of interest rate swaps, coul have implications for liquidity risk management, as this strategy could result in the need to post additional amounts o collateral. Failure to appropriately consider these inter-relationships, or effectively communicate changes in strategies o activities across our operations, could have a negative impact on the strategic objectives or operations of another grou p.

Our risk management policies, procedures and strategies may leave us exposed to unidentified or unanticipate risks, which could negatively affect our business, results of operations and financial condition.

- We devote significant resources to develop our risk management policies, procedures, and strategies. Nonetheless there is a risk that our policies, procedures, and strategies may not be comprehensive. Many of our methods fo measuring and managing risk exposures are based upon the use of observed historical market behaviour or statistic based on historical models. Future behaviour may differ from past behaviour. Furthermore, data or models we use ma not always be accurate, complete, up-to-date, or properly evaluated or reported

We are subject to tax audits, tax litigation or similar proceedings, and as a result we may owe additional taxes, interest and penalties in amounts that may be material

- We are subject to income and other taxes in the jurisdictions in which we do business. In determining our provisions fo income taxes and our accounting for tax-related matters in general, we are required to exercise judgment. We regularl make estimates where the ultimate tax determination is uncertain. There can be no assurance that the fina determination of any tax audit, appeal of the decision of a taxing authority, tax litigation or similar proceedings will not b materially different from that reflected in our historical financial statements. The assessment of additional taxes, interes and penalties could be materially adverse to our current and future results of operations and financial conditio n.

Our operations face political, legal, operational and other risks that could negatively affect those operations or our results of operations and financial condition.

- Our operations face the risk of discriminatory regulation, political and economic instability, the imposition of economic o trade sanctions, isolationist foreign policies, armed conflicts, civil unrest or disobedience, government policies o regulations adopted in response to political or social pressures and rising populism and/or nationalism, limited protection for, or increased costs to protect intellectual property rights, inability to protect and/or enforce contractual or legal rights, nationalization or expropriation of assets, price controls and exchange controls or other restrictions that prevent us fro transferring funds out of the countries in which we operate and disruptions in global supply chains. In addition, as politica tensions and populism and/or nationalism rise in a number of locations, compliance with laws and regulations by globa financial institutions may become challenging as complying with the requirements in one jurisdiction may be contrary t the requirements of another
- A substantial portion of our revenue and net income attributed to shareholders is derived from our operations outside o North America, primarily in Asian markets. Some of these markets are developing and are rapidly growing countrie where these risks may be heightened
- There is tension between mainland China and Canada, the U.S. and their allies over a number of issues, including trad technology and human rights resulting in the imposition of sanctions and trade restrictions on companies and individuals Mainland China and the Hong Kong SAR are important markets for Manulife and tensions may create a mor

challenging operating environment for Manulife. In addition, the military conflicts in the Middle East and in Ukraine ma negatively impact regional and global financial markets and economies

- These risks could result in disruptions to our operations, unanticipated costs, increased market volatility and inflation, a contraction of business activity and recession, diminished investor and consumer confidence, lower investment growth insurance sales and fees earned on managed assets, the loss of assets or a reduction in their value and reduced remittance Failure to manage these risks could have a significant negative impact on our operations and profitability globall y.

We are regularly involved in litigation.

- We are regularly involved in litigation, either as a plaintiff or defendant. These cases could result in an unfavourabl resolution and could have a material adverse effect on our results of operations and financial condition. For furthe discussion of legal proceedings refer to note 18 of th 2024 Annual Consolidated Financial Statements e .

We are exposed to investors trying to profit from short positions in our stock.

- Short sellers seek to profit from a decline in the price of our common shares. Through their actions and publi statements, they may encourage the decline in price from which they profit and may encourage others to take short positions in our shares. The existence of such short positions and the related publicity may lead to continued volatility i ur common share price

System failures or events that impact our facilities may disrupt business operations.

- Technology is used in virtually all aspects of our business and operations; in addition, part of our strategy involves th expansion of technology to directly serve our customers. An interruption in the service of our technology resulting fro system failure, cyber-attack, human error, natural disaster, human-made disaster, pandemic, or other unpredictabl events beyond reasonable control could prevent us from effectively operating our business. We rely on the internet i order to conduct business and may be adversely impacted by outages in critical infrastructure such as electric grids undersea cables, satellites or other communications used by us or our third parties
- While our facilities and operations are distributed across the globe, we can experience extreme weather, natura disasters, civil unrest, human-made disasters, power outages, pandemic, and other events which can prevent access to and operations within, the facilities for our employees, partners, and other parties that support our business operation s.
- We take measures to plan, structure and protect against routine events that may impact our operations, and maintai plans to operate through, and recover from, unpredictable events. An interruption to our operations may subject us t regulatory sanctions and legal claims, lead to a loss of customers, assets and revenues, or otherwise adversely affect u from a financial, operational and reputational perspective .

An information security or privacy breach of our operations or of a related third party could adversely impact ou business, results of operations, financial condition, and reputation.

- It is possible that the Company may not be able to anticipate or to implement effective preventive measures against al disruptions or privacy and security breaches, especially because the techniques used by threat actors change frequently generally increase in sophistication, and often are not recognized until launched, and because cyber-attacks ca originate from a wide variety of sources, including organized crime, hackers, terrorists, activists, and other parties including parties sponsored by hostile foreign governments. Those parties may also attempt to fraudulently induc employees, customers, and other users of the Company's systems or third-party service providers to hire them a legitimate employees or otherwise disclose sensitive information in order to gain access to the Company's data or that o its customers or clients. We, our customers, regulators and other third parties have been subject to, and are likely t continue to be the target of, cyber-attacks, including computer viruses, malicious or destructive code, phishing attacks denial of service, and other security incidents that could result in the unauthorized release, gathering, monitorin misuse, loss or destruction of personal, confidential, proprietary and other information of the Company, our employees our customers, or of third parties, or otherwise materially disrupt our or our customers' or other third parties' networ access or business operations. These attacks could adversely impact us from a financial, operational and reputationa perspective. The rapid evolution and increased adoption of AI technologies may intensify our cybersecurity risks including the deployment of AI technologies by threat actor s .
- The Company maintains an Information Risk Management Program, overseen by the Chief Information Risk Officer which includes information and cybersecurity defenses, to protect our networks and systems from attacks. However there can be no assurance that these countermeasures will be successful in every instance in protecting our network against advanced attacks. Therefore, in addition to protection, detection and response mechanisms, the Compan maintains cyber risk insurance, though this insurance may not cover all costs associated with the financial, operational and reputational consequences of personal, confidential or proprietary information being compromise d.

Model risk may arise from the inappropriate use or interpretation of models or their output, or the use of deficient models, data or assumptions.

- We rely on highly complex models to support the various operations such as underwriting, pricing, valuation, ris measurement, and for input on decision-making. Consequently, the risk of inappropriate use or interpretation of ou models or their output, or the use of deficient or outdated models, could have a material adverse effect on our busines s.

Fraud risks may arise from incidents caused by many internal and external threat s.

- As a major financial institution, Manulife is subject to fraud risk stemming from internal and external threats. It i impossible to eliminate all fraud risk; however, having an effective Anti-Fraud Program to guide the organization o minimum required controls, as outlined by the Global Anti-Fraud Standard, will maximize the likelihood that fraud will be prevented or detected in a timely manner and will create a strong deterrent to fraudulent activities such as accoun takeover, bank, claims, distribution, underwriting, and others. The Anti-Fraud Office within Compliance is responsible for Second Line governance and oversight of fraud risks. Despite these efforts, Manulife may not be successful i preventing or detecting fraud, which could result in business disruption or financial losses, either due to the fraud itself, o from measures Manulife adopts to remediate historic fraudulent activity. In addition to the risk of loss, Manulife could fac legal actions and the loss of customer and market confidence from fraud event

Contracted third parties may fail to deliver against contracted activities

- We rely on third parties to perform a variety of activities on our behalf, and failure of our most significant third parties t meet their contracted obligations may impact our ability to meet our strategic objectives or may directly impact ou customers. Third-party governance processes are in place that seek to ensure that appropriate due diligence i conducted at time of contracting, and ongoing third-party monitoring activities are in place that seek to ensure that th contracted services are being fulfilled to satisfaction but we may nevertheless be unable to mitigate all possible failure s.

Damage to the natural environment may arise related to our business operations, owned property or commercia mortgage loan portfolio.

- Environmental risk may originate from investment properties that are subject to natural or human-made environmental risk. Real estate assets may be owned, leased and/or managed, as well as mortgaged by Manulife and we might ente into the chain of liability due to foreclosure ownership when in default
- Liability under environmental protection laws resulting from our commercial mortgage loan portfolio and owned propert including commercial real estate, timberland and farmland properties) may adversely impact our reputation, results o operations and financial condition. Under applicable laws, contamination of a property with hazardous materials o substances may give rise to a lien on the property to secure recovery of the costs of cleanup. In some instances, this lie has priority over the lien of an existing mortgage encumbering the property. The environmental risk may result from o site or off-site (adjacent) due to migration of regulated pollutants or contaminants with financial or reputationa environmental risk and liability consequences by virtue of strict liability. Environmental risk could also arise from natura disasters (e.g., climate change, weather, fire, earthquake, floods, and pests) or human activities (use of chemicals o pesticides) conducted within the site or when impacted from adjacent sites
- Additionally, as lender, we may incur environmental liability (including without limitation liability for cleanup, remediatio and damages incurred by third parties) similar to that of an owner or operator of the property, if we or our agents exercis sufficient control over the operations at the property. We may also have liability as the owner and/or operator of rea estate for environmental conditions or contamination that exist or occur on the property or affecting other propert y.
- Across our portfolio of investment properties, we seek to ensure appropriate levels of insurance are maintained in lin with industry standards. These policies often include protections against physical and/or operational damage related t various environmental risks. Should the availability of such insurance policies become more limited or not reasonabl commercially available, there may be an increased risk of loss for environmental related damages on our portfoli o.

Pandemics, epidemics or infectious disease outbreaks, and the economic, legal, regulatory, tax and other response to such pandemics, epidemics, or infectious disease outbreaks, could have a material adverse effect on ou business, results of operations and financial condition.

- We purchase reinsurance protection on certain risks underwritten or assumed by our various insurance businesses. A either a direct or indirect result of a pandemic, epidemic or infectious disease outbreaks, we may find reinsurance mor difficult or costly to obtain.
- In pricing or repricing of new business, the impact of any pandemic, epidemic or infectious disease outbreaks relate changes may be compounded with or offset by other pricing inputs. These inputs include assumption changes (e.g reinsurance, interest rates, morbidity, mortality, expense, lapse, and surrender changes), business considerations relate to retaining specific market share or client business and regulatory restrictions impacting the approval process for pric changes.
- Market volatility and stressed conditions resulting from pandemic, epidemic or infectious disease outbreaks could resul in additional cash and collateral demands primarily from changes to policyholder termination or renewal rates withdrawals of customer deposit balances, borrowers renewing or extending their loans when they mature, derivative settlements or collateral demands, reinsurance settlements or collateral demands, and our willingness to support the local solvency position of our subsidiaries. Such an environment could also limit our access to capital markets. Sustaine global economic uncertainty could also result in adverse credit rating changes which in turn could result in more costly o limited access to funding sources. While we currently have a variety of sources of liquidity including cash balance short-term investments, government and highly rated corporate bonds, and access to contingent liquidity facilities, ther can be no assurance that these sources will provide us with sufficient liquidity on commercially reasonable terms in th future.
- Pandemics, epidemics, or infectious disease outbreaks may result in further increases in the risks outlined in the “Ris Management and Risk Factors” section of this document, including strategic, market, liquidity, product, model, busines continuity, legal, regulatory, reputational, and operational risks

Evolving Risks

The identification and assessment of our external environment for evolving risks is an important aspect of our ER Framework, as these risks could have the potential to have a material adverse impact on our operations and/or busines strategies.

Our Evolving Risk Framework facilitates the ongoing identification, assessment and monitoring of evolving risks, an includes: maintaining a process for the ongoing discussion and evaluation of such risks with senior leaders; reviewing an validating evolving risks with the ERC; developing and executing on responses to each evolving risk based on materiality an prioritization; and monitoring and reporting on evolving risks on a regular basis to the Board’s Risk Committe e.

Additional Risk Factors That May Affect Future Results

Other factors that may affect future results include changes in government trade policy; monetary policy or fiscal policy including interest rates policy from central banks; political conditions and developments in or affecting the countries in whic we operate; technological changes; public infrastructure disruptions; changes in consumer spending and saving habits; th possible impact on local, national or global economies from public health or natural disaster emergencies; and internationa

conflicts and other developments including those relating to terrorist activities. Although we take steps to anticipate and manage risks in general, unforeseen future events may have a negative impact on our business, financial condition and results of operations.

We caution that the preceding discussion of risks that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to our Company, investors and others should carefully consider the foregoing risks, as well as other uncertainties and potential events, and other external and company-specific risks that may adversely affect the future business, financial condition or results of operations of our Company.

10. Capital Management Framework

Manulife seeks to manage its capital with the objectives of:

- Operating with sufficient capital to be able to honour all commitments to its policyholders and creditors with a high degree of confidence;
- Retaining the ongoing confidence of regulators, policyholders, rating agencies, investors and other creditors in order to ensure access to capital markets; and

- Optimizing return on capital to meet shareholders' expectations subject to constraints and considerations of adequat levels of capital established to meet the first two objectives.

Capital is managed and monitored in accordance with the Capital Management Policy. The Policy is reviewed and approve by the Board annually and is integrated with the Company's risk and financial management frameworks. It establishe guidelines regarding the quantity and quality of capital, internal capital mobility, and proactive management of ongoing an future capital requirements.

Our capital management framework takes into account the requirements of the Company as a whole, as well as the needs of each of our subsidiaries. Internal capital targets are set above regulatory requirements, and consider a number of factors including results of sensitivity and stress testing and our own risk assessments, as well as business needs. We monito against these internal targets and initiate actions appropriate to achieving our business objectives.

We periodically assess the strength of our capital position under various stress scenarios. The annual Financial Conditio Testing ("FCT") typically quantifies the financial impact of economic events arising from shocks in public equity and oth markets, interest rates and credit, amongst others. Our 2024 FCT results demonstrate that we would have sufficient assets under the various adverse scenarios tested, to discharge our insurance and investment contract liabilities. This conclusion was also supported by a variety of other stress tests conducted by the Company.

We use an Economic Capital ("EC") framework to inform our internal view of the level of required capital and available capita The EC framework is a key component of the Own Risk and Solvency Assessment process, which is an internal assessmen of an insurer's risks, capital needs and solvency position, and is used for setting Internal Capital Targets.

Capital management is also integrated into our product planning and performance management practices.

The composition of capital between equity and other capital instruments impacts the financial leverage ratio which is a important consideration in determining the Company's financial strength and credit ratings. The Company monitors an rebalances its capital mix through capital issuances and redemptions.

Financing Activities

Securities Transactions

During 2024, we raised a total of $2.6 billion of subordinated debt, and $1.9 billion of debt securities was redeemed at pa

($ millions)	Par value	Issued [1]	Redeemed/ Matured [1]
4.064% MFC Subordinated debenture, issued on Dec 6, 2024	$ 1,000	$ 995	$ -
4.275% MFC Subordinated debenture, issued on June 19, 2024	S$ 500	524	-
5.054% MFC Subordinated debenture, issued on Feb 23, 2024	1,100	1,095	-
7.375% JHUSA Surplus notes, redeemed on Feb 15, 2024	US$ 450	-	594
3.049% MFC Subordinated debenture, redeemed on Aug 20, 2024	750	-	750
3.000% MFC Subordinated debenture, redeemed on Nov 21, 2024	S$ 500	-	527
Total		$ 2,614	$ 1,871

[1] Represents carrying value, net of issuance costs.

Normal Course Issuer Bi

On February 20, 2024, we announced that the Toronto Stock Exchange ("TSX") approved a normal course issuer bid (th 2024 NCIB") permitting the purchase for cancellation of up to 50 millio common shares, representing approximately 2.8% of common shares outstanding as at February 12, 2024. On May 7, 2024, we announced that the TSX approved an amendmen to the 2024 NCIB to increase the number of common shares that we may repurchase for cancellation t 90 millio common shares, representing approximately 5% of common shares outstanding as at February 12, 2024.

Purchases under the 2024 NCIB, as subsequently amended, commenced on February 23, 2024, and will continue unti February 22, 2025, when the NCIB expires, or such earlier date as we complete our purchase During the year ended December 31, 2024, we purchased for cancellation under the 2024 NCIB 82.8 millio common shares for a total cost of $3.2 billion.

Our 2023 NCIB which was announced on February 21, 2023, expired on February 22, 2024, with no purchases during th year ended December 31, 2024. Our 2022 NCIB, which was announced on February 1, 2022, expired on February 2, 202

During the year ended December 31, 2023, we purchased for cancellation 62.6 millio common shares for a total cost of $1.6 billion, including 6.9 million common shares for a total cost of $0.2 billion under the 2022 NCIB.

On February 19, 2025, we announced that we are launching a normal course issuer bid (the "2025 NCIB") permitting the purchase for cancellation of up to 51.5 million common shares, representing approximately 3.0% of common shares outstanding. We have received approval from both the TSX and OSFI for the 2025 NCIB. Purchases under the 2025 NCIB may commence on February 24, 2025 and continue until February 23, 2026, when the 2025 NCIB expires, or such earlier date as we complete our purchases.

Consolidated Capita

As at December 31, ($ millions)	2024	2023
Non-controlling interests	$ 1,421	$ 1,431
Participating policyholders' equity	567	257
Preferred shares and other equity	6,660	6,660
Common shareholders' equity[1]	44,312	40,379
Total equity	52,960	48,727
Exclude the accumulated other comprehensive gain/(loss) on cash flow hedges	119	26
Total equity excluding accumulated other comprehensive gain/(loss) on cash flow hedges	52,841	48,701

Post-tax CSM		**20,826**		18,503
Qualifying capital instruments		**7,532**		6,667
Consolidated capital[2]	**$**	**81,199**	$	73,871

(1) Common shareholders' equity is equal to total shareholders' equity less preferred shares and other equity.
(2) Consolidated capital does not include $6.6 billion (2023 – $6.1 billion) of MFC senior debt as this form of financing does not meet OSFI's definition of regulatory capital at the MFC level. The Company has down-streamed the proceeds from this financing into operating entities in a form that qualifies as regulatory capital at the subsidiary level.

MFC's consolidated capital was $81.2 billion as at December 31, 2024, an increas of $7.3 billion compared with $73.9 billion as at December 31, 2023. The increase was driven by growth in total equity, a higher post-tax CSM and the net issuance o capital instruments[1]. The growth in total equity was mainly from total comprehensive income, which was partially offset b dividends and common share buyback .

Remittance of Capital

As part of its capital management, Manulife promotes internal capital mobility so that MFC has access to funds to meet it obligations and to optimize capital deployment. Remittances is defined as the cash remitted or made available for distributio to MFC from its subsidiaries. It is a key metric used by management to evaluate our financial flexibility. I 2024, MFC subsidiaries delivered $7.0 billion in remittances of which Asia and U.S. operations delivered 1.9 billion and $2.0 billion, respectively. Remittances were $1.5 billion higher than 2023 due to the favourable impact of market movements in 2024 and the GA Reinsurance Transaction .

Financial Leverage Ratio

MFC's financial leverage rati as at December 31, 2024 was 23.7%, a decrease of 0.6 percentage points from 24.3% as at December 31, 2023. The decrease in the ratio was driven by growth in total equity and higher post-tax CSM, partially offse by the net issuance of capital instrument [1].

Common Shareholder Dividends

The declaration and payment of shareholder dividends and the amount thereof are at the discretion of the Board and depen upon various factors, including the results of operations, financial conditions, future prospects of the Company, dividen payout ratio, and taking into account regulatory restrictions on the payment of shareholder dividend s.

Common Shareholder Dividends Paid

For the years ended December 31,				
$ per share		**2024**		2023
Dividends paid	**$**	**1.60**	$	1.46

The Company offers a Dividend Reinvestment Program ("DRIP") whereby shareholders may elect to automatically reinves dividends in the form of MFC common shares instead of receiving cash. The offering of the program and its terms o execution are subject to the Board's discretion .

[1] The net issuance of capital instruments consists of the issuance of $1.1 billion of subordinated debt in 1Q24, $0.5 billion of subordinated debt in 2Q24, and $1.0 billion of subordinated debt in 4Q24, partially offset by the redemption of $0.6 billion of JHUSA Surplus Notes in 1Q24, $0.75 billion of subordinated debt in 3Q24 and $0.5 billion of subordinated debt in 4Q24.

During 2024, the required common shares in connection with the DRIP were purchased on the open market with n applicable discount.

Regulatory Capital Position

MFC and MLI are regulated by OSFI and are subject to consolidated risk based capital requirements. Manulife monitors an manages its consolidated capital in compliance with the OSFI LICAT guideline. Under this regime, our available capital an other eligible capital resources are measured against a required amount of risk capital determined in accordance with th guideline. For regulatory reporting purposes under the LICAT framework, consolidated capital is adjusted for various addition or deductions to capital as mandated by the guidelines defined by OSFI .

Manulife's operating activities are conducted within MLI and its subsidiaries. MLI's LICAT ratio wa 137% as at December 31, 2024, compared with 137% as at December 31, 2023. The ratio is in line with 2023 as the positive impact from earnings and CSM, the net issuance of capital instrument [1] and the GA and RGA Canadian Reinsurance Transactions was offset b common share buybacks and market movements .

MFC's LICAT ratio was 124% as at December 31, 2024, compared with 124% as at December 31, 2023, with the change driven by similar factors that impacted the movement in MLI's LICAT ratio. The difference between the MLI and MFC ratios i largely due to the $6.6 billion (2023 – $6.1 billion) of MFC senior debt outstanding that does not qualify as available capital a the MFC level, but based on the form it was down-streamed to MLI, it qualifies as regulatory capital at the MLI level .

The LICAT ratios as at December 31, 2024, resulted in excess capital of $24.0 billion over OSFI's supervisory target ratio o 100% for MLI, and $22.7 billion over OSFI's regulatory minimum target ratio of 90% for MFC (no supervisory target i applicable to MFC). In addition, all MLI's subsidiaries maintain capital levels in excess of local requirement s.

Credit Ratings

Manulife's operating companies have strong financial strength ratings from credit rating agencies. These ratings are importan factors in establishing the competitive position of insurance companies and maintaining public confidence in products bein offered. Maintaining strong ratings on debt and capital instruments issued by MFC and its subsidiaries allows us to acces capital markets at competitive pricing levels. Should these credit ratings decrease materially, our cost of financing ma increase and our access to funding and capital through capital markets could be reduced .

During 2024, S&P, Moody's, Morningstar DBRS, and AM Best Company ("AM Best") maintained their assigned ratings o

MFC and its primary insurance operating companies. On July 30, 2024, Fitch upgraded the financial strength ratings fo Manulife's primary insurance operating companies to AA from AA-.

The following table summarizes the financial strength ratings of MLI and certain of its subsidiaries as at January 31 2025.

Financial Strength Ratings

Subsidiary	Jurisdiction	S&P	Moody's	Morningstar DBRS	Fitch	AM Best
The Manufacturers Life Insurance Company	**Canada**	**AA-**	**A1**	**AA**	**AA**	**A+ (Superior)**
John Hancock Life Insurance Company (U.S.A.)	**United States**	**AA-**	**A1**	**Not Rated**	**AA**	**A+ (Superior)**
Manulife (International) Limited	**Hong Kong**	**AA-**	**Not Rated**	**Not Rated**	**Not Rated**	**Not Rated**
Manulife Life Insurance Company	**Japan**	**A+**	**Not Rated**	**Not Rated**	**Not Rated**	**Not Rated**
Manulife (Singapore) Pte. Ltd.	**Singapore**	**AA-**	**Not Rated**	**Not Rated**	**Not Rated**	**Not Rated**

As of January 31, 2025, S&P, Morningstar DBRS, Fitch, and AM Best had a stable outlook on these ratings, while Moody' had a positive outlook. The S&P rating and outlook for Manulife Life Insurance Company are constrained by the sovereig rating on Japan (A+/Stable)

[1] The net issuance of capital instruments consists of the issuance of $1.1 billion of subordinated debt in 1Q24, $0.5 billion of subordinated debt in 2Q24, and $1.0 billion of subordinated debt in 4Q24, partially offset by the redemption of $0.6 billion of JHUSA Surplus Notes in 1Q24, $0.75 billion of subordinated debt in 3Q24 and $0.5 billion of subordinated debt in 4Q24.

11. Critical Actuarial and Accounting Policies

The preparation of Consolidated Financial Statements in conformity with IFRS requires management to make judgments estimates and assumptions that affect the application of accounting policies and the reported amounts of assets an liabilities, and the disclosure of contingent assets and liabilities as at the date of the Consolidated Financial Statements, an the reported amounts of insurance service, investment result, and other revenues and expenses during the reporting periods Actual results may differ from these estimates. The most significant estimation processes relate to evaluating assumption used in measuring insurance and investment contract liabilities and reinsurance contract held liabilities, assessing assets fo impairment, determining of pension and other post-employment benefit obligation and expense assumptions, determinin income taxes and uncertain tax positions, and estimating fair values of certain invested assets. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which th estimates are revised and in any future years affected. Although some variability is inherent in these estimates, manageme believes that the amounts recorded are appropriate. The material accounting policies used and the most significan judgments made by management in applying these accounting policies in the preparation of th 2024 Annual Consolidated Financial Statements are described in note 1 to the Consolidated Financial Statements

Critical Actuarial Policies – Insurance and Investment Contract Liabilities

Insurance contract liabilities are determined in Canada under IFRS 17 "Insurance Contracts", which establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. Thi information provides a basis for users of financial statements to assess the effect that insurance contracts have on the entity' financial position, financial performance, and cash flows

Insurance contract liabilities include the fulfilment cash flows and the contractual service margin. The fulfilment cash flow comprise:

- An estimate of future cash flows
- An adjustment to reflect the time value of money and the financial risk related to the future cash flows if not included i the estimate of future cash flow
- A risk adjustment for non-financial risk

Estimates of future cash flows including any adjustments to reflect the time value of money and financial risk represent th estimated value of future policyholder benefits and settlement obligations to be paid over the term remaining on in-forc policies, including costs of servicing the policies, reduced by any future amounts paid by policyholders to the Company fo their policies. The determination of estimates of future cash flows involves the use of estimates and assumptions. T determine the best estimate amount, assumptions must be made for several key factors, including future mortality an morbidity rates, rates of policy termination and premium persistency, operating expenses, and certain taxes (other tha income taxes). Further information on best estimate assumptions is provided in the "Best Estimate Assumptions" sectio below.

To reflect the time value of money and financial risk, estimates of future cash flows are generally discounted using risk-fre yield curves adjusted by an illiquidity premium to reflect the liquidity characteristics of the liabilities. The Company primaril uses a deterministic projection using best estimate assumptions to determine the present value of future cash flows However, where there are financial guarantees such as universal life minimum crediting rates guarantees, participating lif

zero dividend floor implicit guarantees and variable annuities guarantees, a stochastic approach to capture the asymmetry o the risk is used. For the stochastic approach the cash flows are both projected and discounted at scenario specific rate calibrated on average to be the risk-free yield curves adjusted for illiquidity. The Company disaggregates insurance financ income or expenses on insurance contracts issued for most of its group of insurance contracts between profit or loss an other comprehensive income ("OCI"). The impact of changes in market interest rates on the value of the life insurance an related reinsurance assets and liabilities are reflected in OCI to minimize accounting mismatches between the accounting fo insurance assets and liabilities and supporting financial assets

Risk adjustments for non-financial risk represent the compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfills insurance contracts. The ris adjustment considers insurance, lapse and expense risks, includes both favourable and unfavourable outcomes, and reflect diversification benefits from the insurance contracts issued. The Company has estimated the risk adjustment using a margin approach. This approach applies a margin for adverse deviation, typically in terms of a percentage of best estimat assumptions, where future cash flows are uncertain. The resulting cash flows are discounted at rates consistent with the bes estimate cash flows to arrive at the total risk adjustment. The ranges of these margins are set by the Company and reviewe periodically. The risk adjustment for non-financial risk for insurance contracts correspond to a 90% – 95% confidence level for all segments. The risk adjustment for non-financial risk leads to higher insurance contract liabilities, but increases the income recognized in later periods as the risk adjustment releases as the non-financial risk on policies decreases

The contractual service margin represents the present value of unearned profits the entity will recognize as services are provided in the future

Total net insurance contract liabilities were $522.8 billion as at December 31, 2024 (December 31, 2023 – $482.0 billion), reflecting business growth and foreign exchange impacts

Best Estimate Assumptions

We follow established processes to determine the assumptions used in the determination of insurance contract liabilities. The nature of each risk factor and the process for setting the assumptions used in the determination are discussed belo w.

Mortality

Mortality relates to the occurrence of death. Mortality assumptions are based on our internal as well as industry past an emerging experience and are differentiated by sex, underwriting class, policy type and geographic market. We mak assumptions about future mortality improvements using historical experience derived from population data. Reinsurance i used to offset some of our direct mortality exposure on in-force life insurance policies with the impact of the reinsuranc separately accounted for in our reinsurance contract assets or liabilities. Actual mortality experience is monitored agains these assumptions separately for each business. The results are favourable where mortality rates are lower than assumed fo life insurance and where mortality rates are higher than assumed for payout annuities and long-term care. Overal 2024 experience was favourable (2023 – favourable) when compared with our assumptions

Morbidity

Morbidity relates to the occurrence of accidents and sickness for the insured risks. Morbidity assumptions are based on ou internal as well as industry past and emerging experience and are established for each type of morbidity risk and geographi market. For our JH Long Term Care business we make assumptions about future morbidity changes. Actual morbidit experience is monitored against these assumptions separately for each business. Our morbidity risk exposure relates t future expected claims costs for long-term care insurance, as well as for group benefits and certain individual health insurance products we offer. Overall 2024 experience was favourable (2023 – favourable) when compared with our assumptions.

Policy Termination and Premium Persistency

Policy termination includes lapses and surrenders, where lapses represent the termination of policies due to non-payment o premiums and surrenders represent the voluntary termination of policies by policyholders. Premium persistency represents the level of ongoing deposits on contracts where there is policyholder discretion as to the amount and timing of deposits Policy termination and premium persistency assumptions are primarily based on our recent experience adjusted for expecte future conditions. Assumptions reflect differences by type of contract within each geographic market and actual experience is monitored against these assumptions separately for each business. Overall 2024 experience was unfavourable (2023 – unfavourable) when compared with our assumptions

Directly Attributable Expenses and Taxes

Directly attributable operating expense assumptions reflect the projected costs of maintaining and servicing in-force policies including associated directly attributable overhead expenses. The expenses are derived from internal cost studies and ar projected into the future with an allowance for inflation. For some developing businesses, there is an expectation that un costs will decline as these businesses mature. Actual expenses are monitored against assumptions separately for eac business. Overall maintenance expenses for 2024 were unfavourable (2023 – unfavourable) when compared with our assumptions. Taxes reflect assumptions for future premium taxes and other non-income related taxes.

Experience Adjusted Product

Where policies have features that allow the impact of changes in experience to be passed on to policyholders through polic dividends, experience rating refunds, credited rates or other adjustable features, the projected policyholder benefits ar adjusted to reflect the projected experience. Minimum contractual guarantees and other market considerations ar considered in determining the policy adjustments

Sensitivity of Earnings to Changes in Assumptions

The following tables present information on how reasonably possible changes in assumptions made by the Company o insurance contracts' non-economic risk variables and certain economic risk variables impact contractual service margin, ne 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 o

reinsurance contracts held. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

The analysis is based on a simultaneous change in assumptions across all businesses and holds all other assumptions constant. In practice, experience for each assumption will frequently vary by geographic market and business, and assumption updates are specifically made on a business and geographic 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[1]

As at December 31, 2024	CSM net of NCI		Net income attributed to shareholders		Other comprehensive income attributed to shareholders		Total comprehensive income attributed to shareholders	
($ millions, post-tax except CSM)	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Policy related assumptions								
2% adverse change in future mortality rates[2],[3],[5]								
Portfolios where an increase in rates increases insurance contract liabilities	**$ (700)**	**$ (200)**	**$ (700)**	**$ (300)**	**$ 200**	**$ 100**	**$ (500)**	**$ (200)**
Portfolios where a decrease in rates increases insurance contract liabilities	**(100)**	**(600)**	**-**	**-**	**100**	**200**	**100**	**200**
5% adverse change in future morbidity rates[4],[5],[6] (incidence and termination)	**(2,200)**	**(1,800)**	**(3,000)**	**(2,700)**	**700**	**600**	**(2,300)**	**(2,100)**
10% change in future policy termination rates[3],[5]								
Portfolios where an increase in rates increases insurance contract liabilities	**(700)**	**(600)**	**(100)**	**(100)**	**(200)**	**(200)**	**(300)**	**(300)**
Portfolios where a decrease in rates increases insurance contract liabilities	**(900)**	**(700)**	**(700)**	**(400)**	**400**	**300**	**(300)**	**(100)**
5% increase in future expense levels	**(600)**	**(600)**	**(100)**	**(100)**	**100**	**100**	**-**	**-**

As at December 31, 2023	CSM net of NCI		Net income attributed to shareholders		Other comprehensive income attributed to shareholders		Total comprehensive income attributed to shareholders	
($ millions, post-tax except CSM)	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Policy related assumptions								
2% adverse change in future mortality rates[2],[3],[5]								
Portfolios where an increase in rates increases insurance contract liabilities	$ (800)	$ (200)	$ (400)	$ (200)	$ -	$ -	$ (400)	$ (200)
Portfolios where a decrease in rates increases insurance contract liabilities	-	(500)	-	-	-	100	-	100
5% adverse change in future morbidity rates[4],[5],[6] (incidence and termination)	(1,500)	(1,300)	(3,300)	(3,300)	500	400	(2,800)	(2,900)
10% change in future policy termination rates[3],[5]								
Portfolios where an increase in rates increases insurance contract liabilities	(600)	(500)	(100)	(100)	(100)	(100)	(200)	(200)
Portfolios where a decrease in rates increases insurance contract liabilities	(1,200)	(800)	(400)	(300)	300	200	(100)	(100)
5% increase in future expense levels	(600)	(600)	-	-	-	-	-	-

(1) 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 on the CSM and shareholder income.

(2) 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.

(3) 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.

(4) 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.

(5) 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.

(6) This includes a 5% deterioration in incidence rates and a 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[1]

As at December 31, 2024	CSM net of NCI		Net income attributed to shareholders		Other comprehensive income attributed to shareholders		Total comprehensive income attributed to shareholders	
($ millions, post-tax except CSM)	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Policy related assumptions								
2% adverse change in future mortality rates[2],[3]	**$ (300)**	**$ (300)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
5% adverse change in future morbidity incidence rates[2],[3]	**(1,400)**	**(1,300)**	**(500)**	**(400)**	**200**	**200**	**(300)**	**(200)**
5% adverse change in future morbidity claims termination rates[2],[3]	**(1,400)**	**(1,300)**	**(1,300)**	**(1,100)**	**500**	**400**	**(800)**	**(700)**
10% adverse change in future policy termination rates[2],[3]	**(400)**	**(400)**	**-**	**-**	**100**	**100**	**100**	**100**
5% increase in future expense levels[3]	**(100)**	**(100)**	**-**	**-**	**-**	**-**	**-**	**-**

As at December 31, 2023	CSM net of NCI		Net income attributed to shareholders		Other comprehensive income attributed to shareholders		Total comprehensive income attributed to shareholders	
($ millions, post-tax except CSM)	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Policy related assumptions								
2% adverse change in future mortality rates[2],[3]	$ (300)	$ (300)	$ -	$ -	$ -	$ -	$ -	$ -
5% adverse change in future morbidity incidence rates[2],[3]	(900)	(900)	(800)	(800)	100	100	(700)	(700)
5% adverse change in future morbidity claims termination rates[2],[3]	(900)	(900)	(1,600)	(1,600)	200	200	(1,400)	(1,400)
10% adverse change in future policy termination rates[2],[3]	(400)	(400)	-	-	-	-	-	-
5% increase in future expense levels[3]	(100)	(100)	-	-	-	-	-	-

(1) The potential impacts on CSM were translated from US$ at 1.4382 (2023 – 1.3186) and the potential impacts on net income attributed to shareholders, OCI attributed to shareholders and total comprehensive income attributed to shareholders were translated from US$ at 1.3987 (2023 – 1.3612).

(2) 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.

(3) 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[1]

As at December 31, 2024 ($ 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
Financial assumptions				
10 basis point reduction in ultimate spot rate	**$ (300)**	**$ -**	**$ (200)**	**$ (200)**
50 basis point increase in interest rate volatility[2]	**(100)**	**-**	**-**	**-**
50 basis point increase in non-fixed income return volatility[2]	**(100)**	**-**	**-**	**-**

As at December 31, 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
Financial assumptions				
10 basis point reduction in ultimate spot rate	$ (200)	$ -	$ (300)	$ (300)
50 basis point increase in interest rate volatility[2]	-	-	-	-
50 basis point increase in non-fixed income return volatility[2]	(100)	-	-	-

(1) Note that the impact of these assumptions is not linear.

(2) 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.

Review of Actuarial Methods and Assumptions

The Company performs a comprehensive review of actuarial methods and assumptions annually. The review is designed to reduce the Company's exposure to uncertainty by ensuring assumptions for insurance contract liability risks remain appropriate. This is accomplished by monitoring experience and updating assumptions that represent a best estimate of expected future experience, and maintaining a risk adjustment that is 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 net liabilities. The changes implemented from the review are generally implemented in the third quarter of each year, though updates may be made outside the third quarter in certain circumstances.

2024 Review of Actuarial Methods and Assumptions

The completion of the 2024 annual review of actuarial methods and assumptions resulted in a decrease in pre-tax fulfilment cash flows[1] of $174 million, excluding the portion related to non-controlling interests. These changes resulted in a decrease in pre-tax net income attributed to shareholders of $250 million ($199 million post-tax), an increase in pre-tax net income

attributed to participating policyholders of $29 million ($21 million post-tax), a decrease in CSM of $421 million, an increase in pre-tax other comprehensive income attributed to shareholders of $771 million ($632 million post-tax), and an increase in pre tax other comprehensive income attributed to participating policyholders of $45 million ($32 million post-tax).

Impact of changes in actuarial methods and assumptions on pre-tax fulfilment cash flows[1]

For the year ended December 31, 2024 ($ millions)		Total
Lapse and policyholder behaviour updates	$	620
Reinsurance contract and other risk adjustment review		427
Expense updates		(406)
Financial related updates		(386)
Mortality and morbidity updates		(273)
Methodology and other updates		(156)
Impact of changes in actuarial methods and assumptions, pre-tax	$	(174)

(1) Excludes the portion related to non-controlling interests of $(215) million . The impact of changes in actuarial methods and assumptions on pre-tax fulfilment cash flows, including the portion related to non-controlling interests, would be $(389) 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[1]

For the year ended December 31, 2024 ($ millions)		Total
Portion recognized in net income (loss) attributed to		
Participating policyholders	$	29
Shareholders		(250)
		(221)
Portion recognized in OCI attributed to:		
Participating policyholders		45
Shareholders		771
		816
Portion recognized in CS		(421)
Impact of changes in actuarial methods and assumptions, pre-tax	$	174

(1) Excludes the portion related to non-controlling interests of $215 million . The impact of changes in actuarial methods and assumptions on pre-tax fulfilment cash flows, including the portion related to non-controlling interests, would be $389 million .

Lapse and policyholder behaviour updates

Updates to lapses and policyholder behaviour assumptions resulted in an increase in pre-tax fulfilment cash flows o $620 million.

The increase was primarily driven by a detailed review of the lapse assumptions for our non-participating products in our U.S. life insuranc business and our International High Net Worth business in Asia segment. For U.S. protection products, laps rates declined during the COVID-19 pandemic and continue to remain low, while for U.S. indexed universal life, U.S. ban owned life insurance, and Asia's International High Net Worth business, lapse rates increased due to the impact of highe short-term interest rates. We updated our lapse assumptions to reflect these experience trends. The ultimate lapse rates for products with no-lapse guarantees were not changed .

Reinsurance contract and other risk adjustment revie

The review of our reinsurance contracts and risk adjustment, excluding changes that were a direct result of other assumptio updates, resulted in an increase in pre-tax fulfilment cash flows o $427 million.

The increase was driven by updates to our reinsurance contract fulfilment cash flows to reflect current reinsurance market conditions and the resulting expected cost on older U.S. mortality reinsurance, partially offset by updates t our risk adjustment methodology in North America related to non-financial risk.

Our overall risk adjustment continues to be within the 90 – 95% confidence level .

[1] 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 6 of our 2024 Annual Consolidated Financial Statements.

Expense update

Expense updates resulted in a decrease in pre-tax fulfilment cash flows o $406 million.

The decrease was driven by a detailed review of our global expenses, including investment expenses. We aligned them with our current cost structure and included the impact of changes in classification of certain expenses from directly attributable t non-directly attributable.

Financial related updates

Financial related updates resulted in a decrease in pre-tax fulfilment cash flows o $386 million.

The decrease was driven by a review of the discount rates used in the valuation of our non-participating business, which included increases to ultimate risk-free rates in the U.S. to align with historical averages, as well as updates to parameter used to determine illiquidity premiums. This was partially offset by refinements to crediting rate projections on certain U.S universal life products .

Mortality and morbidity updates

Mortality and morbidity updates resulted in a decrease in pre-tax fulfilment cash flows o $273 million.

The decrease was driven by morbidity updates to health insurance products in Hong Kong to reflect lower hospital claims o certain business that we accoun for under the general measurement model, partially offset by updates to mortality an morbidity assumptions on critical illness products in Hong Kong to reflect emerging experienc

Methodology and other updates

Methodology and other updates resulted in a decrease in pre-tax fulfilment cash flows of $156 million.

The decrease was driven by the impact of annual updates to our valuation models for participating products in Asia and Canada reflecting higher interest rates during the year, partially offset by various other smaller items that netted to a increase in fulfilment cash flows.

Impact of changes in actuarial methods and assumptions on pre-tax fulfilment cash flows, net income attributed to shareholders, CSM and OCI by segmen [1]

The impact of changes in actuarial methods and assumptions in Canada resulted in a decrease in pre-tax fulfilment cash flows of $266 million. The decrease was primarily driven by updates to the risk adjustment methodology related to non-financial risks and the review of the discount rates used in the valuation of non-participating business. These changes resulted in an increase in pre-tax net income attributed to shareholders of $3 million ($2 million post-tax), an increase in CSM of $222 million, and a decrease in pre-tax other comprehensive income attributed to shareholders of $15 million ($10 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 $895 million. The increase was primarily driven by the net impact of updates to our reinsurance contract fulfilment cash flows and risk adjustment methodology related to non-financial risks, a detailed review of the lapse assumptions in our life insurance business, and refinements to our crediting rate projections on certain universal life products, partially offset by a review of the discount rates used in the valuation of non-participating business. These changes resulted in a decrease in pre-tax net income attributed to shareholders of $256 million ($202 million post-tax), a decrease in CSM of $1,228 million, and an increase in pre-tax other comprehensive income attributed to shareholders of $589 million ($466 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 $818 million. The decrease was primarily driven by the impact of morbidity updates to certain health insurance products in Hong Kong to reflect emerging experience, updates from our detailed review of global expenses, including investment expenses, as well as the impact of annual updates to our valuation models for participating products, partially offset by a review of lapse assumptions for the International High Net Worth business. These changes resulted in a decrease in pre-tax net income attributed to shareholders of $4 million ($5 million post-tax), an increase in CSM of $591 million, and an increase in pre-tax other comprehensive income attributed to shareholders of $213 million ($190 million post-tax).

The impact of changes in actuarial methods and assumptions in Corporate and Other (which include our property and casualty reinsurance businesses, run-off insurance operations including variable annuities and health, and consolidation adjustments including intercompany eliminations) resulted in an increase in pre-tax fulfilment cash flows of $15 million. These changes resulted in an increase in pre-tax net income attributed to shareholders of $7 million ($6 million post-tax), a decrease in CSM of $6 million, and a decrease in pre-tax other comprehensive income attributed to shareholders of $16 million ($14 million post-tax).

2023 Review of Actuarial Methods and Assumptions

On a full year basis, the 2023 review of actuarial methods and assumptions resulted in a decrease in pre-tax fulfilment cash flows of $3,197 million. These changes resulted in an increase in pre-tax net income attributed to shareholders of $171 million ($105 million post-tax), an increase in pre-tax net income attributed to participating policyholders of $173 million ($165 million post-tax), an increase in CSM of $2,754 million, and an increase in pre-tax other comprehensive income of $99 million ($73 million post-tax).

[1] Our annual update of actuarial methods and assumptions also impacts net income and other comprehensive income attributed to participating policyholders. The total company impact of these metrics can be found in the above table.

In 3Q23, 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, excluding the portion related to non-controlling interests. 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).

In 4Q23, we also updated our actuarial methods and assumptions which decreased the overall level of the risk adjustment for non-financial risk. This change moves the risk adjustment to approximately the middle of our existing 90 – 95% confidence level range. The risk adjustment would have exceeded the 95% confidence level in 4Q23 without making the change. This change led to a decrease in pre-tax fulfilment cash flows of $2,850 million, excluding the portion related to non-controlling interests, an increase in pre-tax net income attributed to shareholders of $144 million ($119 million post-tax), an increase in pre-tax net income attributed to participating policyholders of $115 million ($91 million post-tax), an increase in CSM of $2,638 million, and a decrease in pre-tax other comprehensive income of $47 million ($37 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.

Impact of changes in actuarial methods and assumptions on pre-tax fulfilment cash flows[(1)]

($ millions)	For the three and nine months ended September 30, 2023	For the three months ended December 31, 2023	For the year ended December 31, 2023
Canada variable annuity product review	$ (133)	$ -	$ (133)
Mortality and morbidity updates	265	-	265
Lapse and policyholder behaviour updates	98	-	98
Methodology and other updates	(577)	-	(577)
Risk adjustment review	-	(2,850)	(2,850)
Impact of changes in actuarial methods and assumptions, pre-tax	$ (347)	$ (2,850)	$ (3,197)

(1) Excludes the portion related to non-controlling interests of $103 million for the three and nine months ended September 30, 2023, and $97 million for the three months ended December 31, 2023, respectively.

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

($ millions)	For the three and nine months ended September 30, 2023	For the three months ended December 31, 2023	For the year ended December 31, 2023
Portion recognized in net income (loss) attributed to:			
Participating policyholders	$ 58	$ 115	$ 173
Shareholders	27	144	171
	85	259	344
Portion recognized in OCI attributed to:			
Participating policyholders	-	(21)	(21)
Shareholders	146	(26)	120
	146	(47)	99
Portion recognized in CSM	116	2,638	2,754
Impact of changes in actuarial methods and assumptions, pre-tax	$ 347	$ 2,850	$ 3,197

(1) Excludes the portion related to non-controlling interests, of which $72 million is related to CSM for the three and nine months ended September 30, 2023, and $87 million is related to CSM for the three months ended December 31, 2023.

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 $3,427 million.

In 3Q23, 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 update 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 of our U.S. life insurance business.

In 4Q23, methodology and other updates resulted in a decrease in pre-tax fulfilment cash flows of $2,850 million. The decrease was driven by a decrease in the overall level of the risk adjustment for non-financial risk. This change moves the risk adjustment to approximately the middle of our existing 90 – 95% confidence level range.

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

For the three and nine months ended September 30, 2023

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 attributed to shareholders 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 a 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 attributed to shareholders 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 attributed to shareholders of $53 million ($47 million post-tax).

The impact of changes in actuarial methods and assumptions in Corporate and Other (which include our property and casualty reinsurance businesses, run-off insurance operations including variable annuities and health, and consolidation adjustments including intercompany eliminations) resulted in a decrease in pre-tax fulfilment cash flows of $1 million. These

changes resulted in no impacts to pre-tax net income attributed to shareholders or CSM, and an increase in pre-tax other comprehensive income attributed to shareholders of $1 million ($1 million post-tax).

For the three months ended December 31, 2024

The reduction in the risk adjustment level resulted in the following impacts by segment:

The impact of changes in actuarial methods and assumptions in Canada resulted in a decrease in pre-tax fulfilment cash flows of $246 million. These changes resulted in an increase in pre-tax net income attributed to shareholders of $4 million ($3 million post-tax), an increase in pre-tax net income attributed to policyholders of $40 million ($29 million post-tax), an increase in CSM of $213 million, and a decrease in pre-tax other comprehensive income of $11 million ($8 million post-tax).

The impact of changes in actuarial methods and assumptions in the U.S. resulted in a decrease in pre-tax fulfilment cash flows of $91 million. These changes resulted in an increase in pre-tax net income attributed to shareholders of $33 million ($26 million post-tax), an increase in CSM of $78 million, and a decrease in pre-tax other comprehensive income of $20 million ($15 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 $2,513 million. These changes resulted in an increase in pre-tax net income attributed to shareholders of $107 million ($90 million post-tax), an increase in pre-tax net income attributed to policyholders of $75 million ($62 million post-tax), an increase in CSM of $2,348 million, and a decrease in pre-tax other comprehensive income of $17 million ($14 million post-tax).

Critical Accounting Policies

Consolidation

The Company is required to consolidate the financial position and results of entities it controls. Control exists when the Company:

- Has the power to govern the financial and operating policies of the entity
- Is exposed to a significant portion of the entity's variable returns; and
- Is able to use its power to influence variable returns from the entity.

The Company uses the same principles to assess control over any entity it is involved with. In evaluating control, potential factors assessed include the effects of:

- Substantive voting rights that are potentially or currently exercisable
- Contractual management relationships with the entity
- Rights and obligations resulting from policyholders to manage investments on their behalf
- The extent of other parties' involvement in the entity, if any, the possibility for de facto control being present; and
- The effect of any legal or contractual restraints on the Company from using its power to affect its variable returns from the entity.

An assessment of control is based on arrangements in place and the assessed risk exposures at inception of the relationship. Initial evaluations are reconsidered at a later date if:

- The contractual arrangements of the entity are amended such that the Company's involvement with the entity changes
- The Company acquires or loses power over the financial and operating policies of the entity
- The Company acquires additional interests in the entity or its interests in an entity are diluted; or
- The Company's ability to use its power to affect its variable returns from the entity changes.

Subsidiaries are consolidated from the date on which control is obtained by the Company and cease to be consolidated from the date that control ceases. A change in control may lead to gains or losses on derecognition of a subsidiary when losing control, or on derecognition of previous interests in a subsidiary when gaining control.

Fair Value of Invested Asset

A large portion of the Company's invested assets are recorded at fair value. Refer to note 1 of the 2024 Annual Consolidated Financial Statements for a description of the methods used in determining fair values. When quoted prices in active markets are not available for a particular investment, significant judgment is required to determine an estimated fair value based on market standard valuation methodologies including discounted cash flow methodologies, matrix pricing, consensus pricing services, or other similar techniques. The inputs to these standard valuation methodologies include: current interest rates or yields for similar instruments, credit rating of the issuer or counterparty, industry sector of the issuer, coupon rate, call provisions, sinking fund requirements, tenor (or expected tenor) of the instrument, management's assumptions regarding liquidity, volatilities and estimated future cash flows. Accordingly, the estimated fair values are based on available market information and management's judgments about the key market factors impacting these financial instruments. Financial markets are susceptible to severe events evidenced by rapid depreciation in asset values accompanied by a reduction in asset liquidity. The Company's ability to sell assets, or the price ultimately realized for these assets, depends upon the demand and liquidity in the market which affect the use of judgment in determining the estimated fair value of certain assets.

Evaluation of Invested Asset Impairment

FVOCI debt investments are carried at fair market value, with changes in fair value recorded in OCI with the exception of unrealized gains and losses on foreign currency translation of foreign currency denominated FVOCI debt investments which are included in net income.

Debt investments classified as FVOCI or amortized cost are reviewed on a regular basis for expected credit loss ("ECL") impairment allowances. ECL allowances are measured as the difference between amounts due according to the contractual terms of the debt security and the discounted value of cash flows that the Company expects to receive. Changes in ECL impairment allowances are recorded in the provision for credit losses included in net income.

Significant judgment is required in assessing ECL impairment allowances and fair values and recoverable values. Ke matters considered include macroeconomic factors, industry specific developments, and specific issues with respect to singl issuers and borrowers.

Changes in circumstances may cause future assessments of invested asset ECL impairment allowances to be materiall different from current assessments, which could require additional provisions for impairment. Additional information on th process and methodology for determining the allowance for expected credit losses is included in the discussion of credit ris in notes 1 and 8 to the 2024 nnual Consolidated Financial Statements .

Derivative Financial Instruments

The Company uses derivative financial instruments (“derivatives”) including swaps, forwards and futures agreements, an options to help manage current and anticipated exposures to changes in interest rates, foreign exchange rates, commodit prices and equity market prices, and to replicate different types of investments. Refer to note 4 to th 2024 Annual Consolidated Financial Statements for a description of the methods used to determine the fair value of derivatives .

The accounting for derivatives is complex and interpretations of the primary accounting guidance continue to evolve i practice. Judgment is applied in determining the availability and application of hedge accounting designations and th appropriate accounting treatment under such accounting guidance. Differences in judgment as to the availability an application of hedge accounting designations and the appropriate accounting treatment may result in a differing impact on th Consolidated Financial Statements of the Company from previous periods. Assessments of hedge effectiveness an measurements of ineffectiveness of hedging relationships are also subject to interpretations and estimation s.

Hedge Accounting

The Company applies hedge accounting principles under IFRS 9 to certain economic hedge transactions that qualify fo hedge accounting. The Company evaluates the economic relationship between the hedged item and the hedging instrument assesses the effect of credit risk on the economic relationship, and determines the hedge ratio between the hedged item an hedging instrument to identify qualifying hedge accounting relationships.

The Company designates fair value hedges to hedge interest rate exposure on fixed rate assets and liabilities. In certai instances, the Company hedges fair value exposure due to both foreign exchange and interest rate risk using cross currenc swaps.

The Company designates interest rate derivatives under cash flow hedges to hedge interest rate exposure in variable rat financial instruments. In addition, the Company may use non-functional currency denominated long-term debt, forwar currency contracts, and cross currency swaps to mitigate the foreign exchange translation risk of net investments in foreig operations.

The Company applies the cost of hedging option for certain hedge accounting relationships, as such changes in forwar points and foreign currency basis spreads are excluded from the hedge accounting relationships and are accounted for as separate component in equity .

Employee Future Benefit

The Company maintains defined contribution and defined benefit pension plans, and other post-employment plans fo employees and agents, including registered (tax qualified) pension plans that are typically funded, as well as supplementa non-registered (non-qualified) pension plans for executives, retiree welfare plans and disability welfare plans that are typically not funded. The largest defined benefit pension and retiree welfare plans in the U.S. and Canada are the material plans tha are discussed herein and in note 15 to th 2024 Annual Consolidated Financial Statements .

Due to the long-term nature of defined benefit pension and retiree welfare plans, the calculation of the defined benefi obligation and net benefit cost depends on various assumptions such as discount rates, salary increase rates, cash balanc interest crediting rates, health care cost trend rates and rates of mortality. These assumptions are determined b management and are reviewed annually. The key assumptions, as well as the sensitivity of the defined benefit obligation t changes in these assumptions, are presented in note 15 to th 2024 Annual Consolidated Financial Statements .

Changes in assumptions and differences between actual and expected experience give rise to actuarial gains and losses tha affect the amount of the defined benefit obligation and OCI. For 2024, the amount recorded in OCI was a gain o $67 million (2023 – loss of $5 million) for the defined benefit pension plans and a gain o $16 million (2023 – gain of $10 million) for the retiree welfare plans.

Contributions to the registered (tax qualified) defined benefit pension plans are made in accordance with the applicable U.S and Canadian regulations. During 2024, the Company contributed $2 million 2023 – $3 million) to these plans. As at December 31, 2024, the difference between the fair value of assets and the defined benefit obligation for these plans was surplus of $483 million (2023 – surplus of $422 million). For 2025, the contributions to the plans are expected to be approximately $2 million .

The Company’s supplemental pension plans for executives are not funded; benefits under these plans are paid as the become due. During 2024, the Company paid benefits of $55 million 2023 – $56 million) under these plans. As at December 31, 2024, the defined benefit obligation for these plans, which is reflected as a liability in the balance sheet, amounted t $533 million (2023 – $546 million) .

The Company’s retiree welfare plans are partially funded, although there are no regulations or laws governing or requiring th funding of these plans. As at December 31, 2024, the difference between the fair value of plan assets and the defined benefit obligation for these plans was a surplus of $125 million (2023 – surplus of $76 million) .

Income Taxes

The Company is subject to income tax laws in various jurisdictions. Tax laws are complex and potentially subject to differen interpretations by the taxpayer and the relevant tax authority. The provision for income taxes represents management's interpretation of the relevant tax laws and its estimate of current and future income tax implications of the transactions an events during the period. A deferred tax asset or liability results from temporary differences between carrying values of asset and liabilities and their respective tax basis. Deferred tax assets and liabilities are recorded based on expected future ta rates and management's assumptions regarding the expected timing of the reversal of such temporary differences. The realization of deferred tax assets depends upon the existence of sufficient taxable income within the carryback or carryforward periods under the tax law in the applicable tax jurisdiction. A deferred tax asset is recognized to the extent tha future realization of the tax benefit is probable. Deferred tax assets are reviewed at each reporting date and are reduced t the extent that it is no longer probable that the tax benefit will be realized. A December 31, 2024, we had $5,884 million of deferred tax assets (December 31, 2023 – $6,739 million). Factors in management's determination include, among others, the following:

- Future taxable income exclusive of reversing temporary differences and carryforwards
- Future reversals of existing taxable temporary differences
- Taxable income in prior carryback years; an
- Tax planning strategies

The Company may be required to change its provision for income taxes if the ultimate deductibility of certain items i successfully challenged by taxing authorities or if estimates used in determining the amount of deferred tax assets t recognize change significantly, or when receipt of new information indicates the need for adjustment in the recognition o deferred tax assets. Additionally, future events, such as changes in tax laws, tax regulations, or interpretations of such laws o regulations, could have an impact on the provision for income tax, deferred tax balances, actuarial liabilities (see Critic Actuarial and Accounting Policies – Expenses and Taxes above) and the effective tax rate. Any such changes coul significantly affect the amounts reported in the Consolidated Financial Statements in the year these changes occu

Goodwill and Intangible Assets

At December 31, 2024, under IFRS we had $6,275 million of goodwill December 31, 2023 – $5,919 million) and $4,777 million of intangible assets $2,124 million of which are intangible assets with indefinite lives) December 31, 2023 – $4,391 million and $1,825 million, respecti ely). Goodwill and intangible assets with indefinite lives are tested for impairment at th cash generating unit level ("CGU") or group of CGUs level. A CGU comprises the smallest group of assets that are capable o generating largely independent cash flows and is either a business segment or a level below. The tests performed i 2024 demonstrated that there was $nil impairment of goodwill or intangible assets with indefinite lives 2023 – $nil). Changes in discount rates and cash flow projections used in the determination of recoverable values or reductions in market-base earnings multiples may result in impairment charges in the future, which could be materia

Impairment charges could occur in the future as a result of changes in economic conditions. The goodwill testing fo 2025 will be updated based on the conditions that exist in 2025 and may result in impairment charges, which could be material

12. Controls and Procedures

Disclosure Controls and Procedures

Our disclosure controls and procedures are designed to provide reasonable assurance that information required to b

disclosed by us is recorded, processed, summarized, and reported accurately and completely and within the time periods specified under Canadian and U.S. securities laws. Our process includes controls and procedures that are designed to ensure that information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure.

As of December 31, 2024, management evaluated the effectiveness of its disclosure controls and procedures as defined under the rules adopted by the U.S. Securities and Exchange Commission and the Canadian securities regulatory authorities. This evaluation was performed under the supervision of the Audit Committee, the CEO and CFO. Based on that evaluation, the CEO and CFO concluded that our disclosure controls and procedures were effective as of December 31, 2024.

MFC's Audit Committee has reviewed this MD&A and the 2024 Consolidated Financial Statements and MFC's Board approved these reports prior to their release.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control system was designed to provide reasonable assurance to management and the Board regarding the preparation and fair presentation of published financial statements in accordance with generally accepted accounting principles. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management maintains a comprehensive system of controls intended to ensure that transactions are executed in accordance with management's authorization, assets are safeguarded, and financial records are reliable. Management also takes steps to ensure that information and communication flows are effective and to monitor performance, including performance of internal control procedures.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2024 based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission 2013 framework in Internal Control – Integrated Framework. Based on this assessment, management believes that, as of December 31, 2024, the Company's internal control over financial reporting is effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2024 has been audited by Ernst & Young LLP, the Company's independent registered public accounting firm that also audited the Consolidated Financial Statements of the Company for the year ended December 31, 2024. Their report expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2024.

Changes in Internal Control over Financial Reporting

No changes were made in our internal control over financial reporting during the year ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

13. 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 available to common shareholders excluding the impact of Global Minimum Taxes ("GMT"); core earnings before interest, taxes, depreciation and amortization ("core EBITDA"); total expenses; core expenses; core Drivers of Earnings ("DOE") line items for core net insurance service result, core net investment result, other core earnings, and core income tax (expenses) recoveries; 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; asset 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; common shareholders' net income; and new business CSM.

Non-GAAP ratios include core return on shareholders' equity ("core ROE"); diluted core earnings per common share ("core EPS"); diluted core EPS excluding the impact of GMT ("core EPS excluding the impact of GMT"); core earnings contribution from highest potential businesses; core earnings contribution from Asia region; core earnings contribution from LTC and V businesses; financial leverage ratio; adjusted book value per common share; common share core dividend payout ratio ("dividend payout ratio"); expense efficiency ratio; core EBITDA margin; effective tax rate on core earnings; operating segment core earnings contribution; segment share of the total Company AUMA; 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 and non-GAAP ratios; net income attributed to shareholders; common shareholders' net income; pre-tax net income attributed to shareholders; general expenses; CSM; CSM net of NCI; impact of new insurance business net of NCI; new business CSM; 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; 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 (on a pre-tax and post-tax basis), 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 Consolidated Statements of Income, core earnings and items excluded from core earnings, 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 1 "Impact of Foreign Currency Exchange Rates" of the MD&A above for the Canadian to U.S. dollar quarterly and full year 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 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 levels. We also base our mid- and long-term strategic priorities on core earnings.

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 between 9.0% to 9.5% on these assets as of December 31, 2024.

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 item 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 expecte
   - Gains (charges) on derivatives not in hedging relationships, or gains (charges) resulting from hedge accountin 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 instrument
   - 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 flo 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 futur experience and ensuring that the risk adjustment is appropriate for the risks assumed.
3. The impact on the measurement of insurance and investment contract assets and liabilities and reinsurance contrac held assets and liabilities from changes in product features and new or changes to in-force reinsurance contracts, i material.
4. The fair value changes in long-term investment plan ("LTIP") obligations for Global WAM investment managemen
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 an 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 substantively enacted income tax rate changes.

Reconciliation of core earnings to net income attributed to shareholders — 2024

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

	2024					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	**$ 3,197**	**$ 1,679**	**$ 132**	**$ 1,747**	**$ 335**	**$ 7,090**
Income tax (expenses) recoveries						
Core earnings	**(267)**	**(399)**	**(408)**	**(171)**	**(21)**	**(1,266)**
Items excluded from core earnings	**(193)**	**46**	**411**	**23**	**(233)**	**54**
Income tax (expenses) recoveries	**(460)**	**(353)**	**3**	**(148)**	**(254)**	**(1,212)**
Net income (post-tax)	**2,737**	**1,326**	**135**	**1,599**	**81**	**5,878**
Less: Net income (post-tax) attributed to						
Non-controlling interests	**241**	**-**	**-**	**2**	**4**	**247**
Participating policyholders	**141**	**105**	**-**	**-**	**-**	**246**
Net income (loss) attributed to shareholders (post-tax)	**2,355**	**1,221**	**135**	**1,597**	**77**	**5,385**
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	**(178)**	**(384)**	**(1,327)**	**4**	**435**	**(1,450)**
Changes in actuarial methods and assumptions that flow directly through income	**(5)**	**2**	**(202)**	**-**	**6**	**(199)**
Restructuring charge	**-**	**(6)**	**-**	**(66)**	**-**	**(72)**
Reinsurance transactions, tax-related items and other	**(51)**	**41**	**(26)**	**(77)**	**(7)**	**(120)**
Core earnings (post-tax)	**$ 2,589**	**$ 1,568**	**$ 1,690**	**$ 1,736**	**$ (357)**	**$ 7,226**
Income tax on core earnings (see above)	**267**	**399**	**408**	**171**	**21**	**1,266**
Core earnings (pre-tax)	**$ 2,856**	**$ 1,967**	**$ 2,098**	**$ 1,907**	**$ (336)**	**$ 8,492**

Core earnings, CER basis and U.S. dollar — 2024

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

	2024					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	**$ 2,589**	**$ 1,568**	**$ 1,690**	**$ 1,736**	**$ (357)**	**$ 7,226**
CER adjustment[1]	**51**	**-**	**36**	**27**	**4**	**118**
Core earnings, CER basis (post-tax)	**$ 2,640**	**$ 1,568**	**$ 1,726**	**$ 1,763**	**$ (353)**	**$ 7,344**
Income tax on core earnings, CER basis[2]	**272**	**399**	**417**	**171**	**21**	**1,280**
Core earnings, CER basis (pre-tax)	**$ 2,912**	**$ 1,967**	**$ 2,143**	**$ 1,934**	**$ (332)**	**$ 8,624**
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)[3], US $	**$ 1,890**		**$ 1,234**			
CER adjustment US $[1]	**(1)**		**-**			

Core earnings, CER basis (post-tax), US $	**$ 1,889**	**$ 1,234**

(1) The impact of updating foreign exchange rates to that which was used in 4Q24.
(2) Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q24.
(3) Core earnings (post-tax) in Canadian $ are translated to US $ using the US $ Statement of Income exchange rate for the four respective quarters that make up 2024 core earnings.

Reconciliation of core earnings to net income attributed to shareholder — 2023

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

	2023					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	$ 2,244	$ 1,609	$ 751	$ 1,497	$ 351	$ 6,452
Income tax (expenses) recoveries						
Core earnings	(279)	(378)	(402)	(204)	99	(1,164)
Items excluded from core earnings	(161)	5	290	6	179	319
Income tax (expenses) recoveries	(440)	(373)	(112)	(198)	278	(845)
Net income (post-tax)	1,804	1,236	639	1,299	629	5,607
Less: Net income (post-tax) attributed to						
Non-controlling interests	141	-	-	2	1	144
Participating policyholders	315	45	-	-	-	360
Net income (loss) attributed to shareholders (post-tax)	1,348	1,191	639	1,297	628	5,103
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	(553)	(341)	(1,196)	10	290	(1,790)
Changes in actuarial methods and assumptions that flow directly through income	(68)	41	132	-	-	105
Restructuring charge	-	-	-	(36)	-	(36)
Reinsurance transactions, tax-related items and other	(79)	4	(56)	2	269	140
Core earnings (post-tax)	$ 2,048	$ 1,487	$ 1,759	$ 1,321	$ 69	$ 6,684
Income tax on core earnings (see above)	279	378	402	204	(99)	1,164
Core earnings (pre-tax)	$ 2,327	$ 1,865	$ 2,161	$ 1,525	$ (30)	$ 7,848

Core earnings, CER basis and U.S. dollar — 2023

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

	2023					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	$ 2,048	$ 1,487	$ 1,759	$ 1,321	$ 69	$ 6,684
CER adjustment[1]	26	-	65	32	9	132
Core earnings, CER basis (post-tax)	$ 2,074	$ 1,487	$ 1,824	$ 1,353	$ 78	$ 6,816
Income tax on core earnings, CER basis[2]	280	378	416	206	(99)	1,181
Core earnings, CER basis (pre-tax)	$ 2,354	$ 1,865	$ 2,240	$ 1,559	$ (21)	$ 7,997
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)[3], US $	$ 1,518		$ 1,304			
CER adjustment US $[1]	(34)		-			
Core earnings, CER basis (post-tax), US $	$ 1,484		$ 1,304			

(1) The impact of updating foreign exchange rates to that which was used in 4Q24.
(2) Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q24.
(3) Core earnings (post-tax) in Canadian $ are translated to US $ using the US $ Statement of Income exchange rate for the four respective quarters that make up 2023 core earnings.

Reconciliation of core earnings to net income attributed to shareholder — 4Q24

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

	4Q24					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	$ 781	$ 579	$ 112	$ 419	$ 222	$ 2,113
Income tax (expenses) recoveries						
Core earnings	(71)	(97)	(98)	(61)	(18)	(345)
Items excluded from core earnings	(85)	(20)	89	26	(71)	(61)
Income tax (expenses) recoveries	(156)	(117)	(9)	(35)	(89)	(406)
Net income (post-tax)	625	462	103	384	133	1,707
Less: Net income (post-tax) attributed to						
Non-controlling interests	18	-	-	-	4	22
Participating policyholders	24	23	-	-	-	47
Net income (loss) attributed to shareholders (post-tax)	583	439	103	384	129	1,638
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	(83)	55	(309)	(23)	168	(192)
Changes in actuarial methods and assumptions that flow directly through income	-	-	-	-	-	-
Restructuring charge	-	(6)	-	(46)	-	(52)
Reinsurance transactions, tax-related items and other	-	-	-	(28)	3	(25)
Core earnings (post-tax)	$ 666	$ 390	$ 412	$ 481	$ (42)	$ 1,907
Income tax on core earnings (see above)	71	97	98	61	18	345
Core earnings (pre-tax)	$ 737	$ 487	$ 510	$ 542	$ (24)	$ 2,252

Core earnings, CER basis and U.S. dollar — 4Q24

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

	4Q24					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	$ 666	$ 390	$ 412	$ 481	$ (42)	$ 1,907
CER adjustment[1]	-	-	-	-	-	-
Core earnings, CER basis (post-tax)	$ 666	$ 390	$ 412	$ 481	$ (42)	$ 1,907
Income tax on core earnings, CER basis[2]	71	97	98	61	18	345
Core earnings, CER basis (pre-tax)	$ 737	$ 487	$ 510	$ 542	$ (24)	$ 2,252
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)[3], US $	$ 477		$ 294			
CER adjustment US $[1]	-		-			
Core earnings, CER basis (post-tax), US $	$ 477		$ 294			

(1) The impact of updating foreign exchange rates to that which was used in 4Q24.
(2) Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q24.
(3) Core earnings (post-tax) in Canadian $ are translated to US $ using the US $ Statement of Income exchange rate for 4Q24.

Reconciliation of core earnings to net income attributed to shareholders 3Q24

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

	3Q24					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	$ 1,059	$ 578	$ 18	$ 519	$ 167	$ 2,341
Income tax (expenses) recoveries						
Core earnings	(65)	(104)	(112)	(6)	(28)	(315)
Items excluded from core earnings	26	(10)	99	(14)	(60)	41
Income tax (expenses) recoveries	(39)	(114)	(13)	(20)	(88)	(274)
Net income (post-tax)	1,020	464	5	499	79	2,067
Less: Net income (post-tax) attributed to						
Non-controlling interests	130	-	-	1	-	131
Participating policyholders	63	34	-	-	-	97
Net income (loss) attributed to shareholders (post-tax)	827	430	5	498	79	1,839
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	213	16	(204)	28	133	186
Changes in actuarial methods and assumptions that flow directly through income	(5)	2	(202)	-	6	(199)
Restructuring charge	-	-	-	(20)	-	(20)
Reinsurance transactions, tax-related items and other	-	-	-	(9)	53	44
Core earnings (post-tax)	$ 619	$ 412	$ 411	$ 499	$ (113)	$ 1,828
Income tax on core earnings (see above)	65	104	112	6	28	315
Core earnings (pre-tax)	$ 684	$ 516	$ 523	$ 505	$ (85)	$ 2,143

Core earnings, CER basis and U.S. dollar – 3Q24

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

	3Q24					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	$ 619	$ 412	$ 411	$ 499	$ (113)	$ 1,828
CER adjustment[1]	12	-	11	10	1	34
Core earnings, CER basis (post-tax)	$ 631	$ 412	$ 422	$ 509	$ (112)	$ 1,862
Income tax on core earnings, CER basis[2]	66	104	115	5	28	318
Core earnings, CER basis (pre-tax)	$ 697	$ 516	$ 537	$ 514	$ (84)	$ 2,180
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)[3], US $	$ 453		$ 302			
CER adjustment US $[1]	(2)		-			
Core earnings, CER basis (post-tax), US $	$ 451		$ 302			

(1) The impact of updating foreign exchange rates to that which was used in 4Q24.
(2) Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q24.
(3) Core earnings (post-tax) in Canadian $ are translated to US $ using the US $ Statement of Income exchange rate for 3Q24.

Reconciliation of core earnings to net income attributed to shareholder – 2Q24

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

	2Q24					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total

Income (loss) before income taxes	$ 763	$ 141	$ 156	$ 383	$ (59)	$ 1,384
Income tax (expenses) recoveries						
Core earnings	(64)	(107)	(95)	(46)	(8)	(320)
Items excluded from core earnings	(51)	68	74	14	(37)	68
Income tax (expenses) recoveries	(115)	(39)	(21)	(32)	(45)	(252)
Net income (post-tax)	648	102	135	351	(104)	1,132
Less: Net income (post-tax) attributed to						
Non-controlling interests	38	-	-	1	-	39
Participating policyholders	28	23	-	-	-	51
Net income (loss) attributed to shareholders (post-tax)	582	79	135	350	(104)	1,042
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	(58)	(364)	(280)	(7)	44	(665)
Changes in actuarial methods and assumptions that flow directly through income	-	-	-	-	-	-
Restructuring charge	-	-	-	-	-	-
Reinsurance transactions, tax-related items and other	(7)	41	-	(42)	(22)	(30)
Core earnings (post-tax)	$ 647	$ 402	$ 415	$ 399	$ (126)	$ 1,737
Income tax on core earnings (see above)	64	107	95	46	8	320
Core earnings (pre-tax)	$ 711	$ 509	$ 510	$ 445	$ (118)	$ 2,057

Core earnings, CER basis and U.S. dollar – 2Q24

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

	2Q24					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	$ 647	$ 402	$ 415	$ 399	$ (126)	$ 1,737
CER adjustment[1]	18	1	8	8	1	36
Core earnings, CER basis (post-tax)	$ 665	$ 403	$ 423	$ 407	$ (125)	$ 1,773
Income tax on core earnings, CER basis[2]	66	107	98	46	8	325
Core earnings, CER basis (pre-tax)	$ 731	$ 510	$ 521	$ 453	$ (117)	$ 2,098
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)[3], US $	$ 472		$ 303			
CER adjustment US $[1]	4		(1)			
Core earnings, CER basis (post-tax), US $	$ 476		$ 302			

(1) The impact of updating foreign exchange rates to that which was used in 4Q24.
(2) Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q24.
(3) Core earnings (post-tax) in Canadian $ are translated to US $ using the US $ Statement of Income exchange rate for 2Q24.

Reconciliation of core earnings to net income attributed to shareholders 1Q24

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

	1Q24					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	$ 594	$ 381	$ (154)	$ 426	$ 5	$ 1,252
Income tax (expenses) recoveries						
Core earnings	(67)	(91)	(103)	(58)	33	(286)
Items excluded from core earnings	(83)	8	149	(3)	(65)	6
Income tax (expenses) recoveries	(150)	(83)	46	(61)	(32)	(280)
Net income (post-tax)	444	298	(108)	365	(27)	972
Less: Net income (post-tax) attributed to						
Non-controlling interests	55	-	-	-	-	55
Participating policyholders	26	25	-	-	-	51
Net income (loss) attributed to shareholders (post-tax)	363	273	(108)	365	(27)	866

Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	(250)	(91)	(534)	6	90	(779)
Changes in actuarial methods and assumptions that flow directly through income	-	-	-	-	-	-
Restructuring charge	-	-	-	-	-	-
Reinsurance transactions, tax-related items and other	(44)	-	(26)	2	(41)	(109)
Core earnings (post-tax)	$ 657	$ 364	$ 452	$ 357	$ (76)	$ 1,754
Income tax on core earnings (see above)	67	91	103	58	(33)	286
Core earnings (pre-tax)	$ 724	$ 455	$ 555	$ 415	$ (109)	$ 2,040

Core earnings, CER basis and U.S. dollar — 1Q24

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

	1Q24					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	$ 657	$ 364	$ 452	$ 357	$ (76)	$ 1,754
CER adjustment[1]	21	-	17	9	1	48
Core earnings, CER basis (post-tax)	$ 678	$ 364	$ 469	$ 366	$ (75)	$ 1,802
Income tax on core earnings, CER basis[2]	69	91	106	59	(33)	292
Core earnings, CER basis (pre-tax)	$ 747	$ 455	$ 575	$ 425	$ (108)	$ 2,094
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)[3], US $	$ 488		$ 335			
CER adjustment US $[1]	(3)		-			
Core earnings, CER basis (post-tax), US $	$ 485		$ 335			

(1) The impact of updating foreign exchange rates to that which was used in 4Q24.
(2) Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q24.
(3) Core earnings (post-tax) in Canadian $ are translated to US $ using the US $ Statement of Income exchange rate for 1Q24.

Reconciliation of core earnings to net income attributed to shareholders 4Q23

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

	4Q23					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	$ 847	$ 498	$ 244	$ 424	$ 110	$ 2,123
Income tax (expenses) recoveries						
Core earnings	(76)	(87)	(113)	(55)	37	(294)
Items excluded from core earnings	(33)	(29)	67	(3)	(30)	(28)
Income tax (expenses) recoveries	(109)	(116)	(46)	(58)	7	(322)
Net income (post-tax)	738	382	198	366	117	1,801
Less: Net income (post-tax) attributed to						
Non-controlling interests	37	-	-	1	1	39
Participating policyholders	86	17	-	-	-	103
Net income (loss) attributed to shareholders (post-tax)	615	365	198	365	116	1,659
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	-	9	(279)	51	86	(133)
Changes in actuarial methods and assumptions that flow directly through income	89	4	26	-	-	119
Restructuring charge	-	-	-	(36)	-	(36)
Reinsurance transactions, tax-related items and other	(38)	-	(23)	(3)	-	(64)
Core earnings (post-tax)	$ 564	$ 352	$ 474	$ 353	$ 30	$ 1,773
Income tax on core earnings (see above)	76	87	113	55	(37)	294
Core earnings (pre-tax)	$ 640	$ 439	$ 587	$ 408	$ (7)	$ 2,067

Core earnings, CER basis and U.S. dollar — 4Q23

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

	4Q23					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	$ 564	$ 352	$ 474	$ 353	$ 30	$ 1,773
CER adjustment[1]	11	-	13	7	3	34
Core earnings, CER basis (post-tax)	$ 575	$ 352	$ 487	$ 360	$ 33	$ 1,807
Income tax on core earnings, CER basis[2]	78	87	116	56	(38)	299
Core earnings, CER basis (pre-tax)	$ 653	$ 439	$ 603	$ 416	$ (5)	$ 2,106
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)[3], US $	$ 414		$ 349			
CER adjustment US $[1]	(3)		(1)			
Core earnings, CER basis (post-tax), US $	$ 411		$ 348			

(1) The impact of updating foreign exchange rates to that which was used in 4Q24.
(2) Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q24.
(3) Core earnings (post-tax) in Canadian $ are translated to US $ using the US $ Statement of Income exchange rate for 4Q23.

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

	Quarterly Results					Full Year Results	
(US $ millions)	**4Q24**	3Q24	2Q24	1Q24	4Q23	**2024**	2023
Hong Kong	**$ 254**	$ 254	$ 243	$ 241	$ 218	**$ 992**	$ 728
Japan	**87**	81	92	102	79	**362**	309
Asia Other[1]	**147**	127	145	151	119	**570**	494
International High Net Worth						***114***	*72*
Mainland China						***41***	*49*
Singapore						***216***	*161*
Vietnam						***126***	*133*
Other Emerging Markets[2]						***73***	*79*
Regional Office	**(11)**	(9)	(8)	(6)	(2)	**(34)**	(13)
Total Asia core earnings	**$ 477**	$ 453	$ 472	$ 488	$ 414	**$ 1,890**	$ 1,518

(1) Core earnings for Asia Other is reported by country annually, on a full year basis.
(2) Other Emerging Markets includes Indonesia, the Philippines, Malaysia, Thailand, Cambodia and Myanmar.

	Quarterly Results					Full Year Results	
(US $ millions), CER basis [1]	**4Q24**	3Q24	2Q24	1Q24	4Q23	**2024**	2023
Hong Kong	**$ 254**	$ 254	$ 243	$ 241	$ 217	**$ 992**	$ 727
Japan	**87**	79	94	100	76	**360**	286
Asia Other[2]	**147**	127	147	150	120	**571**	484
International High Net Worth						***114***	*72*
Mainland China						***41***	*48*
Singapore						***216***	*163*
Vietnam						***126***	*127*
Other Emerging Markets[3]						***74***	*74*
Regional Office	**(11)**	(9)	(8)	(6)	(2)	**(34)**	(13)
Total Asia core earnings, CER basis	**$ 477**	$ 451	$ 476	$ 485	$ 411	**$ 1,889**	$ 1,484

(1) Core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q24.
(2) Core earnings for Asia Other are reported by country annually, on a full year basis.
(3) Other Emerging Markets includes Indonesia, the Philippines, Malaysia, Thailand, Cambodia and Myanmar.

Canada

	Quarterly Results					Full Year Results	
(Canadian $ in millions)	**4Q24**	3Q24	2Q24	1Q24	4Q23	**2024**	2023

Insurance	**$ 295**	$ 320	$ 307	$ 266	$ 258	**$ 1,188**	$ 1,101
Annuities	**51**	51	55	53	48	**210**	204
Manulife Bank	**44**	41	40	45	46	**170**	182
Total Canada core earnings	**$ 390**	$ 412	$ 402	$ 364	$ 352	**$ 1,568**	$ 1,487

U.S.

	Quarterly Results					Full Year Results	
(US $ in millions)	**4Q24**	3Q24	2Q24	1Q24	4Q23	**2024**	2023
U.S. Insurance	**$ 256**	$ 268	$ 254	$ 286	$ 300	**$ 1,064**	$ 1,133
U.S. Annuities	**38**	34	49	49	49	**170**	171
Total U.S. core earnings	**$ 294**	$ 302	$ 303	$ 335	$ 349	**$ 1,234**	$ 1,304

Global WAM by business line

	Quarterly Results					Full Year Results	
(Canadian $ in millions)	**4Q24**	3Q24	2Q24	1Q24	4Q23	**2024**	2023
Retirement	**$ 281**	$ 304	$ 226	$ 202	$ 203	**$ 1,013**	$ 745
Retail	**161**	154	135	131	127	**581**	502
Institutional asset management	**39**	41	38	24	23	**142**	74
Total Global WAM core earnings	**$ 481**	$ 499	$ 399	$ 357	$ 353	**$ 1,736**	$ 1,321

	Quarterly Results					Full Year Results	
(Canadian $ in millions), CER basis [1]	**4Q24**	3Q24	2Q24	1Q24	4Q23	**2024**	2023
Retirement	**$ 281**	$ 311	$ 230	$ 208	$ 207	**$ 1,030**	$ 766
Retail	**161**	156	138	133	128	**588**	510
Institutional asset management	**39**	42	39	25	25	**145**	77
Total Global WAM core earnings, CER basis	**$ 481**	$ 509	$ 407	$ 366	$ 360	**$ 1,763**	$ 1,353

[1] Core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q24.

Global WAM by geographic source

	Quarterly Results					Full Year Results	
(Canadian $ in millions)	**4Q24**	3Q24	2Q24	1Q24	4Q23	**2024**	2023
Asia	**$ 157**	$ 157	$ 138	$ 108	$ 109	**$ 560**	$ 404
Canada	**108**	107	85	90	100	**390**	378
U.S.	**216**	235	176	159	144	**786**	539
Total Global WAM core earnings	**$ 481**	$ 499	$ 399	$ 357	$ 353	**$ 1,736**	$ 1,321

	Quarterly Results					Full Year Results	
(Canadian $ in millions), CER basis [1]	**4Q24**	3Q24	2Q24	1Q24	4Q23	**2024**	2023
Asia	**$ 157**	$ 161	$ 141	$ 112	$ 111	**$ 571**	$ 416
Canada	**108**	107	85	90	100	**390**	378
U.S.	**216**	241	181	164	149	**802**	559
Total Global WAM core earnings, CER basis	**$ 481**	$ 509	$ 407	$ 366	$ 360	**$ 1,763**	$ 1,353

[1] Core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q24.

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 and other equity distributions.

	Quarterly Results					Full Year Results	
($ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	**4Q24**	3Q24	2Q24	1Q24	4Q23	**2024**	2023
Core earnings	**$ 1,907**	$ 1,828	$ 1,737	$ 1,754	$ 1,773	**$ 7,226**	$ 6,684
Less: Preferred share dividends and other equity distributions[1]	**101**	56	99	55	99	**311**	303
Core earnings available to common shareholders	**1,806**	1,772	1,638	1,699	1,674	**6,915**	6,381
CER adjustment[2]	**-**	34	36	48	34	**118**	132
Core earnings available to common shareholders, CER basis	**$ 1,806**	$ 1,806	$ 1,674	$ 1,747	$ 1,708	**$ 7,033**	$ 6,513

[1] Preferred share dividends and other equity distributions are recorded in the Corporate and Other segment. As a result, core earnings and core earnings available to common shareholders are the same figure for Asia, Canada, U.S. and Global WAM segments. Core earnings for Corporate and Other segment is reduced by preferred shares and other equity distributions to arrive at core earnings available to common shareholders. See above for the reconciliation of core earnings to net income attributed to shareholders for each segment.

[2] The impact of updating foreign exchange rates to that which was used in 4Q24.

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.

	Quarterly Results					Full Year Results	
($ millions, unless otherwise stated)	**4Q24**	3Q24	2Q24	1Q24	4Q23	**2024**	2023
Core earnings available to common shareholders	**$ 1,806**	$ 1,772	$ 1,638	$ 1,699	$ 1,674	**$ 6,915**	$ 6,381
Annualized core earnings available to							

common shareholders (post-tax)	**$ 7,185**	$ 7,049	$ 6,588	$ 6,833	$ 6,641	**$ 6,915**	$ 6,381
Average common shareholders' equity (see below)	**$ 43,613**	$ 42,609	$ 41,947	$ 40,984	$ 40,563	**$ 42,288**	$ 40,201
Core ROE (annualized) (%)	**16.5%**	16.6%	15.7%	16.7%	16.4%	**16.4%**	15.9%
Average common shareholders' equity							
Total shareholders' and other equity	**$ 50,972**	$ 49,573	$ 48,965	$ 48,250	$ 47,039	**$ 50,972**	$ 47,039
Less: Preferred shares and other equity	**6,660**	6,660	6,660	6,660	6,660	**6,660**	6,660
Common shareholders' equity	**$ 44,312**	$ 42,913	$ 42,305	$ 41,590	$ 40,379	**$ 44,312**	$ 40,379
Average common shareholders' equity	**$ 43,613**	$ 42,609	$ 41,947	$ 40,984	$ 40,563	**$ 42,288**	$ 40,201

Core EPS is equal to core earnings available to common shareholders divided by diluted weighted average common shares outstanding. **Core EPS excluding the impact of GMT** is equal to core earnings available to common shareholders excluding the impact of GMT divided by diluted weighted average common shares outstanding.

Core earnings available to common shareholders excluding the impact of GMT

Core earnings available to shareholders excluding the impact of GMT is calculated as core earnings available to common shareholders less GMT included in core earnings. We believe this measure will aid investors to better understand the impact that the adoption of the Global Minimum Tax Act had on our operating performance.

	Quarterly Results	Full Year Results
($ millions and post-tax)	4Q24	2024
Core earnings available to common shareholders	**$ 1,806**	**$ 6,915**
Less: GMT included in core earnings	**(57)**	**(164)**
Core earnings available to common shareholders excluding the impact GMT	**$ 1,863**	**$ 7,079**

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, core earnings from Asia region and core earnings from LTC and VA businesses. The core earnings for these businesses is calculated consistent with our definition of core earnings and expressed as a percentage of total core earnings.

Highest potential businesses

For the years ended December 31,		
($ millions and post-tax, unless otherwise stated)	**2024**	2023
Core earnings highest potential businesses[1]	**$ 5,084**	$ 4,039
Core earnings - all other businesses	**2,142**	2,645
Core earnings	**7,226**	6,684
Items excluded from core earnings	**(1,841)**	(1,581)
Net income (loss) attributed to shareholders	**$ 5,385**	$ 5,103
Highest potential businesses core earnings contribution	**70%**	60%

(1) Includes core earnings from Asia and Global WAM segments, Canada Group Benefits, and North American behavioural insurance products.

Asia region

For the years ended December 31,		
($ millions and post-tax, unless otherwise stated)	**2024**	2023
Core earnings of Asia region[1]	**$ 3,149**	$ 2,452
Core earnings - all other businesses	**4,077**	4,232
Core earnings	**7,226**	6,684
Items excluded from core earnings	**(1,841)**	(1,581)
Net income (loss) attributed to shareholders	**$ 5,385**	$ 5,103
Asia region core earnings contribution	**44%**	37%

(1) Includes core earnings from Asia segment and Global WAM's business in Asia.

LTC and VA businesses

For the years ended December 31,		
($ millions and post-tax, unless otherwise stated)	**2024**	2023
Core earnings of LTC and VA businesses[1]	**$ 744**	$ 821
Core earnings - all other businesses	**6,482**	5,863
Core earnings	**7,226**	6,684
Items excluded from core earnings	**(1,841)**	(1,581)
Net income (loss) attributed to shareholders	**$ 5,385**	$ 5,103
LTC and VA businesses core earnings contribution	**10%**	12%

(1) Includes core earnings from U.S. long-term care and Asia, Canada and U.S. variable annuities businesses.

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

The **operating segment core earnings contribution** measures the core earnings contribution from each operating segment, expressed as a percentage. The operating segments are Asia, Canada, U.S. and Global WAM. For each operating segment, the percentage is calculated as the core earnings from that segment divided by the sum of core earnings from all four of the operating segments. As of December 31, 2024, Asia, Canada, U.S. and Global WAM operating core earnings contributions were 34%, 21%, 22% and 23%, respectively (December 31 2023 – 31%, 22%, 27% and 20%, respectively).

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 line items are comprised of amounts that have been included in our financial statements. The core DOE shows the sources of core earnings and the items excluded from core earnings, reconciled to net income attributed to shareholders. The elements of the core earnings DOE are described below:

Net Insurance Service Result represents the core earnings associated with providing insurance service to policyholders within the period 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 provided 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 core earnings 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 Consolidated Statements of Income, the results associated with these businesses would impact the total investment result. This section includes:

- **Expected investment earnings**, which is the difference between expected asset returns and the associated finance income or expense from insurance and investment 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 exclude 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 substantively 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 detail in our definition of items excluded from core earnings.

DOE Reconciliation – 2024
($ millions, pre-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)

	2024

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	$ 2,160	$ 1,320	$ 357	$ -	$ 164	$ 4,001
Less: Insurance service result attributed to:						
Items excluded from core earnings	(11)	(5)	(205)	-	1	(220)
NCI	101	-	-	-	-	101
Participating policyholders	201	71	-	-	-	272
Core net insurance service result	1,869	1,254	562	-	163	3,848
Core net insurance service result, CER adjustment[1]	37	-	12	-	3	52
Core net insurance service result, CER basis	$ 1,906	$ 1,254	$ 574	$ -	$ 166	$ 3,900
Total investment result reconciliation						
Total investment result per financial statements	$ 1,248	$ 1,789	$ (218)	$ (982)	$ 1,684	$ 3,521
Less: Reclassify Manulife Bank[2] and Global WAM to their own DOE lines	-	1,547	-	(982)	-	565
Add: Consolidation and other adjustments from Other DOE line	-	-	-	-	(656)	(656)
Less: Net investment result attributed to:						
Items excluded from core earnings	(212)	(397)	(1,809)	-	612	(1,806)
NCI	202	-	-	-	4	206
Participating policyholders	24	57	-	-	-	81
Core net investment result	1,234	582	1,591	-	412	3,819
Core net investment result, CER adjustment[1]	24	-	34	-	1	59
Core net investment result, CER basis	$ 1,258	$ 582	$ 1,625	$ -	$ 413	$ 3,878
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	$ -	$ 235	$ -	$ 1,747	$ -	$ 1,982
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	-	-	(160)	-	(160)
Core earnings in Manulife Bank and Global WAM	-	235	-	1,907	-	2,142
Core earnings in Manulife Bank and Global WAM, CER adjustment[1]	-	-	-	27	-	27
Core earnings in Manulife Bank and Global WAM, CER basis	$ -	$ 235	$ -	$ 1,934	$ -	$ 2,169
Other reconciliation						
Other revenue per financial statements	$ 155	$ 294	$ 137	$ 7,439	$ (437)	$ 7,588
General expenses per financial statements	(330)	(613)	(139)	(3,249)	(528)	(4,859)
Commissions related to non-insurance contracts	(8)	(64)	8	(1,454)	38	(1,480)
Interest expenses per financial statements	(28)	(1,047)	(13)	(7)	(586)	(1,681)
Total financial statements values included in Other	(211)	(1,430)	(7)	2,729	(1,513)	(432)
Less: Reclassifications:						
Manulife Bank and Global WAM to their own DOE lines	-	(1,311)	-	2,729	-	1,418
Consolidation and other adjustments to net investment result DOE line	-	(1)	-	-	(656)	(657)
Less: Other attributed to:						
Items excluded from core earnings	80	2	48	(2)	54	182
NCI	(1)	-	-	2	-	1
Participating policyholders	(7)	(5)	-	-	-	(12)
Add: Participating policyholders' earnings transfer to shareholders	36	11	-	-	-	47
Other core earnings	(247)	(104)	(55)	-	(911)	(1,317)
Other core earnings, CER adjustment[1]	(5)	-	(1)	-	-	(6)
Other core earnings, CER basis	$ (252)	$ (104)	$ (56)	$ -	$ (911)	$ (1,323)
Income tax (expenses) recoveries reconciliation						
Income tax (expenses) recoveries per financial statements	$ (460)	$ (353)	$ 3	$ (148)	$ (254)	$ (1,212)
Less: Income tax (expenses) recoveries attributed to:						
Items excluded from core earnings	(91)	53	411	23	(233)	163
NCI	(61)	-	-	-	-	(61)
Participating policyholders	(41)	(7)	-	-	-	(48)
Core income tax (expenses) recoveries	(267)	(399)	(408)	(171)	(21)	(1,266)
Core income tax (expenses) recoveries, CER adjustment[1]	(5)	-	(9)	-	-	(14)
Core income tax (expenses) recoveries, CER basis	$ (272)	$ (399)	$ (417)	$ (171)	$ (21)	$ (1,280)

[1] The impact of updating foreign exchange rates to that which was used in 4Q24.
[2] Manulife Bank is part of Canada segment.

DOE Reconciliation – 2023

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

	2023					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	$ 1,941	$ 1,193	$ 607	$ -	$ 236	$ 3,977
Less: Insurance service result attributed to:						
Items excluded from core earnings	-	19	(55)	-	(3)	(39)
NCI	87	-	-	-	1	88
Participating policyholders	308	107	-	-	-	415
Core net insurance service result	1,546	1,067	662	-	238	3,513
Core net insurance service result, CER adjustment[1]	25	-	25	-	8	58
Core net insurance service result, CER basis	$ 1,571	$ 1,067	$ 687	$ -	$ 246	$ 3,571

Total investment result reconciliation						
Total investment result per financial statements	$ 478	$ 1,717	$ 233	$ (946)	$ 1,476	$ 2,958
Less: Reclassify Manulife Bank[2] and Global WAM to their own DOE lines	-	1,445	-	(946)	-	499
Add: Consolidation and other adjustments from Other DOE line	-	(20)	-	-	(557)	(577)
Less: Net investment result attributed to:						
Items excluded from core earnings	(605)	(345)	(1,296)	-	298	(1,948)
NCI	92	-	-	-	-	92
Participating policyholders	74	(17)	-	-	-	57
Core net investment result	917	614	1,529	-	621	3,681
Core net investment result, CER adjustment[1]	1	-	55	-	2	58
Core net investment result, CER basis	$ 918	$ 614	$ 1,584	$ -	$ 623	$ 3,739
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	$ -	$ 251	$ -	$ 1,496	$ -	$ 1,747
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	2	-	(29)	-	(27)
Core earnings in Manulife Bank and Global WAM	-	249	-	1,525	-	1,774
Core earnings in Manulife Bank and Global WAM, CER adjustment[1]	-	-	-	34	-	34
Core earnings in Manulife Bank and Global WAM, CER basis	$ -	$ 249	$ -	$ 1,559	$ -	$ 1,808
Other reconciliation						
Other revenue per financial statements	$ 67	$ 272	$ 79	$ 6,709	$ (381)	$ 6,746
General expenses per financial statements	(220)	(514)	(156)	(2,931)	(509)	(4,330)
Commissions related to non-insurance contracts	(10)	(55)	3	(1,322)	39	(1,345)
Interest expenses per financial statements	(12)	(1,004)	(15)	(13)	(510)	(1,554)
Total financial statements values included in Other	(175)	(1,301)	(89)	2,443	(1,361)	(483)
Less: Reclassifications:						
Manulife Bank and Global WAM to their own DOE lines	-	(1,194)	-	2,443	-	1,249
Consolidation and other adjustments to net investment result DOE line	-	(20)	-	-	(557)	(577)
Less: Other attributed to:						
Items excluded from core earnings	(7)	(2)	(59)	(2)	85	15
NCI	4	-	-	2	-	6
Participating policyholders	(2)	(12)	-	-	-	(14)
Add: Participating policyholders' earnings transfer to shareholders	34	8	-	-	-	42
Other core earnings	(136)	(65)	(30)	-	(889)	(1,120)
Other core earnings, CER adjustment[1]	1	-	(1)	-	(1)	(1)
Other core earnings, CER basis	$ (135)	$ (65)	$ (31)	$ -	$ (890)	$ (1,121)
Income tax (expenses) recoveries reconciliation						
Income tax (expenses) recoveries per financial statements	$ (440)	$ (373)	$ (112)	$ (198)	$ 278	$ (845)
Less: Income tax (expenses) recoveries attributed to:						
Items excluded from core earnings	(89)	30	290	7	179	417
NCI	(42)	-	-	(1)	-	(43)
Participating policyholders	(30)	(25)	-	-	-	(55)
Core income tax (expenses) recoveries	(279)	(378)	(402)	(204)	99	(1,164)
Core income tax (expenses) recoveries, CER adjustment[1]	(1)	-	(14)	(2)	-	(17)
Core income tax (expenses) recoveries, CER basis	$ (280)	$ (378)	$ (416)	$ (206)	$ 99	$ (1,181)

[1] The impact of updating foreign exchange rates to that which was used in 4Q24.
[2] Manulife Bank is part of Canada segment.

DOE Reconciliation – 4Q24

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

	4Q24					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	**$ 545**	**$ 330**	**$ (257)**	**$ -**	**$ 71**	**$ 689**
Less: Insurance service result attributed to:						
Items excluded from core earnings	**(6)**	**(3)**	**(408)**	**-**	**1**	**(416)**
NCI	**18**	**-**	**-**	**-**	**-**	**18**
Participating policyholders	**51**	**7**	**-**	**-**	**-**	**58**
Core net insurance service result	**482**	**326**	**151**	**-**	**70**	**1,029**
Core net insurance service result, CER adjustment[1]	**-**	**-**	**-**	**-**	**-**	**-**
Core net insurance service result, CER basis	**$ 482**	**$ 326**	**$ 151**	**$ -**	**$ 70**	**$ 1,029**
Total investment result reconciliation						
Total investment result per financial statements	**$ 279**	**$ 612**	**$ 369**	**$ (316)**	**$ 615**	**$ 1,559**
Less: Reclassify Manulife Bank[2] and Global WAM to their own DOE lines	**-**	**382**	**-**	**(316)**	**-**	**66**
Add: Consolidation and other adjustments from Other DOE line	**1**	**1**	**-**	**-**	**(198)**	**(196)**
Less: Net investment result attributed to:						
Items excluded from core earnings	**(56)**	**85**	**(16)**	**-**	**287**	**300**
NCI	**14**	**-**	**-**	**-**	**4**	**18**
Participating policyholders	**(3)**	**15**	**-**	**-**	**-**	**12**
Core net investment result	**325**	**131**	**385**	**-**	**126**	**967**
Core net investment result, CER adjustment[1]	**-**	**-**	**-**	**-**	**-**	**-**
Core net investment result, CER basis	**$ 325**	**$ 131**	**$ 385**	**$ -**	**$ 126**	**$ 967**
Manulife Bank and Global WAM by DOE line reconciliation						

Manulife Bank and Global WAM net income attributed to shareholders	$ -	$ 53	$ -	$ 420	$ -	$ 473
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	(7)	-	(122)	-	(129)
Core earnings in Manulife Bank and Global WAM	-	60	-	542	-	602
Core earnings in Manulife Bank and Global WAM, CER adjustment[1]	-	-	-	-	-	-
Core earnings in Manulife Bank and Global WAM, CER basis	$ -	$ 60	$ -	$ 542	$ -	$ 602
Other reconciliation						
Other revenue per financial statements	$ 79	$ 72	$ 45	$ 2,005	$ (198)	$ 2,003
General expenses per financial statements	(112)	(162)	(45)	(883)	(126)	(1,328)
Commissions related to non-insurance contracts	(1)	(16)	2	(385)	10	(390)
Interest expenses per financial statements	(9)	(257)	(2)	(2)	(150)	(420)
Total financial statements values included in Other	(43)	(363)	-	735	(464)	(135)
Less: Reclassifications:						
Manulife Bank and Global WAM to their own DOE lines	-	(328)	-	735	-	407
Consolidation and other adjustments to net investment result DOE line	1	-	-	1	(198)	(196)
Less: Other attributed to:						
Items excluded from core earnings	40	-	26	(1)	(46)	19
NCI	1	-	-	-	-	1
Participating policyholders	-	(2)	-	-	-	(2)
Add: Participating policyholders' earnings transfer to shareholders	15	3	-	-	-	18
Other core earnings	(70)	(30)	(26)	-	(220)	(346)
Other core earnings, CER adjustment[1]	-	-	-	-	-	-
Other core earnings, CER basis	$ (70)	$ (30)	$ (26)	$ -	$ (220)	$ (346)
Income tax (expenses) recoveries reconciliation						
Income tax (expenses) recoveries per financial statements	$ (156)	$ (117)	$ (9)	$ (35)	$ (89)	$ (406)
Less: Income tax (expenses) recoveries attributed to:						
Items excluded from core earnings	(61)	(26)	89	26	(71)	(43)
NCI	(15)	-	-	-	-	(15)
Participating policyholders	(9)	6	-	-	-	(3)
Core income tax (expenses) recoveries	(71)	(97)	(98)	(61)	(18)	(345)
Core income tax (expenses) recoveries, CER adjustment[1]	-	-	-	-	-	-
Core income tax (expenses) recoveries, CER basis	$ (71)	$ (97)	$ (98)	$ (61)	$ (18)	$ (345)

[1] The impact of updating foreign exchange rates to that which was used in 4Q24.
[2] Manulife Bank is part of Canada segment.

DOE Reconciliation – 3Q24

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

	3Q24					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	$ 548	$ 363	$ 338	$ -	$ 48	$ 1,297
Less: Insurance service result attributed to:						
Items excluded from core earnings	(3)	6	158	-	-	161
NCI	33	-	-	-	-	33
Participating policyholders	55	18	-	-	-	73
Core net insurance service result	463	339	180	-	48	1,030
Core net insurance service result, CER adjustment[1]	9	-	4	-	2	15
Core net insurance service result, CER basis	$ 472	$ 339	$ 184	$ -	$ 50	$ 1,045
Total investment result reconciliation						
Total investment result per financial statements	$ 644	$ 563	$ (303)	$ (196)	$ 393	$ 1,101
Less: Reclassify Manulife Bank[2] and Global WAM to their own DOE lines	-	389	-	(196)	-	193
Add: Consolidation and other adjustments from Other DOE line	(1)	1	-	-	(148)	(148)
Less: Net investment result attributed to:						
Items excluded from core earnings	194	3	(668)	-	154	(317)
NCI	125	-	-	-	-	125
Participating policyholders	33	26	-	-	-	59
Core net investment result	291	146	365	-	91	893
Core net investment result, CER adjustment[1]	5	-	10	-	(1)	14
Core net investment result, CER basis	$ 296	$ 146	$ 375	$ -	$ 90	$ 907
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	$ -	$ 69	$ -	$ 518	$ -	$ 587
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	12	-	13	-	25
Core earnings in Manulife Bank and Global WAM	-	57	-	505	-	562
Core earnings in Manulife Bank and Global WAM, CER adjustment[1]	-	-	-	9	-	9
Core earnings in Manulife Bank and Global WAM, CER basis	$ -	$ 57	$ -	$ 514	$ -	$ 571
Other reconciliation						
Other revenue per financial statements	$ (42)	$ 74	$ 26	$ 1,875	$ (5)	$ 1,928
General expenses per financial statements	(83)	(154)	(41)	(795)	(131)	(1,204)
Commissions related to non-insurance contracts	(3)	(15)	2	(364)	10	(370)
Interest expenses per financial statements	(5)	(253)	(4)	(1)	(148)	(411)
Total financial statements values included in Other	(133)	(348)	(17)	715	(274)	(57)

Less: Reclassifications:						
Manulife Bank and Global WAM to their own DOE lines	-	(319)	-	715	-	396
Consolidation and other adjustments to net investment result DOE line	(1)	-	-	(1)	(148)	(150)
Less: Other attributed to:						
Items excluded from core earnings	(49)	3	5	-	98	57
NCI	(2)	-	-	1	-	(1)
Participating policyholders	(6)	(3)	-	-	-	(9)
Add: Participating policyholders' earnings transfer to shareholders	5	3	-	-	-	8
Other core earnings	(70)	(26)	(22)	-	(224)	(342)
Other core earnings, CER adjustment[1]	(1)	-	-	-	-	(1)
Other core earnings, CER basis	$ (71)	$ (26)	$ (22)	$ -	$ (224)	$ (343)
Income tax (expenses) recoveries reconciliation						
Income tax (expenses) recoveries per financial statements	$ (39)	$ (114)	$ (13)	$ (20)	$ (88)	$ (274)
Less: Income tax (expenses) recoveries attributed to:						
Items excluded from core earnings	66	(6)	99	(14)	(60)	85
NCI	(26)	-	-	-	-	(26)
Participating policyholders	(14)	(4)	-	-	-	(18)
Core income tax (expenses) recoveries	(65)	(104)	(112)	(6)	(28)	(315)
Core income tax (expenses) recoveries, CER adjustment[1]	(1)	-	(3)	1	-	(3)
Core income tax (expenses) recoveries, CER basis	$ (66)	$ (104)	$ (115)	$ (5)	$ (28)	$ (318)

[1] The impact of updating foreign exchange rates to that which was used in 4Q24.
[2] Manulife Bank is part of Canada segment.

DOE Reconciliation – 2Q24

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

	2Q24					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	$ 520	$ 343	$ 157	$ -	$ 17	$ 1,037
Less: Insurance service result attributed to:						
Items excluded from core earnings	(13)	(5)	43	-	1	26
NCI	17	-	-	-	-	17
Participating policyholders	47	22	-	-	-	69
Core net insurance service result	469	326	114	-	16	925
Core net insurance service result, CER adjustment[1]	13	-	3	-	1	17
Core net insurance service result, CER basis	$ 482	$ 326	$ 117	$ -	$ 17	$ 942
Total investment result reconciliation						
Total investment result per financial statements	$ 271	$ 161	$ 6	$ (240)	$ 315	$ 513
Less: Reclassify Manulife Bank[2] and Global WAM to their own DOE lines	-	380	-	(240)	-	140
Add: Consolidation and other adjustments from Other DOE line	-	(1)	-	-	(154)	(155)
Less: Net investment result attributed to:						
Items excluded from core earnings	(59)	(385)	(405)	-	65	(784)
NCI	23	-	-	-	-	23
Participating policyholders	(3)	9	-	-	-	6
Core net investment result	310	156	411	-	96	973
Core net investment result, CER adjustment[1]	10	-	9	-	1	20
Core net investment result, CER basis	$ 320	$ 156	$ 420	$ -	$ 97	$ 993
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	$ -	$ 48	$ -	$ 383	$ -	$ 431
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	(9)	-	(62)	-	(71)
Core earnings in Manulife Bank and Global WAM	-	57	-	445	-	502
Core earnings in Manulife Bank and Global WAM, CER adjustment[1]	-	-	-	8	-	8
Core earnings in Manulife Bank and Global WAM, CER basis	$ -	$ 57	$ -	$ 453	$ -	$ 510
Other reconciliation						
Other revenue per financial statements	$ 63	$ 73	$ 27	$ 1,809	$ (123)	$ 1,849
General expenses per financial statements	(79)	(155)	(32)	(828)	(131)	(1,225)
Commissions related to non-insurance contracts	(4)	(15)	1	(356)	10	(364)
Interest expenses per financial statements	(8)	(266)	(3)	(2)	(147)	(426)
Total financial statements values included in Other	(28)	(363)	(7)	623	(391)	(166)
Less: Reclassifications:						
Manulife Bank and Global WAM to their own DOE lines	-	(333)	-	623	-	290
Consolidation and other adjustments to net investment result DOE line	-	-	-	-	(154)	(154)
Less: Other attributed to:						
Items excluded from core earnings	50	2	8	(1)	(7)	52
NCI	-	-	-	1	-	1
Participating policyholders	(2)	-	-	-	-	(2)
Add: Participating policyholders' earnings transfer to shareholders	8	2	-	-	-	10
Other core earnings	(68)	(30)	(15)	-	(230)	(343)
Other core earnings, CER adjustment[1]	(3)	1	(1)	-	(1)	(4)
Other core earnings, CER basis	$ (71)	$ (29)	$ (16)	$ -	$ (231)	$ (347)

Income tax (expenses) recoveries reconciliation						
Income tax (expenses) recoveries per financial statements	$ (115)	$ (39)	$ (21)	$ (32)	$ (45)	$ (252)
Less: Income tax (expenses) recoveries attributed to:						
Items excluded from core earnings	(43)	74	74	14	(37)	82
NCI	(2)	-	-	-	-	(2)
Participating policyholders	(6)	(6)	-	-	-	(12)
Core income tax (expenses) recoveries	(64)	(107)	(95)	(46)	(8)	(320)
Core income tax (expenses) recoveries, CER adjustment[1]	(2)	-	(3)	-	-	(5)
Core income tax (expenses) recoveries, CER basis	$ (66)	$ (107)	$ (98)	$ (46)	$ (8)	$ (325)

[1] The impact of updating foreign exchange rates to that which was used in 4Q24.
[2] Manulife Bank is part of Canada segment.

DOE Reconciliation – 1Q24

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

	1Q24					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	$ 547	$ 284	$ 119	$ -	$ 28	$ 978
Less: Insurance service result attributed to:						
Items excluded from core earnings	11	(3)	2	-	(1)	9
NCI	33	-	-	-	-	33
Participating policyholders	48	24	-	-	-	72
Core net insurance service result	455	263	117	-	29	864
Core net insurance service result, CER adjustment[1]	15	-	5	-	-	20
Core net insurance service result, CER basis	$ 470	$ 263	$ 122	$ -	$ 29	$ 884
Total investment result reconciliation						
Total investment result per financial statements	$ 54	$ 453	$ (290)	$ (230)	$ 361	$ 348
Less: Reclassify Manulife Bank[2] and Global WAM to their own DOE lines	-	396	-	(230)	-	166
Add: Consolidation and other adjustments from Other DOE line	-	(1)	-	-	(156)	(157)
Less: Net investment result attributed to:						
Items excluded from core earnings	(291)	(100)	(720)	-	106	(1,005)
NCI	40	-	-	-	-	40
Participating policyholders	(3)	7	-	-	-	4
Core net investment result	308	149	430	-	99	986
Core net investment result, CER adjustment[1]	9	-	15	-	1	25
Core net investment result, CER basis	$ 317	$ 149	$ 445	$ -	$ 100	$ 1,011
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	$ -	$ 65	$ -	$ 426	$ -	$ 491
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	4	-	11	-	15
Core earnings in Manulife Bank and Global WAM	-	61	-	415	-	476
Core earnings in Manulife Bank and Global WAM, CER adjustment[1]	-	-	-	10	-	10
Core earnings in Manulife Bank and Global WAM, CER basis	$ -	$ 61	$ -	$ 425	$ -	$ 486
Other reconciliation						
Other revenue per financial statements	$ 55	$ 75	$ 39	$ 1,750	$ (111)	$ 1,808
General expenses per financial statements	(56)	(142)	(21)	(743)	(140)	(1,102)
Commissions related to non-insurance contracts	-	(18)	3	(349)	8	(356)
Interest expenses per financial statements	(6)	(271)	(4)	(2)	(141)	(424)
Total financial statements values included in Other	(7)	(356)	17	656	(384)	(74)
Less: Reclassifications:						
Manulife Bank and Global WAM to their own DOE lines	-	(331)	-	656	-	325
Consolidation and other adjustments to net investment result DOE line	-	(1)	-	-	(156)	(157)
Less: Other attributed to:						
Items excluded from core earnings	39	(3)	9	-	9	54
NCI	-	-	-	-	-	-
Participating policyholders	1	-	-	-	-	1
Add: Participating policyholders' earnings transfer to shareholders	8	3	-	-	-	11
Other core earnings	(39)	(18)	8	-	(237)	(286)
Other core earnings, CER adjustment[1]	(1)	-	-	-	-	(1)
Other core earnings, CER basis	$ (40)	$ (18)	$ 8	$ -	$ (237)	$ (287)
Income tax (expenses) recoveries reconciliation						
Income tax (expenses) recoveries per financial statements	$ (150)	$ (83)	$ 46	$ (61)	$ (32)	$ (280)
Less: Income tax (expenses) recoveries attributed to:						
Items excluded from core earnings	(53)	11	149	(3)	(65)	39
NCI	(18)	-	-	-	-	(18)
Participating policyholders	(12)	(3)	-	-	-	(15)
Core income tax (expenses) recoveries	(67)	(91)	(103)	(58)	33	(286)
Core income tax (expenses) recoveries, CER adjustment[1]	(2)	-	(3)	(1)	-	(6)
Core income tax (expenses) recoveries, CER basis	$ (69)	$ (91)	$ (106)	$ (59)	$ 33	$ (292)

[1] The impact of updating foreign exchange rates to that which was used in 4Q24.
[2] Manulife Bank is part of Canada segment.

DOE Reconciliation – 4Q23

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

	4Q23					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	$ 644	$ 306	$ 195	$ -	$ 91	$ 1,236
Less: Insurance service result attributed to:						
Items excluded from core earnings	130	12	21	-	(2)	161
NCI	19	-	-	-	1	20
Participating policyholders	60	39	-	-	-	99
Core net insurance service result	435	255	174	-	92	956
Core net insurance service result, CER adjustment[1]	9	-	5	-	2	16
Core net insurance service result, CER basis	$ 444	$ 255	$ 179	$ -	$ 94	$ 972
Total investment result reconciliation						
Total investment result per financial statements	$ 285	$ 511	$ 72	$ (139)	$ 344	$ 1,073
Less: Reclassify Manulife Bank[2] and Global WAM to their own DOE lines	-	377	-	(139)	-	238
Add: Consolidation and other adjustments from Other DOE line	-	3	-	-	(162)	(159)
Less: Net investment result attributed to:						
Items excluded from core earnings	(47)	9	(359)	-	39	(358)
NCI	37	-	-	-	-	37
Participating policyholders	50	(10)	-	-	-	40
Core net investment result	245	138	431	-	143	957
Core net investment result, CER adjustment[1]	4	-	12	-	-	16
Core net investment result, CER basis	$ 249	$ 138	$ 443	$ -	$ 143	$ 973
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	$ -	$ 72	$ -	$ 424	$ -	$ 496
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	8	-	16	-	24
Core earnings in Manulife Bank and Global WAM	-	64	-	408	-	472
Core earnings in Manulife Bank and Global WAM, CER adjustment[1]	-	-	-	8	-	8
Core earnings in Manulife Bank and Global WAM, CER basis	$ -	$ 64	$ -	$ 416	$ -	$ 480
Other reconciliation						
Other revenue per financial statements	$ (16)	$ 75	$ 8	$ 1,688	$ (36)	$ 1,719
General expenses per financial statements	(59)	(136)	(28)	(793)	(164)	(1,180)
Commissions related to non-insurance contracts	(3)	(12)	1	(330)	9	(335)
Interest expenses per financial statements	(4)	(246)	(4)	(2)	(134)	(390)
Total financial statements values included in Other	(82)	(319)	(23)	563	(325)	(186)
Less: Reclassifications:						
Manulife Bank and Global WAM to their own DOE lines	-	(305)	-	564	-	259
Consolidation and other adjustments to net investment result DOE line	-	3	-	-	(162)	(159)
Less: Other attributed to:						
Items excluded from core earnings	(26)	4	(5)	(2)	79	50
NCI	(2)	-	-	1	-	(1)
Participating policyholders	(4)	(1)	-	-	-	(5)
Add: Participating policyholders' earnings transfer to shareholders	10	2	-	-	-	12
Other core earnings	(40)	(18)	(18)	-	(242)	(318)
Other core earnings, CER adjustment[1]	-	-	(1)	-	-	(1)
Other core earnings, CER basis	$ (40)	$ (18)	$ (19)	$ -	$ (242)	$ (319)
Income tax (expenses) recoveries reconciliation						
Income tax (expenses) recoveries per financial statements	$ (109)	$ (116)	$ (46)	$ (58)	$ 7	$ (322)
Less: Income tax (expenses) recoveries attributed to:						
Items excluded from core earnings	(6)	(20)	67	(3)	(30)	8
NCI	(17)	-	-	-	-	(17)
Participating policyholders	(10)	(9)	-	-	-	(19)
Core income tax (expenses) recoveries	(76)	(87)	(113)	(55)	37	(294)
Core income tax (expenses) recoveries, CER adjustment[1]	(2)	-	(3)	(1)	1	(5)
Core income tax (expenses) recoveries, CER basis	$ (78)	$ (87)	$ (116)	$ (56)	$ 38	$ (299)

[1] The impact of updating foreign exchange rates to that which was used in 4Q24.
[2] Manulife Bank is part of Canada segment.

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					Full Year Results	
	4Q24	3Q24	2Q24	1Q24	4Q23	2024	2023
Per share dividend	**$ 0.40**	$ 0.40	$ 0.40	$ 0.40	$ 0.37	**$ 1.60**	$ 1.46
Core EPS	**$ 1.03**	$ 1.00	$ 0.91	$ 0.94	$ 0.92	**$ 3.87**	$ 3.47
Common share core dividend payout ratio	**39%**	40%	44%	43%	40%	**41%**	42%

The contractual service margin ("CSM") is a liability that represents future unearned profits on insurance contracts written. It is a component of insurance and reinsurance contract liabilities on the Statement of Financial Position and include amounts attributed to common shareholders, participating policyholders and NCI.

In 2023, we included amounts attributed to common shareholders, participating policyholders, and NCI in our reporting o changes in the CSM. Effective January 1, 2024, we no longer include amounts related to NCI in this reporting, and prior yea amounts have been restated. In addition, the new business CSM reconciliation has been adjusted to exclude NCI information

Changes in the CSM net of NCI are classified as organic and inorganic **CSM growth** is the percentage change in the CSM net of NCI compared with a prior period on a constant exchange rate basi

Changes in CSM net of NCI that are classified as organic include the following impacts

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

Changes in CSM net of NCI that are classified as inorganic include the following impact :

- **Changes in actuarial methods and assumptions that adjust the CSM;**
- **Effect of movement in exchange rates** over the reporting period
- **Impact of market** ; an
- **Reinsurance transactions, tax-related and other items** that reflect the impact related to future cash flows from items such as gains or losses on disposition of a business, the impact of enacted or substantively enacted income tax rat changes, material one-time only adjustments that are exceptional in nature and other amounts not specifically capture 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 CS 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 net of NCI adjusted for the marginal income ta rate in the jurisdictions that report this balance

New business CSM growth is the percentage change in the new business CSM compared with a prior period on a constan exchange rate basis

CSM and post-tax CSM information

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

As at	Dec 31, 2024	Sept 30, 2024	June 30, 2024	Mar 31, 2024	Dec 31, 2023
CSM	**$ 23,425**	$ 22,213	$ 21,760	$ 22,075	$ 21,301
Less: CSM for NCI	**1,298**	1,283	1,002	986	861
CSM, net of NC	**$ 22,127**	$ 20,930	$ 20,758	$ 21,089	$ 20,440
CER adjustment[1]	**-**	618	889	894	1,118
CSM, net of NCI, CER basi	**$ 22,127**	$ 21,548	$ 21,647	$ 21,983	$ 21,558
CSM by segmen					
Asia	**$ 15,540**	$ 14,715	$ 13,456	$ 13,208	$ 12,617
Asia NCI	**1,298**	1,283	1,002	986	861
Canada	**4,109**	4,036	3,769	4,205	4,060
U.S.	**2,468**	2,171	3,522	3,649	3,738

Corporate and Other	**10**	8	11	27	25
CSM	**$ 23,425**	$ 22,213	$ 21,760	$ 22,075	$ 21,301
CSM, CER adjustment[1]					
Asia	**$ -**	$ 480	$ 711	$ 674	$ 790
Asia NCI	**-**	28	50	54	54
Canada	**-**	-	-	-	-
U.S.	**-**	138	178	221	328
Corporate and Other	**-**	-	-	-	-
Total	**$ -**	$ 646	$ 939	$ 949	$ 1,172
CSM, CER basis					
Asia	**$ 15,540**	$ 15,195	$ 14,167	$ 13,882	$ 13,407
Asia NCI	**1,298**	1,311	1,052	1,040	915
Canada	**4,109**	4,036	3,769	4,205	4,060
U.S.	**2,468**	2,309	3,700	3,870	4,066
Corporate and Other	**10**	8	11	27	25
Total CSM, CER basis	**$ 23,425**	$ 22,859	$ 22,699	$ 23,024	$ 22,473
Post-tax CSM					
CSM	**$ 23,425**	$ 22,213	$ 21,760	$ 22,075	$ 21,301
Marginal tax rate on CSM	**(2,599)**	(2,488)	(2,576)	(2,650)	(2,798)
Post-tax CSM	**$ 20,826**	$ 19,725	$ 19,184	$ 19,425	$ 18,503
CSM, net of NCI	**$ 22,127**	$ 20,930	$ 20,758	$ 21,089	$ 20,440
Marginal tax rate on CSM net of NCI	**(2,445)**	(2,335)	(2,468)	(2,542)	(2,692)
Post-tax CSM net of NCI	**$ 19,682**	$ 18,595	$ 18,290	$ 18,547	$ 17,748

(1) The impact of reflecting CSM and CSM net of NCI using the foreign exchange rates for the Statement of Financial Position in effect for 4Q24.

New business CSM[1] 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					Full Year Results	
	4Q24	3Q24	2Q24	1Q24	4Q23	**2024**	2023
New business CSM							
Hong Kong	**$ 299**	$ 254	$ 200	$ 168	$ 199	**$ 921**	$ 676
Japan	**66**	86	90	48	42	**290**	126
Asia Other	**221**	253	188	275	173	**937**	747
International High Net Worth						***187***	*231*
Mainland China						***270***	*138*
Singapore						***391***	*244*
Vietnam						***17***	*87*
Other Emerging Markets						***72***	*47*
Asia	**586**	593	478	491	414	**2,148**	1,549
Canada	**116**	95	76	70	70	**357**	224
U.S.	**140**	71	74	97	142	**382**	394
Total new business CSM	**$ 842**	$ 759	$ 628	$ 658	$ 626	**$ 2,887**	$ 2,167
New business CSM, CER adjustment[2],[3]							
Hong Kong	**$ -**	$ 7	$ 4	$ 6	$ 5	**$ 17**	$ 25
Japan	**-**	1	4	1	(1)	**6**	(6)
Asia Other	**-**	4	6	11	6	**21**	22
International High Net Worth						***3***	*9*
Mainland China						***7***	*4*
Singapore						***9***	*12*

Vietnam						***(1)***	*(4)*
Other Emerging Markets						***3***	*1*
Asia	**-**	12	14	18	10	**44**	41
Canada	**-**	-	-	-	-	**-**	-
U.S.	**-**	1	2	4	4	**7**	14
Total new business CSM	**$ -**	$ 13	$ 16	$ 22	$ 14	**$ 51**	$ 55
New business CSM, CER basis							
Hong Kong	**$ 299**	$ 261	$ 204	$ 174	$ 204	**$ 938**	$ 701
Japan	**66**	87	94	49	41	**296**	120
Asia Other	**221**	257	194	286	179	**958**	769
International High Net Worth						***190***	*240*
Mainland China						***277***	*142*
Singapore						***400***	*256*
Vietnam						***16***	*83*
Other Emerging Markets						***75***	*48*
Asia	**586**	605	492	509	424	**2,192**	1,590
Canada	**116**	95	76	70	70	**357**	224
U.S.	**140**	72	76	101	146	**389**	408
Total new business CSM, CER basis	**$ 842**	$ 772	$ 644	$ 680	$ 640	**$ 2,938**	$ 2,222

(1) New business CSM is net of NCI.
(2) The impact of updating foreign exchange rates to that which was used in 4Q24.
(3) 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 fourth quarter of 2024.

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					Full Year Results	
	4Q24	3Q24	2Q24	1Q24	4Q23	**2024**	2023
General expenses	**$ 1,328**	$ 1,204	$ 1,225	$ 1,102	$ 1,180	**$ 4,859**	$ 4,330
CER adjustment[1]	**-**	17	16	25	18	**58**	86
General expenses, CER basis	**$ 1,328**	$ 1,221	$ 1,241	$ 1,127	$ 1,198	**$ 4,917**	$ 4,416

(1) The impact of updating foreign exchange rates to that which was used in 4Q24.

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					Full Year Results	
	4Q24	3Q24	2Q24	1Q24	4Q23	**2024**	2023
Net income (loss) attributed to shareholders:							
Asia	**$ 583**	$ 827	$ 582	$ 363	$ 615	**$ 2,355**	$ 1,348
Canada	**439**	430	79	273	365	**1,221**	1,191
U.S.	**103**	5	135	(108)	198	**135**	639
Global WAM	**384**	498	350	365	365	**1,597**	1,297
Corporate and Other	**129**	79	(104)	(27)	116	**77**	628
Total net income (loss) attributed to shareholders	**1,638**	1,839	1,042	866	1,659	**5,385**	5,103
Preferred share dividends and other equity distributions	**(101)**	(56)	(99)	(55)	(99)	**(311)**	(303)
Common shareholders' net income (loss)	**$ 1,537**	$ 1,783	$ 943	$ 811	$ 1,560	**$ 5,074**	$ 4,800
CER adjustment[1]							
Asia	**$ -**	$ 26	$ 8	$ 18	$ 20	**$ 52**	$ 60
Canada	**-**	-	-	4	(8)	**4**	(6)
U.S.	**-**	5	3	(1)	5	**7**	47
Global WAM	**-**	11	9	12	9	**32**	39
Corporate and Other	**-**	2	(2)	-	2	**-**	(30)
Total net income (loss) attributed to shareholders	**-**	44	18	33	28	**95**	110
Preferred share dividends and other equity distributions	**-**	-	-	-	-	**-**	-
Common shareholders' net income (loss)	**$ -**	$ 44	$ 18	$ 33	$ 28	**$ 95**	$ 110
Net income (loss) attributed to shareholders, CER basis							
Asia	**$ 583**	$ 853	$ 590	$ 381	$ 635	**$ 2,407**	$ 1,408
Canada	**439**	430	79	277	357	**1,225**	1,185

U.S.	**103**	10	138	(109)	203	**142**	686
Global WAM	**384**	509	359	377	374	**1,629**	1,336
Corporate and Other	**129**	81	(106)	(27)	118	**77**	598
Total net income (loss) attributed to shareholders, CER basis	**1,638**	1,883	1,060	899	1,687	**5,480**	5,213
Preferred share dividends and other equity distributions, CER basis	**(101)**	(56)	(99)	(55)	(99)	**(311)**	(303)
Common shareholders' net income (loss), CER basis	**$ 1,537**	$ 1,827	$ 961	$ 844	$ 1,588	**$ 5,169**	$ 4,910
Asia net income attributed to shareholders, U.S. dollars							
Asia net income (loss) attributed to shareholders, US $[2]	**$ 417**	$ 606	$ 424	$ 270	$ 452	**$ 1,717**	$ 995
CER adjustment, US $[1]	**-**	4	(1)	4	2	**7**	15
Asia net income (loss) attributed to shareholders, U.S. $, CER basis[1]	**$ 417**	$ 610	$ 423	$ 274	$ 454	**$ 1,724**	$ 1,010
Net income (loss) attributed to shareholders (pre-tax)							
Net income (loss) attributed to shareholders (post-tax)	**$ 1,638**	$ 1,839	$ 1,042	$ 866	$ 1,659	**$ 5,385**	$ 5,103
Tax on net income attributed to shareholders	**388**	229	238	247	288	**1,102**	750
Net income (loss) attributed to shareholders (pre-tax)	**2,026**	2,068	1,280	1,113	1,947	**6,487**	5,853
CER adjustment[1]	**-**	28	32	27	33	**87**	111
Net income (loss) attributed to shareholders (pre-tax), CER basis	**$ 2,026**	$ 2,096	$ 1,312	$ 1,140	$ 1,980	**$ 6,574**	$ 5,964

(1) The impact of updating foreign exchange rates to that which was used in 4Q24.
(2) 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 respective reporting period.

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.

Segment share of total Company AUM is a measure of the relative AUMA from each segment, expressed as a percentage. It is calculated as the AUMA in that segment divided by the total Company AUMA. This measure is reported for our operating segments and as at December 31, 2024, the segment share of total Company AUMA for Asia, Canada, U.S and Global WAM was 12%, 9%, 13% and 64%, respectively (as at December 31, 2023 – 12%, 11%, 15% and 61%, respectively).

AUM and AUMA reconciliations

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

	CAD $						US $[4]	
	December 31, 2024						**December 31, 2024**	
As at	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
Total invested assets								
Manulife Bank net lending assets	**$ -**	**$ 26,718**	**$ -**	**$ -**	**$ -**	**$ 26,718**	**$ -**	**$ -**
Derivative reclassification[1]	**-**	**-**	**-**	**-**	**5,600**	**5,600**	**-**	**-**
Invested assets excluding above items	**166,590**	**80,423**	**136,833**	**9,743**	**16,590**	**410,179**	**115,843**	**95,142**
Total	**166,590**	**107,141**	**136,833**	**9,743**	**22,190**	**442,497**	**115,843**	**95,142**
Segregated funds net assets								
Segregated funds net assets - Institutional	**-**	**-**	**-**	**3,393**	**-**	**3,393**	**-**	**-**
Segregated funds net assets - Other[2]	**28,622**	**38,099**	**77,440**	**288,467**	**(33)**	**432,595**	**19,904**	**53,845**
Total	**28,622**	**38,099**	**77,440**	**291,860**	**(33)**	**435,988**	**19,904**	**53,845**
AUM per financial statements	**195,212**	**145,240**	**214,273**	**301,603**	**22,157**	**878,485**	**135,747**	**148,987**
Mutual funds	**-**	**-**	**-**	**333,598**	**-**	**333,598**	**-**	**-**
Institutional asset management[3]	**-**	**-**	**-**	**154,096**	**-**	**154,096**	**-**	**-**
Other funds	**-**	**-**	**-**	**19,174**	**-**	**19,174**	**-**	**-**
Total AUM	**195,212**	**145,240**	**214,273**	**808,471**	**22,157**	**1,385,353**	**135,747**	**148,987**
Assets under administration	**-**	**-**	**-**	**222,614**	**-**	**222,614**	**-**	**-**
Total AUMA	**$ 195,212**	**$ 145,240**	**$ 214,273**	**$ 1,031,085**	**$ 22,157**	**$ 1,607,967**	**$ 135,747**	**$ 148,987**
Total AUMA, US $ [4]						**$ 1,118,042**		
Total AUMA	**$ 195,212**	**$ 145,240**	**$ 214,273**	**$ 1,031,085**	**$ 22,157**	**$ 1,607,967**		

CER adjustment[5]	-	-	-	-	-	-
Total AUMA, CER basis	**$ 195,212**	**$ 145,240**	**$ 214,273**	**$ 1,031,085**	**$ 22,157**	**$ 1,607,967**

Global WAM Managed AUMA	
Global WAM AUMA	**$ 1,031,085**
AUM managed by Global WAM for Manulife's other segments	**226,752**
Total	**$ 1,257,837**

(1) Corporate and Other consolidation amount is related to net derivative assets reclassified from total invested assets to other lines on the Statement of Financial Position.
(2) Corporate and Other segregated funds net assets represent elimination of amounts held by the Company .
(3) Institutional asset management excludes Institutional segregated funds net assets.
(4) US $ AUMA is calculated as total AUMA in Canadian $ divided by the US $ exchange rate in effect at the end of the quarter.
(5) The impact of updating foreign exchange rates to that which was used in 4Q24.

AUM and AUMA reconciliations

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

	CAD $						US $[4]	
	September 30, 2024						September 30, 2024	
As at	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
Total invested assets								
Manulife Bank net lending assets	$ -	$ 26,371	$ -	$ -	$ -	$ 26,371	$ -	$ -
Derivative reclassification[1]	-	-	-	-	2,420	2,420	-	-
Invested assets excluding above items	160,377	81,874	134,164	9,464	14,482	400,361	118,748	99,311
Total	160,377	108,245	134,164	9,464	16,902	429,152	118,748	99,311
Segregated funds net assets								
Segregated funds net assets - Institutional	-	-	-	3,289	-	3,289	-	-
Segregated funds net assets - Other[2]	28,163	37,902	74,916	278,759	(50)	419,690	20,852	55,454
Total	28,163	37,902	74,916	282,048	(50)	422,979	20,852	55,454
AUM per financial statements	188,540	146,147	209,080	291,512	16,852	852,131	139,600	154,765
Mutual funds	-	-	-	321,210	-	321,210	-	-
Institutional asset management[3]	-	-	-	148,386	-	148,386	-	-
Other funds	-	-	-	18,131	-	18,131	-	-
Total AUM	188,540	146,147	209,080	779,239	16,852	1,339,858	139,600	154,765
Assets under administration	-	-	-	211,617	-	211,617	-	-
Total AUMA	$ 188,540	$ 146,147	$ 209,080	$ 990,856	$ 16,852	$ 1,551,475	$ 139,600	$ 154,765
Total AUMA, US $ [4]						$ 1,148,433		
Total AUMA	$ 188,540	$ 146,147	$ 209,080	$ 990,856	$ 16,852	$ 1,551,475		
CER adjustment[5]	6,198	-	13,388	43,691	-	63,277		
Total AUMA, CER basis	$ 194,738	$ 146,147	$ 222,468	$ 1,034,547	$ 16,852	$ 1,614,752		

Global WAM Managed AUMA	
Global WAM AUMA	$ 990,856
AUM managed by Global WAM for Manulife's other segments	220,309
Total	$ 1,211,165

Note: For footnotes (1) to (5), refer to the "AUM and AUMA reconciliation" table as at December 31, 2024 above.

AUM and AUMA reconciliations

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

	CAD $						US $[4]	
	June 30, 2024						June 30, 2024	
As at	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
Total invested assets								
Manulife Bank net lending assets	$ -	$ 26,045	$ -	$ -	$ -	$ 26,045	$ -	$ -
Derivative reclassification[1]	-	-	-	-	5,546	5,546	-	-
Invested assets excluding above items	148,153	77,422	130,453	8,989	14,011	379,028	108,216	95,335
Total	148,153	103,467	130,453	8,989	19,557	410,619	108,216	95,335
Segregated funds net assets								
Segregated funds net assets - Institutional	-	-	-	3,380	-	3,380	-	-
Segregated funds net assets - Other[2]	26,468	36,595	72,950	266,759	(46)	402,726	19,333	53,313
Total	26,468	36,595	72,950	270,139	(46)	406,106	19,333	53,313
AUM per financial statements	174,621	140,062	203,403	279,128	19,511	816,725	127,549	148,648
Mutual funds	-	-	-	304,214	-	304,214	-	-
Institutional asset management[3]	-	-	-	142,314	-	142,314	-	-
Other funds	-	-	-	17,202	-	17,202	-	-
Total AUM	174,621	140,062	203,403	742,858	19,511	1,280,455	127,549	148,648
Assets under administration	-	-	-	201,064	-	201,064	-	-
Total AUMA	$ 174,621	$ 140,062	$ 203,403	$ 943,922	$ 19,511	$ 1,481,519	$ 127,549	$ 148,648
Total AUMA, US $ [4]						$ 1,082,705		
Total AUMA	$ 174,621	$ 140,062	$ 203,403	$ 943,922	$ 19,511	$ 1,481,519		
CER adjustment[5]	8,657	-	10,315	36,282	-	55,254		
Total AUMA, CER basis	$ 183,278	$ 140,062	$ 213,718	$ 980,204	$ 19,511	$ 1,536,773		

Global WAM Managed AUMA	
Global WAM AUMA	$ 943,922
AUM managed by Global WAM for Manulife's other segments	211,773
Total	$ 1,155,695

Note: For footnotes (1) to (5), refer to the "AUM and AUMA reconciliation" table as at December 31, 2024 above.

AUM and AUMA reconciliation

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

	CAD $						US $[4]	
	March 31, 2024						March 31, 2024	
As at	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
Total invested assets								
Manulife Bank net lending assets	$ -	$ 25,420	$ -	$ -	$ -	$ 25,420	$ -	$ -
Derivative reclassification[1]	-	-	-	-	5,114	5,114	-	-
Invested assets excluding above items	144,720	84,075	129,896	8,133	13,318	380,142	106,881	95,988
Total	144,720	109,495	129,896	8,133	18,432	410,676	106,881	95,988
Segregated funds net assets								
Segregated funds net assets - Institutional	-	-	-	3,334	-	3,334	-	-
Segregated funds net assets - Other[2]	26,203	37,218	72,547	262,854	(47)	398,775	19,360	53,609
Total	26,203	37,218	72,547	266,188	(47)	402,109	19,360	53,609
AUM per financial statements	170,923	146,713	202,443	274,321	18,385	812,785	126,241	149,597
Mutual funds	-	-	-	300,178	-	300,178	-	-
Institutional asset management[3]	-	-	-	121,263	-	121,263	-	-
Other funds	-	-	-	16,981	-	16,981	-	-
Total AUM	170,923	146,713	202,443	712,743	18,385	1,251,207	126,241	149,597
Assets under administration	-	-	-	198,698	-	198,698	-	-
Total AUMA	$ 170,923	$ 146,713	$ 202,443	$ 911,441	$ 18,385	$ 1,449,905	$ 126,241	$ 149,597
Total AUMA, US $ [4]						$ 1,071,424		
Total AUMA	$ 170,923	$ 146,713	$ 202,443	$ 911,441	$ 18,385	$ 1,449,905		
CER adjustment[5]	8,902	-	12,650	41,032	-	62,584		
Total AUMA, CER basis	$ 179,825	$ 146,713	$ 215,093	$ 952,473	$ 18,385	$ 1,512,489		

Global WAM Managed AUMA	
Global WAM AUMA	$ 911,441
AUM managed by Global WAM for Manulife's other segments	211,528
Total	$ 1,122,969

Note: For footnotes (1) to (5), refer to the "AUM and AUMA reconciliation" table as at December 31, 2024 above.

AUM and AUMA reconciliation

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

	CAD $						US $[4]	
	December 31, 2023						December 31, 2023	
As at	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
Total invested assets								
Manulife Bank net lending assets	$ -	$ 25,321	$ -	$ -	$ -	$ 25,321	$ -	$ -
Derivative reclassification[1]	-	-	-	-	3,201	3,201	-	-
Invested assets excluding								

above items	144,433	86,135	133,959	7,090	17,071	388,688	109,533	101,592
Total	144,433	111,456	133,959	7,090	20,272	417,210	109,533	101,592
Segregated funds net assets								
Segregated funds net assets - Institutional	-	-	-	3,328	-	3,328	-	-
Segregated funds net assets - Other[2]	24,854	36,085	68,585	244,738	(46)	374,216	18,846	52,014
Total	24,854	36,085	68,585	248,066	(46)	377,544	18,846	52,014
AUM per financial statements	169,287	147,541	202,544	255,156	20,226	794,754	128,379	153,606
Mutual funds	-	-	-	277,365	-	277,365	-	-
Institutional asset management[3]	-	-	-	119,161	-	119,161	-	-
Other funds	-	-	-	15,435	-	15,435	-	-
Total AUM	169,287	147,541	202,544	667,117	20,226	1,206,715	128,379	153,606
Assets under administration	-	-	-	182,046	-	182,046	-	-
Total AUMA	$ 169,287	$ 147,541	$ 202,544	$ 849,163	$ 20,226	$ 1,388,761	$ 128,379	$ 153,606
Total AUMA, US $ [4]						$ 1,053,209		
Total AUMA	$ 169,287	$ 147,541	$ 202,544	$ 849,163	$ 20,226	$ 1,388,761		
CER adjustment[5]	10,424	-	18,314	52,891	-	81,629		
Total AUMA, CER basis	$ 179,711	$ 147,541	$ 220,858	$ 902,054	$ 20,226	$ 1,470,390		
Global WAM Managed AUMA								
Global WAM AUMA				$ 849,163				
AUM managed by Global WAM for Manulife's other segments				205,814				
Total				$ 1,054,977				

Note: For footnotes (1) to (5), refer to the "AUM and AUMA reconciliation" table as at December 31, 2024 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	Dec 31, 2024	Sept 30, 2024	June 30, 2024	Mar 31, 2024	Dec 31, 2023
Global WAM AUMA by business line					
Retirement	**$ 521,979**	$ 501,173	$ 477,740	$ 467,579	$ 431,601
Retail	**348,938**	335,570	318,269	316,406	292,629
Institutional asset management	**160,168**	154,113	147,913	127,456	124,933
Total	**$ 1,031,085**	$ 990,856	$ 943,922	$ 911,441	$ 849,163
Global WAM AUMA by business line, CER basis[1]					
Retirement	**$ 521,979**	$ 526,284	$ 496,919	$ 490,525	$ 461,958
Retail	**348,938**	348,933	329,593	329,572	309,279
Institutional asset management	**160,168**	159,330	153,692	132,376	130,817
Total	**$ 1,031,085**	$ 1,034,547	$ 980,204	$ 952,473	$ 902,054
Global WAM AUMA by geographic source					
Asia	**$ 141,098**	$ 137,040	$ 128,791	$ 122,354	$ 115,523
Canada	**260,651**	255,281	242,781	243,678	233,351
U.S.	**629,336**	598,535	572,350	545,409	500,289
Total	**$ 1,031,085**	$ 990,856	$ 943,922	$ 911,441	$ 849,163
Global WAM AUMA by geographic source, CER basis[1]					
Asia	**$ 141,098**	$ 142,092	$ 135,842	$ 129,147	$ 123,036
Canada	**260,651**	255,281	242,781	243,678	233,351
U.S.	**629,336**	637,174	601,581	579,648	545,667

Total	**$ 1,031,085**	$ 1,034,547	$ 980,204	$ 952,473	$ 902,054
Global WAM Managed AUMA by business line					
Retirement	**$ 521,979**	$ 501,173	$ 477,740	$ 467,579	$ 431,601
Retail	**431,047**	416,425	396,457	395,755	368,843
Institutional asset management	**304,811**	293,567	281,498	259,635	254,533
Total	**$ 1,257,837**	$ 1,211,165	$ 1,155,695	$ 1,122,969	$ 1,054,977
Global WAM Managed AUMA by business line, CER basis[1]					
Retirement	**$ 521,979**	$ 526,284	$ 496,919	$ 490,525	$ 461,958
Retail	**431,047**	433,017	410,229	411,955	389,726
Institutional asset management	**304,811**	306,398	293,032	271,552	270,346
Total	**$ 1,257,837**	$ 1,265,699	$ 1,200,180	$ 1,174,032	$ 1,122,030
Global WAM Managed AUMA by geographic source					
Asia	**$ 225,325**	$ 219,344	$ 205,776	$ 198,464	$ 191,238
Canada	**312,816**	307,051	292,698	294,591	282,487
U.S.	**719,696**	684,770	657,221	629,914	581,252
Total	**$ 1,257,837**	$ 1,211,165	$ 1,155,695	$ 1,122,969	$ 1,054,977
Global WAM Managed AUMA by geographic source, CER basis[1]					
Asia	**$ 225,325**	$ 229,717	$ 216,743	$ 210,030	$ 205,616
Canada	**312,816**	307,051	292,698	294,591	282,487
U.S.	**719,696**	728,931	690,739	669,411	633,927
Total	**$ 1,257,837**	$ 1,265,699	$ 1,200,180	$ 1,174,032	$ 1,122,030

(1) AUMA adjusted to reflect the foreign exchange rates for the Statement of Financial Position in effect for 4Q24.

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)	Dec 31, 2024	Sept 30, 2024	June 30, 2024	Mar 31, 2024	Dec 31, 2023
Mortgages	**$ 54,447**	$ 54,083	$ 53,031	$ 52,605	$ 52,421
Less: mortgages not held by Manulife Bank	**30,039**	29,995	29,324	29,568	29,536
Total mortgages held by Manulife Bank	**24,408**	24,088	23,707	23,037	22,885
Loans to Bank clients	**2,310**	2,283	2,338	2,383	2,436
Manulife Bank net lending assets	**$ 26,718**	$ 26,371	$ 26,045	$ 25,420	$ 25,321
Manulife Bank average net lending assets					
Beginning of period	**$ 26,371**	$ 26,045	$ 25,420	$ 25,321	$ 25,123
End of period	**26,718**	26,371	26,045	25,420	25,321
Manulife Bank average net lending assets by quarter	**$ 26,545**	$ 26,208	$ 25,733	$ 25,371	$ 25,222
Manulife Bank average net lending assets – full year	**$ 26,020**				$ 25,050

Financial leverage 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)	Dec 31, 2024	Sept 30, 2024	June 30, 2024	Mar 31, 2024	Dec 31, 2023
Common shareholders' equity	**$ 44,312**	$ 42,913	$ 42,305	$ 41,590	$ 40,379
Post-tax CSM, net of NCI	**19,682**	18,595	18,290	18,547	17,748
Adjusted book value	**$ 63,994**	$ 61,508	$ 60,595	$ 60,137	$ 58,127

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)	Dec 31, 2024	Sept 30, 2024	June 30, 2024	Mar 31, 2024	Dec 31, 2023
Total equity	**$ 52,960**	$ 51,639	$ 50,756	$ 49,892	$ 48,727
Less: AOCI gain/(loss) on cash flow hedges	**119**	70	95	70	26
Total equity excluding AOCI on cash flow hedges	**52,841**	51,569	50,661	49,822	48,701
Post-tax CSM	**20,826**	19,725	19,184	19,425	18,503
Qualifying capital instruments	**7,532**	6,997	7,714	7,196	6,667
Consolidated capital	**$ 81,199**	$ 78,291	$ 77,559	$ 76,443	$ 73,871

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 generall measured. Core EBITDA presents core earnings before the impact of interest, taxes, depreciation, and amortization. Cor EBITDA excludes certain acquisition expenses related to insurance contracts in our retirement businesses which are deferre and amortized over the expected lifetime of the customer relationship. Core EBITDA was selected as a key performanc indicator for our Global WAM business, as EBITDA is widely used among asset management peers, and core earnings is 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					Full Year Results	
	4Q24	3Q24	2Q24	1Q24	4Q23	**2024**	2023
Global WAM core earnings (post-tax)	**$ 481**	$ 499	$ 399	$ 357	$ 353	**$ 1,736**	$ 1,321
Add back taxes, acquisition costs, other expenses and deferred sales commissions							
Core income tax (expenses) recoveries (see above)	**61**	6	46	58	55	**171**	204
Amortization of deferred acquisition costs and other depreciation	**49**	48	49	42	45	**188**	166
Amortization of deferred sales commissions	**20**	19	19	20	21	**78**	80
Core EBITDA	**$ 611**	$ 572	$ 513	$ 477	$ 474	**$ 2,173**	$ 1,771
CER adjustment[1]	**-**	11	7	13	7	**31**	39
Core EBITDA, CER basis	**$ 611**	$ 583	$ 520	$ 490	$ 481	**$ 2,204**	$ 1,810
Core EBITDA by business line							
Retirement	**$ 330**	$ 320	$ 284	$ 265	$ 265	**$ 1,199**	$ 957
Retail	**214**	200	181	178	175	**773**	704
Institutional asset management	**67**	52	48	34	34	**201**	110
Total	**$ 611**	$ 572	$ 513	$ 477	$ 474	**$ 2,173**	$ 1,771
Core EBITDA by geographic source							
Asia	**$ 167**	$ 157	$ 144	$ 139	$ 135	**$ 607**	$ 505
Canada	**160**	157	133	139	152	**589**	582
U.S.	**284**	258	236	199	187	**977**	684
Total	**$ 611**	$ 572	$ 513	$ 477	$ 474	**$ 2,173**	$ 1,771
Core EBITDA by business line, CER basis[2]							
Retirement	**$ 330**	$ 326	$ 288	$ 273	$ 270	**$ 1,217**	$ 981
Retail	**214**	203	183	182	177	**782**	715
Institutional asset management	**67**	54	49	35	34	**205**	114
Total, CER basis	**$ 611**	$ 583	$ 520	$ 490	$ 481	**$ 2,204**	$ 1,810
Core EBITDA by geographic source, CER basis[2]							
Asia	**$ 167**	$ 162	$ 146	$ 144	$ 138	**$ 619**	$ 520
Canada	**160**	157	133	139	152	**589**	582
U.S.	**284**	264	241	207	191	**996**	708
Total, CER basis	**$ 611**	$ 583	$ 520	$ 490	$ 481	**$ 2,204**	$ 1,810

(1) The impact of updating foreign exchange rates to that which was used in 4Q24.

(2) Core EBITDA adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q24.

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.

	Quarterly Results					Full Year Results	
($ millions, unless otherwise stated)	**4Q24**	3Q24	2Q24	1Q24	4Q23	**2024**	2023
Core EBITDA margin							
Core EBITDA	**$ 611**	$ 572	$ 513	$ 477	$ 474	**$ 2,173**	$ 1,771
Core revenue	**$ 2,140**	$ 2,055	$ 1,948	$ 1,873	$ 1,842	**$ 8,016**	$ 7,103
Core EBITDA margin	**28.6%**	27.8%	26.3%	25.5%	25.7%	**27.1%**	24.9%
Global WAM core revenue							
Other revenue per financial statements	**$ 2,003**	$ 1,928	$ 1,849	$ 1,808	$ 1,719	**$ 7,588**	$ 6,746
Less: Other revenue in segments other than Global WAM	**(2)**	53	40	58	31	**149**	37
Other revenue in Global WAM (fee income)	**$ 2,005**	$ 1,875	$ 1,809	$ 1,750	$ 1,688	**$ 7,439**	$ 6,709
Investment income per financial statements	**$ 5,250**	$ 4,487	$ 4,261	$ 4,251	$ 4,497	**$ 18,249**	$ 16,180
Realized and unrealized gains (losses) on assets supporting insurance and investment contract liabilities per financial statements	**(622)**	1,730	564	538	2,674	**2,210**	3,138
Total investment income	**4,628**	6,217	4,825	4,789	7,171	**20,459**	19,318
Less: Investment income in segments other than Global WAM	**4,550**	5,991	4,687	4,649	6,941	**19,877**	18,886
Investment income in Global WAM	**$ 78**	$ 226	$ 138	$ 140	$ 230	**$ 582**	$ 432
Total other revenue and investment income in Global WAM	**$ 2,083**	$ 2,101	$ 1,947	$ 1,890	$ 1,918	**$ 8,021**	$ 7,141
Less: Total revenue reported in items excluded from core earnings							
Market experience gains (losses)	**(28)**	33	(9)	8	63	**4**	28
Revenue related to integration and acquisitions	**(29)**	13	8	9	13	**1**	10
Global WAM core revenue	**$ 2,140**	$ 2,055	$ 1,948	$ 1,873	$ 1,842	**$ 8,016**	$ 7,103

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.

Total expenses include the following amounts from our financial statements:

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; and
3. Directly attributable acquisition expenses for contracts measured using the PAA method and for other products without a CSM, both of which are reported in insurance service expenses, and flow directly through income.

($ millions, and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Quarterly Results					Full Year Results	
	4Q24	3Q24	2Q24	1Q24	4Q23	**2024**	2023
Core expenses							
General expenses - Statements of Income	**$ 1,328**	$ 1,204	$ 1,225	$ 1,102	$ 1,180	**$ 4,859**	$ 4,330
Directly attributable acquisition expense for contracts measured using the PAA method and for other products without a CSM[1]	**43**	36	39	38	42	**156**	147
Directly attributable maintenance expense[1]	**517**	509	509	539	565	**2,074**	2,205
Total expenses	**1,888**	1,749	1,773	1,679	1,787	**7,089**	6,682
Less: General expenses included in items excluded from core earnings							
Restructuring charge	**67**	25	-	-	46	**92**	46
Integration and acquisition	**-**	**-**	57	-	8	**57**	8
Legal provisions and Other expenses	**24**	8	3	6	8	**41**	78
Total	**91**	33	60	6	62	**190**	132
Core expenses	**$ 1,797**	$ 1,716	$ 1,713	$ 1,673	$ 1,725	**$ 6,899**	$ 6,550
CER adjustment[2]	**-**	22	28	36	27	**86**	114
Core expenses, CER basis	**$ 1,797**	$ 1,738	$ 1,741	$ 1,709	$ 1,752	**$ 6,985**	$ 6,664
Total expenses	**$ 1,888**	$ 1,749	$ 1,773	$ 1,679	$ 1,787	**$ 7,089**	$ 6,682
CER adjustment[2]	**-**	22	29	37	28	**88**	117
Total expenses, CER basis	**$ 1,888**	$ 1,771	$ 1,802	$ 1,716	$ 1,815	**$ 7,177**	$ 6,799

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

(2) The impact of updating foreign exchange rates to that which was used in 4Q24.

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.

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

	Quarterly Results					Full Year Results	
($ millions, unless otherwise stated)	**4Q24**	3Q24	2Q24	1Q24	4Q23	**2024**	2023
Income before income taxes	**$ 2,113**	$ 2,341	$ 1,384	$ 1,252	$ 2,123	**$ 7,090**	$ 6,452
Less: Income before income taxes for segments other than Global WAM	**1,694**	1,822	1,001	826	1,699	**5,343**	4,955
Global WAM income before income taxes	**419**	519	383	426	424	**1,747**	1,497
Items unrelated to net fee income	**882**	677	771	665	648	**2,995**	2,715
Global WAM net fee income	**1,301**	1,196	1,154	1,091	1,072	**4,742**	4,212
Less: Net fee income from other segments	**181**	169	169	155	174	**674**	624
Global WAM net fee income excluding net fee income from other segments	**1,120**	1,027	985	936	898	**4,068**	3,588
Net annualized fee income	**$ 4,455**	$ 4,084	$ 3,963	$ 3,765	$ 3,563	**$ 4,068**	$ 3,588
Average Assets under Management and Administration	**$ 1,015,454**	$ 963,003	$ 933,061	$ 879,837	$ 816,706	**$ 946,087**	$ 812,662
Net fee income yield (bps)	**43.9**	42.4	42.5	42.8	43.6	**43.0**	44.2

New business value ("NBV") is calculated as the present value of shareholders' interests in expected future distributable earnings, after the cost of capital calculated under the LICAT framework in Canada and the International High Net Worth business, and the local capital requirements in Asia and the U.S., on actual new business sold in the period using assumptions with respect to future experience. 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 NCI. 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 the first quarter of 2013, 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 products 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 made available for distribution to Manulife Financial Corporation from its subsidiaries. It is a key metric used by management to evaluate our financial flexibility.

Non-GAAP Measures for 2017

Non-GAAP financial measures include 2017 core earnings (loss), pre-tax 2017 core earnings and 2017 core general expenses.

Non-GAAP ratio includes the 2017 expense efficiency ratio.

With the implementation of IFRS 17 and IFRS 9 in 2023, we made revisions to the definition of the above non-GAAP financial measures and non-GAAP ratio. The definitions and reconciliations of the above measures for 2017 are included below.

2017 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. 2017 core earnings allows investors to focus on the Company's operating performance by excluding the direct impact of changes in equity markets and interest rates, changes in actuarial methods and assumptions 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 of equity markets, interest rates, foreign currency exchange rates and commodity prices from period-to-period can, and frequently do, have a substantial impact on the reported amounts of our assets, liabilities and net income attributed to shareholders. These reported amounts are not actually realized at the time and may never be realized if the 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.

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 reconciliation of 2017 core earnings to net incom attributed to shareholders and income before income taxes. Net income attributed to shareholders excludes net incom attributed to participating policyholders and non-controlling interests.

The items included in 2017 core earnings and items excluded from 2017 core earnings are determined in accordance with th methodology under OSFI's Source of Earnings Disclosure (Life Insurance Companies) guideline that was in effect at tha time, and are listed below.

Items included in 2017 core earnings:

1. Expected earnings on in-force policies, including expected release of provisions for adverse deviation, fee income margins on group business and spread business such as Manulife Bank and asset fund managemen
2. Macro hedging costs based on expected market returns
3. New business strain and gains
4. Policyholder experience gains or losses
5. Acquisition and operating expenses compared with expense assumptions used in the measurement of policy liabilitie
6. Up to $400 million of net favourable investment-related experience reported in a single year, which are referred to a "core investment gains". This means up to $100 million in the first quarter, up to $200 million on a year-to-date basis i the second quarter, up to $300 million on a year-to-date basis in the third quarter and up to $400 million on a full ye basis in the fourth quarter. Any investment-related experience losses reported in a quarter will be offset against the ne year-to-date investment-related experience gains with the difference being included in 2017 core earnings subject to maximum of the year-to-date core investment gains and a minimum of zero, which reflects our expectation tha investment-related experience will be positive through-the-business cycle. To the extent any investment-related experience losses cannot be fully offset in a quarter, they will be carried forward to be offset against investment-relate experience gains in subsequent quarters in the same year, for purposes of determining core investment gains Investment-related experience relates to fixed income investing, ALDA returns, credit experience and asset mix changes other than those related to a strategic change. An example of a strategic asset mix change is outlined belo
   - This favourable and unfavourable investment-related experience is a combination of reported investment experience as well as the impact of investing activities on the measurement of our policy liabilities. We do not attribute specifi components of investment-related experience to amounts included or excluded from 2017 core earnings
   - The $400 million threshold represents the estimated average annualized amount of net favourable investment related experience that the Company reasonably expects to achieve through-the-business cycle based on historica experience. It is not a forecast of expected net favourable investment-related experience for any given fiscal year
   - Our average net annualized investment-related experience, including core investment gains, calculated from th introduction of core earnings in 2012 to the end of 2017 was $475 million (2012 to the end of 2016 was $456 million
   - The decision announced on December 22, 2017 to reduce the allocation to ALDA in the portfolio asset mi supporting our legacy businesses was the first strategic asset mix change since we introduced the core earning metric in 2012. We refined our description of investment-related experience in 2017 to note that asset mix change other than those related to a strategic change are taken into consideration in the investment-related experienc component of core investment gains
   - While historical investment return time horizons may vary in length based on underlying asset classes generally exceedin 20 years, for purposes of establishing the threshold, we look at a business cycle that is five or more years and includes recession. We monitor the appropriateness of the threshold as part of our annual five-year planning process and woul adjust it, either to a higher or lower amount, in the future if we believed that our threshold was no longer appropriat
   - Specific criteria used for evaluating a potential adjustment to the threshold may include, but are not limited to, th extent to which actual investment-related experience differs materially from actuarial assumptions used in measurin insurance contract liabilities, material market events, material dispositions or acquisitions of assets, and regulatory or accounting changes.

Core investment gains are reported in the Corporate and Other segment, with an offsetting adjustment to investment-relate experience gains and losses in items excluded from 2017 core earnings.

7. Earnings on surplus other than mark-to-market items. Gains on available-for-sale ("AFS") equities and seed mone investments in segregated and mutual funds are included in 2017 core earning
8. Routine or non-material legal settlements.
9. All other items not specifically excluded.
10. Tax on the above items.
11. All tax-related items except the impact of enacted or substantively enacted income tax rate changes.

Items excluded from 2017 core earnings:

1. The direct impact of equity markets and interest rates and variable annuity guarantee liabilities includes the items liste below.
   - The earnings impact of the difference between the net increase (decrease) in variable annuity liabilities that ar dynamically hedged and the performance of the related hedge assets. Our variable annuity dynamic hedging strategy is not designed to completely offset the sensitivity of insurance and investment contract liabilities to all risk or measurements associated with the guarantees embedded in these products for a number of reasons, including provisions for adverse deviation, fund performance, the portion of the interest rate risk that is not dynamically hedged, realized equity and interest rate volatilities and changes to policyholder behaviou
   - Gains (charges) on variable annuity guarantee liabilities not dynamically hedged
   - Gains (charges) on general fund equity investments supporting policy liabilities and on fee incom

- Gains (charges) on macro equity hedges relative to expected costs. The expected cost of macro hedges is calculated using the equity assumptions used in the valuation of insurance and investment contract liabilities
- Gains (charges) on higher (lower) fixed income reinvestment rates assumed in the valuation of insurance and investment contract liabilities.
- Gains (charges) on sale of AFS bonds and open derivatives not in hedging relationships in the Corporate and Other segment.

2. Net favourable investment-related experience in excess of $400 million per annum or net unfavourable investment related experience on a year-to-date basis
3. Mark-to-market gains or losses on assets held in the Corporate and Other segment other than gains on AFS equities and seed money investments in new segregated or mutual funds
4. Changes in actuarial methods and assumptions. Policy liabilities for IFRS are valued in Canada under standards established by the Actuarial Standards Board that were in effect at that time. The standards require a comprehensive review of actuarial methods and assumptions to be performed annually. The review is designed to reduce the Company's exposure to uncertainty by ensuring assumptions for both asset related and liability related risks remain appropriate and is accomplished by monitoring experience and selecting assumptions which represent a current best estimate view of expected future experience, and margins that are appropriate for the risks assumed. Changes related to ultimate reinvestment rates are included in the direct impact of equity markets and interest rates and variable annuity guarantee liabilities. By excluding the results of the annual reviews, 2017 core earnings assist investors in evaluating our operational performance and comparing our operational performance from period to period with other global insurance companies because the associated gain or loss is not reflective of current year performance and not reported in net income in most actuarial standards outside of Canada
5. The impact on the measurement of policy liabilities of changes in product features or new reinsurance transactions, if material.
6. Goodwill impairment charges
7. Gains or losses on disposition of a business
8. Material one-time only adjustments, including highly unusual/extraordinary and material legal settlements or other items that are material and exceptional in nature
9. Tax on the above items
10. Net income (loss) attributed to participating policyholders and non-controlling interests
11. Impact of enacted or substantially enacted income tax rate changes

Reconciliation of income (loss) before income taxes to 2017 core earnings

For the year ended December 31, 2017, our financial statements reported income before income taxes of $2,501 million, income tax expense of $239 million and net income of $2,262 million. Income tax expense was comprised of an income tax expense of $1,137 million on 2017 core earnings and an income tax recovery of $898 million on items excluding 2017 core earnings. Net income of $2,262 million was comprised of net income attributed to shareholders of $2,104 million and net income attributed to NCI of $194 million, partially offset by a net loss attributed to participating policyholders of $36 million.

2017 core earnings for the year ended December 31, 2017 of $4,565 million reflected total net income attributed to shareholders of $2,104 million less a charge of $2,461 million from items excluded from 2017 core earnings. Items excluded from 2017 core earnings primarily consisted of a charge from the impact related to U.S. tax reform of $1,777 million, and a charge related to the decision to change portfolio asset mix supporting our legacy businesses of $1,032 million, partially offset by a gain from the direct impact of markets of $209 million, investment-related experience gains outside of 2017 core earnings of $167 million and a number of smaller items. Items excluded from 2017 core earnings were disclosed under OSFI's Source of Earnings Disclosure (Life Insurance Companies) guideline that was in effect at that time.

2017 core earnings before income taxes ("pre-tax 2017 core earnings") was $5,702 million, equal to the sum of 2017 core earnings of $4,565 million and tax on 2017 core earnings of $1,137 million.

2017 core earnings related to strategic priorities for the year ended December 31, 2017

The Company measures its progress on certain strategic priorities using 2017 core earnings. These strategic priorities include 2017 core earnings from highest potential businesses, 2017 core earnings from Asia region, and 2017 core earnings from long-term care insurance ("LTC") and variable annuities ("VA") businesses. The 2017 core earnings for these businesses is calculated consistent with our definition of 2017 core earnings.

Highest potential businesses

For the year ended December 31, 2017

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

2017 core earnings of highest potential businesses[1]	$	2,475
2017 core earnings - All other businesses excl. core investment gains		1,690
Core investment gains[2]		400
2017 core earnings		4,565
Items excluded from 2017 core earnings		(2,461)
Net income (loss) attributed to shareholders	$	2,104
Highest potential businesses 2017 core earnings contribution		54%

(1) Includes 2017 core earnings from Asia and Global WAM segments, Canada group benefits, and behavioural insurance products.
(2) This item is disclosed under OSFI's Source of Earnings guideline in effect at such time.

Asia region

For the year ended December 31, 2017

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

2017 core earnings of Asia region[1]	$	1,663

2017 core earnings - All other businesses excl. core investment gains		2,502
Core investment gains[2]		400
2017 core earnings		4,565
Items excluded from 2017 core earnings		(2,461)
Net income (loss) attributed to shareholders	$	2,104
Asia region 2017 core earnings contribution		36%

(1) Includes 2017 core earnings from Asia segment and Global WAM's business in Asia.
(2) This item is disclosed under OSFI's Source of Earnings guideline in effect at such time.

LTC and VA businesses

For the year ended December 31, 2017

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

2017 core earnings of LTC and VA businesses[1]	$	1,112
2017 core earnings - All other businesses excl. core investment gains		3,053
Core investment gains[2]		400
2017 core earnings		4,565
Items excluded from 2017 core earnings		(2,461)
Net income (loss) attributed to shareholders	$	2,104
LTC and VA businesses 2017 core earnings contribution		24%

(1) Includes 2017 core earnings from U.S. long-term care and Asia, Canada and U.S. variable annuities businesses.
(2) This item is disclosed under OSFI's Source of Earnings guideline in effect at such time.

2017 expense efficiency ratio is a financial measure which Manulife uses to measure progress towards our target to be more efficient. It is defined as 2017 core general expenses divided by the sum of pre-tax 2017 core earnings and 2017 core general expenses. **2017 core general expenses** is used to calculate our 2017 expense efficiency ratio and is equal to pre-tax general expenses included in 2017 core earnings and excludes such items as material legal provisions for settlements, restructuring charges and expenses related to integration and acquisitions.

The 2017 expense efficiency ratio for the year ended December 31, 2017 was 55.4%. 2017 core general expenses were $7,091 million consisting of total general expenses on our financial statements for the year ended December 31, 2017 of $7,233 million less $142 million of general expenses included in items excluded from 2017 core earnings. General expenses included in items excluded from 2017 core earnings include integration and acquisition costs of $81 million and legal provisions and other of $61 million. Pre-tax 2017 core earnings were $5,702 million as noted above.

2017 core earnings available to common shareholders

2017 core earnings available to common shareholders is $4,406 million consisting of 2017 core earnings of $4,565 million less preferred share dividends of $159 million.

14. Additional Disclosures

Contractual Obligations

In the normal course of business, the Company enters into contracts that give rise to obligations fixed by agreement as to the timing and dollar amount of payment.

As at December 31, 2024, the Company's contractual obligations and commitments were as follows:

Payments due by period ($ millions)	Total	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years
Long-term debt[1]	$ 10,200	$ 247	$ 3,211	$ 297	$ 6,445
Liabilities for capital instruments[1]	10,704	321	681	732	8,970
Investment commitments	15,367	4,360	5,219	4,314	1,474
Lease liabilities	355	105	151	52	47
Insurance contract liabilities[2]	1,383,939	4,223	9,977	21,385	1,348,354
Reinsurance contract held liabilities[2]	(9,483)	250	925	792	(11,450)
Investment contract liabilities[3]	322,793	316,119	2,766	1,170	2,738
Deposits from Bank clients	22,063	15,690	3,774	2,599	-
Other	5,229	1,377	2,441	951	460
Total contractual obligations	**$ 1,761,167**	**$ 342,692**	**$ 29,145**	**$ 32,292**	**$ 1,357,038**

(1) The contractual payments include principal and interest, and reflect the amounts payable up to and including the final contractual maturity date. The contractual payments reflect the amounts payable from January 1, 2025 up to and including the final contractual maturity date. In the case of floating rate obligations, the floating rate index is based on the interest rates as at December 31, 2024 and is assumed to remain constant to the final contractual maturity date. For the 4.061% MFC Subordinated notes, the reset rate is equal to the Secured Overnight Financing Rate ("SOFR") Swap Rate as at December 31, 2024, plus a spread adjustment of 0.26161%, plus 1.647%. For the 2.237% MFC Subordinated notes and 2.818% MFC Subordinated notes, the reset rate is equal to the Canadian Overnight Repo Rate Average ("CORRA") as at December 31, 2024, plus a spread adjustment of 0.32138%, plus 1.49% and 1.82%, respectively. The Company may have the contractual right to redeem or repay obligations prior to maturity and if such right is exercised, total contractual obligations paid and the timing of payment could vary significantly from the amounts and timing included in the table.

(2) Insurance contract liabilities cash flows include estimates related to the timing and payment of death and disability claims, policy surrenders, policy maturities, annuity payments, minimum guarantees on segregated fund products, policyholder dividends, commissions and premium taxes offset by contractual future premiums on in-force contracts and exclude amounts from insurance contract liabilities for account of segregated fund holders. These estimated cash flows are based on the best estimate assumptions used in the determination of insurance contract liabilities. These amounts are undiscounted. Reinsurance contract held liabilities cash flows include estimates related to the timing and payment of future reinsurance premiums offset by recoveries on in-force reinsurance agreements. Due to the use of assumptions, actual cash flows may differ from these estimates. Cash flows include embedded derivatives measured separately at fair value.

(3) Due to the nature of the products, the timing of net cash flows may be before contract maturity. Cash flows are undiscounted.

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 18 of the 2024 Annual Consolidated Financial Statements.

Quarterly Financial Information

The following table provides summary information related to our eight most recently completed quarters
.

As at and for the three months ended ($ millions, except per share amounts or otherwise stated)	Dec 31, 2024	Sept 30, 2024	June 30, 2024	Mar 31, 2024	Dec 31, 2023	Sept 30, 2023	June 30, 2023	Mar 31, 2023
Revenue								
Insurance revenue	**$ 6,834**	$ 6,746	$ 6,515	$ 6,497	$ 6,414	$ 6,215	$ 5,580	$ 5,763
Net investment result	**4,194**	5,912	4,512	4,493	6,784	1,265	4,819	5,153
Other revenue	**2,003**	1,928	1,849	1,808	1,719	1,645	1,691	1,691
Total revenue	**$ 13,031**	$ 14,586	$ 12,876	$ 12,798	$ 14,917	$ 9,125	$ 12,090	$ 12,607
Income (loss) before income taxes	**$ 2,113**	$ 2,341	$ 1,384	$ 1,252	$ 2,123	$ 1,174	$ 1,436	$ 1,719
Income tax (expense) recovery	**(406)**	(274)	(252)	(280)	(322)	51	(265)	(309)
Net income (loss	**$ 1,707**	$ 2,067	$ 1,132	$ 972	$ 1,801	$ 1,225	$ 1,171	$ 1,410
Net income (loss) attributed to shareholders	**$ 1,638**	$ 1,839	$ 1,042	$ 866	$ 1,659	$ 1,013	$ 1,025	$ 1,406
Basic earnings (loss) per common shar	**$ 0.88**	$ 1.01	$ 0.53	$ 0.45	$ 0.86	$ 0.53	$ 0.50	$ 0.73
Diluted earnings (loss) per common shar	**$ 0.88**	$ 1.00	$ 0.52	$ 0.45	$ 0.86	$ 0.52	$ 0.50	$ 0.73
Segregated funds deposits	**$ 11,927**	$ 11,545	$ 11,324	$ 12,206	$ 10,361	$ 10,172	$ 10,147	$ 11,479
Total assets (in billions	**$ 979**	$ 953	$ 915	$ 907	$ 876	$ 836	$ 851	$ 862
Weighted average common shares (in millions)	**1,746**	1,774	1,793	1,805	1,810	1,826	1,842	1,858
Diluted weighted average common shares (in millions	**1,752**	1,780	1,799	1,810	1,814	1,829	1,846	1,862
Dividends per common share	**$ 0.400**	$ 0.400	$ 0.400	$ 0.400	$ 0.365	$ 0.365	$ 0.365	$ 0.365
CDN$ to US$1 - Statement of Financial Position	**1.4382**	1.3510	1.3684	1.3533	1.3186	1.3520	1.3233	1.3534
CDN$ to US$1 - Statement of Incom	**1.3987**	1.3639	1.3682	1.3485	1.3612	1.3411	1.3430	1.3524

Selected Annual Financial Information

The following table provides selected annual financial information related to our three most recently completed years.

As at and for the years ended December 31, ($ millions, except per share amounts)	2024	2023	2022
Revenue			
Asia	**$ 13,641**	$ 11,996	$ 6,051
Canada	**14,624**	13,793	7,299
U.S.	**16,279**	15,322	11,048
Global Wealth and Asset Management	**6,698**	5,896	5,267
Corporate and Other	**2,049**	1,732	(24)
Total revenue	**$ 53,291**	$ 48,739	$ 29,641
Total assets	**$ 978,818**	$ 875,574	$ 833,689
Long-term financial liabilities			
Long-term debt	**$ 6,629**	$ 6,071	$ 6,234
Capital instruments	**7,532**	6,667	6,122
Total financial liabilities	**$ 14,161**	$ 12,738	$ 12,356
Dividend per common share	**$ 1.60**	$ 1.46	$ 1.32
Cash dividend per Class A Share, Series 2	**1.1625**	1.1625	1.1625
Cash dividend per Class A Share, Series 3	**1.125**	1.125	1.125
Cash dividend per Class 1 Share, Series 3	**0.5870**	0.5870	0.5870
Cash dividend per Class 1 Share, Series 4	**1.5578**	1.4946	0.6814
Cash dividend per Class 1 Share, Series 7[1]	**-**	-	0.2695
Cash dividend per Class 1 Share, Series 9	**1.4945**	1.4945	1.1894
Cash dividend per Class 1 Share, Series 11	**1.5398**	1.4505	1.1828
Cash dividend per Class 1 Share, Series 13	**1.5875**	1.2245	1.1035
Cash dividend per Class 1 Share, Series 15	**1.1951**	0.9465	0.9465
Cash dividend per Class 1 Share, Series 17	**0.950**	0.950	0.950
Cash dividend per Class 1 Share, Series 19	**0.9188**	0.9188	0.9188
Cash dividend per Class 1 Share, Series 23[2]	**-**	-	0.3031
Cash dividend per Class 1 Share, Series 25	**1.4855**	1.3303	1.175

(1) MFC redeemed in full the Class 1 Series 7 preferred shares at par, on March 19, 2022, the earliest redemption date.
(2) MFC redeemed in full the Class 1 Series 23 preferred shares at par, on March 19, 2022, the earliest redemption date.

Revenue

Total revenue in 4Q24 was $13.0 billion compared with $14.9 billion in 4Q23. The decrease in total revenue of $1.9 billion was primarily due to lower net investment income, partially offset by an increase in insurance revenue and other revenue.

By segment, the reduction in total revenue in 4Q24 compared to 4Q23 reflected lower net investment income in all segments except Corporate and Other, higher insurance revenue in Asia, the U.S. and Canada and higher other revenue mainly in Global WAM, Asia and the U.S., partially offset by Corporate and Other.

On a full year basis, total revenue in 2024 was $53.3 billion compared with $48.7 billion in 2023. The increase in total revenue of $4.6 billion was due to higher insurance revenue, net investment income and other revenue.

By segment, the increase in revenue in 2024 compared with 2023 reflected higher insurance revenue in the U.S, Asia and Canada, higher net investment income in all segments except the U.S., and higher other revenue primarily in Global WAM.

Revenue

Revenue ($ millions)	Quarterly Results 4Q24	4Q23	Full Year Results 2024	2023
Insurance revenue	**$ 6,834**	$ 6,414	**$ 26,592**	$ 23,972
Net investment income	**4,194**	6,784	**19,111**	18,021
Other revenue	**2,003**	1,719	**7,588**	6,746
Total revenue	**$ 13,031**	$ 14,917	**$ 53,291**	$ 48,739
Asia	**$ 2,927**	$ 3,572	**$ 13,641**	$ 11,996
Canada	**3,682**	4,663	**14,624**	13,793
U.S.	**4,055**	4,566	**16,279**	15,322

Global Wealth and Asset Management	**1,738**	1,632	**6,698**	5,896
Corporate and Other	**629**	484	**2,049**	1,732
Total revenue	**$ 13,031**	$ 14,917	**$ 53,291**	$ 48,739

Outstanding Common Shares

As at January 31, 2025, MFC had 1,723,169,992 common shares outstanding.

Additional Information Available

Additional information relating to Manulife, including MFC's Annual Information Form, is available on the Company's website at www.manulife.com and on the SEDAR+ website at www.sedarplus.ca.

Manulife

Manulife Financial Corporation

Annual Information For m

February 19, 2025

Table of Contents

TABLE OF CONTENTS	Annual Information Form	Discussion & Analysis Reference
CORPORATE STRUCTURE	4	
GENERAL DEVELOPMENT OF THE BUSINESS	4	13-18
BUSINESS OPERATIONS	5	3-37
RISK MANAGEMENT	8	41-78
GOVERNMENT REGULATION	8	
GENERAL DESCRIPTION OF CAPITAL STRUCTURE	15	
DIVIDENDS	19	
CONSTRAINTS ON OWNERSHIP OF SHARES	20	
RATINGS	20	
MARKET FOR SECURITIES	23	
ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER	26	
DIRECTORS AND EXECUTIVE OFFICERS	26	
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	29	
TRANSFER AGENT AND REGISTRAR	29	
INTERESTS OF EXPERTS	30	
AUDIT COMMITTEE	30	
ADDITIONAL INFORMATION	31	
SCHEDULE 1 - AUDIT COMMITTEE CHARTER	32	

Presentation of Information

In this annual information form ("AIF"), unless otherwise indicated or unless the context otherwise requires:

- all references to "MFC" and "MLI" refer to Manulife Financial Corporation and The Manufacturers Life Insurance Company, respectively, not including their subsidiaries;
- MFC and its subsidiaries, including MLI, are collectively referred to as "Manulife";
- references to "Company", "we", "us" and "our" refer to Manulife;
- references to "$" or "C$" are to Canadian dollars; and
- information is as at December 31, 2024

Documents Incorporated by Reference

The following documents are incorporated by reference in and form part of this AIF:

- MFC's Management's Discussion and Analysis for the year ended December 31, 2024 (2024 MD&A"); and
- MFC's audited annual consolidated financial statements and accompanying notes as at and for the ye ended December 31, 2024 (2024 Consolidated Financial Statements").

These documents have been filed with securities regulators in Canada and may be accessed at the System f Electronic Document Analysis and Retrieval + ("SEDAR+"), found at www.sedarplus.ca. They have also bee with the U.S. Securities and Exchange Commission (the "SEC") and may be found at www.sec.gov.

Any website address included in this AIF is an inactive textual reference only and information appearing on su website is not part of, and is not incorporated by reference in, this AIF.

Caution Regarding Forward-Looking Statements

From time to time, the Company makes written and/or oral forward-looking statements, including in this docu the documents incorporated by reference in this document. In addition, the Company's representatives may r forward-looking statements orally to analysts, investors, the media and others. All such statements are made 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 and the documents incorporated by reference in this docum include, but are not limited to, the Company's possible or assumed future results set out under "General Deve of the Business, "Business Operations" and "Government Regulation", statements with respect to possible sh buybacks under our normal course issuer bid, the Company's strategic priorities and targets, its medium-term financial and operating targets and ability to achieve them, potential future premium increases for long-term c impact of changes in tax laws, the capital release associated with reinsurance transactions, exposure limit es for our property and casualty reinsurance business, and the probability and impact of LICAT scenario switche also relate to, among other things, our objectives, goals, strategies, intentions, plans, beliefs, expectations an estimates, and can generally be identified by the use of words such as "may", "will", "could", "should", "would" "suspect", "outlook", "expect", "intend", "estimate", "anticipate", "believe", "plan", "forecast", "objective", "seek", "continue", "goal", "restore", "embark" and "endeavour" (or the negative thereof) and words and expressions c 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 interprete confirming market or analysts' expectations in any way.

Certain material factors or assumptions are applied in making forward-looking statements, and actual results differ materially from those expressed or implied in such statements. Important factors that could cause actu to differ materially from expectations include, but are not limited to, the factors identified under "Caution regar forward-looking statements" in the 2024 MD&A. Additional information about material risk factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in maki

forward-looking statements may be found under "Risk Management and Risk Factors" and "Critical Actuarial Accounting Policies" in the 2024 MD&A, in the "Risk Management" note to the 2024 Consolidated Financial Statements and elsewhere in MFC's filings with Canadian and U.S. securities regulators.

The forward-looking statements in this document or in the documents incorporated by reference in this docun unless otherwise indicated, stated as of the date hereof or the date of the document incorporated by referenc case may be, and are presented for the purpose of assisting investors and others in understanding the Comp financial position and results of operations, our future operations, as well as the Company's objectives and st priorities, and may not be appropriate for other purposes. The Company does not undertake to update any fo looking statements, except as required by law.

CORPORATE STRUCTURE

Name, Address and Incorporation

Manulife Financial Corporation is a life insurance company incorporated under the *Insurance Companies Act* (Canada) (the "ICA") on April 26, 1999 for the purpose of becoming the holding company of MLI following its demutualiz MLI was incorporated on June 23, 1887, by a Special Act of Parliament of the Dominion of Canada and was c into a mutual life insurance company in 1968. Pursuant to Letters Patent of Conversion, effective September MLI implemented a plan of demutualization under the ICA and converted to a life insurance company with co shares and became the wholly owned subsidiary of MFC.

MFC's head office and registered office is located at 200 Bloor Street East, Toronto, Canada, M4W 1E5.

Intercorporate Relationships

The major operating subsidiaries of MFC, including direct and indirect subsidiaries, and MFC's direct and indi voting interest therein, are listed in Note 21 (Subsidiaries) to our 2024 Consolidated Financial Statements. Th companies are incorporated in the jurisdiction in which their head office or registered office is located.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

In 2024, we continued our momentum with disciplined execution against our strategic priorities and delivered results across the business despite a persistently uncertain economic and geopolitical environment. We achie further milestones with the execution of two more reinsurance transactions, made significant progress agains digital agenda, and raised the bar with bold new targets announced at our Investor Day in June 2024. Further highlights with respect to our five strategic priorities and financial targets are outlined in our 2024 MD&A. The changes were made or announced in 2024 to the executive leadership team: Roy Gori, President and Chief E Officer, announced his retirement effective May 2025, with Phil Witherington appointed as his successor, Par Kimmet, Chief Human Resources Officer, announced her retirement effective May 2025, and will be succeed Pragashini Fox, Chief People Officer, and Trevor Kreel was appointed Chief Investment Officer, effective Aug succeeding Scott Hartz after his retirement.

In 2023, despite a challenging operating environment with persistent macroeconomic and geopolitical uncerta business proved resilient, and we stayed committed to our strategic priorities. We successfully closed a miles reinsurance transaction, reported our first full year of financial results prepared under IFRS 17, gained mome our post-pandemic recovery in Asia and tracked well on our digital transformation journey. Further highlights respect to our five strategic priorities are outlined in our 2023 MD&A. The following changes were made in 20 executive leadership team: Colin Simpson was appointed Chief Financial Officer succeeding Phil Witheringto was appointed CEO, Asia Segment, Halina von dem Hagen was appointed Chief Risk Officer, Rahim Hirji wa appointed Chief Auditor and Head of Advisory Services, and Brooks Tingle was appointed CEO, US Segmen

In 2022, we navigated an increasingly complex macroeconomic and geopolitical environment. Our all-weathe allowed us to capitalize on opportunities rooted in longer-term trends and deliver against our strategic prioritie short-term headwinds. We remained committed to executing against our strategic priorities to fulfill our comm to customers and unlock value for our shareholders. Further highlights with respect to our five strategic priorit

outlined in our 2022 MD&A. We successfully delivered on our global Return-to-Office mandate after over two remote work, welcoming back our colleagues in a hybrid work environment. The following changes were mad to the executive leadership team: Naveed Irshad was appointed CEO, Canada Segment, succeeding Mike D after his retirement, Marc Costantini joined as Global Head of Inforce Management, and Damien Green was a CEO, Asia Segment.

Additional information about our business can be found in the "Business Operations" section below, and in M 2024 MD&A, on pages 3 to 37 inclusive.

BUSINESS OPERATIONS

Information about our business and operating segments, our strategy, products, and investment activities, is i in MFC's 2024 MD&A, on pages 3 to 37 inclusive.

DISTRIBUTION METHODS

The Company has a multi-channel distribution network in all the segments in which it operates, with different depending on the product line and geography. Our four operating segments are: Asia, Canada, U.S., and Glo Wealth and Asset Management.

Asia We have insurance operations in 12 markets across Asia. We are a leading provider of insurance and insurance-based wealth accumulation products, driven by a customer-centric strategy, and we leverage the a management expertise and products managed by our Global Wealth and Asset Management segment. Our p includes a broad array of health, protection, savings, medical, term and whole life products.

Our diversified multi-channel distribution network in Asia includes contracted agents, bank partnerships and independent agents, financial advisors, and brokers. We have exclusive bancassurance partnerships that giv access to over 35 million bank customers, including a long-term, regional partnership with DBS Bank Ltd. in Singapore, Hong Kong, mainland China and Indonesia.

In Hong Kong and Macau, our insurance products are marketed and sold through the Company's agency, bancassurance partnerships, and independent broker channels. In Japan, product offerings are marketed th

proprietary sales agents, independent agencies or managing general agents and bancassurance partners. In Bermuda, Singapore, mainland China, Vietnam, Indonesia, the Philippines, Malaysia, Cambodia and Myanmar products are primarily marketed and sold through agents, bank channels (including exclusive partnerships), b and independent financial advisors.

Canada. We are a leading financial services provider, offering insurance products, insurance-based wealth accumulation products and banking services, have a variable annuity business, and we leverage the asset management expertise and products managed by our Global Wealth and Asset Management segment.

We offer financial protection solutions to individuals, families, and business owners through a combination of competitive products, professional advice and quality customer service. We provide life, health, disability and products, such as mortgage creditor and travel insurance, through advisors, sponsor groups and associations as direct-to-customer.

We provide group life, health and disability insurance solutions to Canadian sponsors (these include traditiona employers as well as other forms of groups such as government programs, unions, and associations) and the products are distributed through various distribution channels, including a national network of regional offices provide support to plan sponsors.

Manulife Bank offers flexible debt and cash flow management solutions as part of a customer's overall financ Products include savings and chequing accounts, guaranteed interest certificates, lines of credit, investment l mortgages and other specialized lending programs, offered through brokers and financial advisors supported broad distribution network.

[1] This represents our International High Net Worth business .

U.S. Our U.S. segment is committed to helping our customers live longer, healthier, better lives by providing an array of life insurance and insurance-based wealth accumulation solutions to meet a variety of their needs, and making behavioural insurance a standard component on all our life insurance solutions through John Hancock Vitality Program.

We operate under the John Hancock brand and have more than 160 years of history in the U.S. We have bui customer relationships and created a vast distribution network of licensed financial advisors, who help us brin benefits of life insurance, wellness, and wealth planning to more individuals and families. Our life insurance solutions are designed to meet customers' estate, business, income-protection, and wealth accumulation nee also leverage the expertise and solutions provided by our Global Wealth and Asset Management segment.

Over the past decade, we have transitioned from being a passive claims payer to actively rewarding our custo taking small, everyday steps toward better long-term health. To that end, we have integrated behavioural insu across our suite of solutions, offering our customers tools, technology, education, and rewards through the Jo Hancock Vitality Program — in collaboration with partners including GRAIL, Verily, Apple, Prenuvo, and Massachusetts Institute of Technology ("MIT") AgeLab — to help them make more informed decisions about overall health.

We also have in-force long-term care and annuity businesses. Our management of our long-term care blocks as our long-term care, variable and fixed annuity reinsurance transactions over the last few years have been significant contributors to the Company's efforts to transform the business portfolio to one of higher returns ar risk.

Global Wealth and Asset Management. Our Global Wealth and Asset Management segment, branded Manulife Wealth & Asset Management, is defined by our purpose: to make decisions easier and lives better by empowering investors for a better tomorrow. We operate across 19 geographies, including 10 in Asia, distributing innovative investment solutions to both individual and institutional investors through three integrated and complementary business lines. We offer capabilities across a wide spectrum of public and private asset classes, leveraging th expertise of our team of over 600 investment professionals worldwide.

At our core, we believe in good stewardship and incorporating sustainable asset management into our busine practices. We prioritize engagement with companies and investors to address systemic risks, allowing us to c and provide resilient investment solutions to our customers.

Our Retirement business serves more than 9 million investors in North America and Asia through retirement plan solutions, with investments managed by our internal teams and third-party managers. We offer financial guida advice to investors to help improve financial preparedness and also provide solutions for investors when they leave their employer plan.

Our Retail business serves individual investors primarily through third-party intermediaries, and, in select mar through a direct-to-customer network. Our fund platform consists predominantly of internally managed solutio also supplement our solutions by partnering with third-party managers through sub-advisory agreements.

Our Institutional Asset Management business[2] serves pension plans, foundations, endowments, financial institutions, and other institutional investors worldwide including our own insurance business. Our solutions span all majo classes, and we believe evaluating material sustainability factors helps us better manage risks and unlock ad opportunities for investors.

Together, our global footprint, investment expertise, and channel breadth position us strongly to capitalize on growth opportunities in the most attractive markets globally.

Sustainable asset management is integral to our investment approach. Through the lens of financial materiali focus our sustainability expertise on helping clients identify and manage systemic risks and take advantage o opportunities. We endeavor to enhance the resiliency of our clients' assets through our robust program of ste which includes one-on-one company engagement, responsible asset operations, the development of global

[2] United States, Canada, Japan, Hong Kong, Singapore, Taiwan, Indonesia, Vietnam, Malaysia, India, the Philippines, England, Ireland ' Switzerland, Germany, and mainland China. In addition, we have timberland/farmland operations in Australia, New Zealand, and Chile

sustainability standards, and efforts to encourage positive change through a wide range of regulatory and ind engagements.

COMPETITION

We operate in highly competitive markets and compete for customers with other insurance companies, firms, investment advisors, asset managers, banks and other financial institutions. We also compete with emerging fintechs, as well as non-traditional technology players entering the financial services industry. Customer loyal retention, and access to distributors, are important to the Company's success and are influenced by many fac including our distribution practices, regulations, product features, service levels, prices, and our financial stre ratings and reputation.

Key trends that are increasing competitive pressures in all our markets include (i) digital solutions to enhance customer experience, (ii) simplified and innovative product offerings, and (iii) use of artificial intelligence across all areas of business operations. Both traditional and non-traditional competitors are evolving their strategies to respond to these trends.

Asia With over 125 years of continuous operations in Asia, we are one of the few foreign insurance companies with scale, diversified distribution and a broad Asian footprint across develo emerging insurance markets. We believe that the Company is well positioned to benefit from the potential of t region.

Canada The financial protection market remains dominated by three large Canadian insurance providers, of w are one, while certain regional or smaller carriers focused on specialty products or niche segments are extrer competitive in some markets.

U.S. Competition in the U.S. is primarily with other large insurance firms, as well as mutual insurance compan distribute comparable products through similar channels.

Global Wealth and Asset Management In North America, the wealth and asset management market is increasingly dominated by large firms. Across our Asian markets, we operate in very competitive and fragmented markets comprised of global, pan-Asian, and regional wealth and asset managers.

SUSTAINABILITY REPORT AND PUBLIC ACCOUNTABILITY STATEMEN T

We report on the environmental, social and governance dimensions of our operations, products and services, as our community partnerships, in Manulife's annual Sustainability Report and Public Accountability Statemer reports provide information on priorities and performance and can be found on the Sustainability section of th Company's website at www.manulife.com/sustainability.

Our Impact Agenda outlines our key focus areas to drive social and environmental impact through our busine our interactions with customers and communities in which we operate. There are three, often interconnected tha comprise our Impact Agenda: empowering sustained health and well-being, driving inclusive economic op and accelerating a sustainable future.

In connection with our sustainability efforts, we actively engage with various internationally recognized initiativ frameworks. Since 2017, Manulife has been a supporter of the Task Force on Climate-related Financial Discl ("TCFD") recommendations, now the responsibility of the International Financial Reporting Standards (IFRS) Foundatic Our 2024 MD&A includes disclosures in the "Strategic Risk – Envir and Governance Risks" section on our ESG framework, including Manulife's approach to climate risk. Please also refer to our Sustainability Report, published in the second quarter of each year, for detailed climate risk disclosure and ou

sustainability performance.

[3] Based on annualized premium equivalent ("APE") sales. For more information about APE sales, see "Non-GAAP and other financi measures" in our 2024 MD&A.

RISK MANAGEMENT

A categorization and explanation of the broad risks facing the Company, Manulife's risk management strategi each category, and a discussion of the specific risks and uncertainties to which our business operations and f condition are subject can be found in the section entitled "Risk Management and Risk Factors" in our 2024 MD&A.

As noted under "Caution Regarding Forward-Looking Statements", forward-looking statements involve risks a uncertainties and actual results may differ materially from those expressed or implied in such statements. Stra risk, market & liquidity risk, credit & investment risk, product & insurance risk and operational risk are the five categories of risk described in our 2024 MD&A. These risk factors should be considered in conjunction with the other information in this AIF and the documents incorporated by reference herein.

GOVERNMENT REGULATION

As an insurance company, Manulife is subject to regulation and supervision by governmental authorities in th jurisdictions in which it does business. In Canada, the Company is subject to both federal and provincial regu the United States, the Company is primarily regulated by each of the states in which it conducts business and federal securities laws. The Company's Asia operations are similarly subject to a variety of regulatory and sup regimes in each of the Asian jurisdictions in which the Company operates, which vary in degree of regulation supervision.

CANADA

Manulife is governed by the ICA. The ICA is administered by, and activities of the Company are supervised b Office of the Superintendent of Financial Institutions (Canada) ("OSFI"), the primary regulator of federal financ institutions. The ICA permits insurance companies to offer, directly or through subsidiaries or through network arrangements, a broad range of financial services, including banking, investment counseling and portfolio management, mutual funds, trust services, real property brokerage and appraisal, information processing and merchant banking services.

The ICA requires the filing of annual and other reports on the financial condition of the Company, provides for examinations of the Company's affairs, imposes restrictions on transactions with related parties, and sets fort requirements governing reserves for actuarial liabilities and the safekeeping of assets and other matters. OSF supervises Manulife on a consolidated basis (including capital adequacy) to ensure that OSFI has an overvie group's activities. This includes the ability to review both insurance and non-insurance activities conducted by subsidiaries of Manulife with supervisory power to bring about corrective action.

Capital Requirements

The ICA requires Canadian insurance companies to maintain adequate levels of capital at all times.

Capital requirements for MFC and MLI are governed by the Life Insurance Capital Adequacy Test ("LICAT") g with LICAT ratios prepared on a consolidated basis. LICAT uses a risk-based approach to measure and aggr specified risks to calculate the amount of regulatory capital required to support these risks. It measures the ca adequacy of a life insurer and is one of several indicators used by OSFI to assess a life insurer's financial cor The LICAT ratio compares capital resources to the Base Solvency Buffer, the latter being the risk-based capi requirement determined in accordance with the guideline.

Capital resources include Available Capital, as well as a Surplus Allowance (equal to the net risk adjustment in the financial statements in respect of all insurance contracts other than risk adjustments arising from segre fund contracts with guarantee risks) and Eligible Deposits (collateral and letters of credit from unregistered re Available Capital includes common equity, qualifying preferred shares, qualifying innovative tier 1 instruments recourse capital notes, subordinated debt, contributed surplus, adjusted retained earnings, adjusted Accumul Other Comprehensive Income ("AOCI") and the participating account. Under LICAT, certain deductions are m Available Capital, including, but not limited to, goodwill, intangible assets, a portion of deferred tax assets, an controlling interests in non-life financial corporations.

The Base Solvency Buffer is equal to the aggregated capital requirements, net of credits for diversification an qualifying participating and adjustable products. The capital requirements cover the following five risk compor market risk, credit risk, insurance risk, operational risk and segregated funds guarantee risk.

A segregated fund guarantee (SFG) capital framework came into effect on January 1, 2025. The new framew includes adjustments to the available capital calculation, adjustments to the Base Solvency Buffer and the inc transition measures.

The minimum regulatory LICAT ratio is 90% for MFC and MLI; in addition, MLI is subject to an industry-wide supervisory target of 100%. OSFI expects each insurance company to establish an internal target capital lev provides a cushion above the regulatory requirements. This cushion allows for coping with volatility in marke economic conditions, and enhances flexibility in capital management to consider aspects such as innovations industry, consolidation trends and international developments. OSFI may require that a higher amount of cap available, taking into account such factors as operating experience and diversification of asset or insurance p MFC endeavours to manage its business such that LICAT ratios for both MFC and MLI are above their intern targets. See the section entitled “Capital Management Framework – Regulatory Capital Position” in our 2024 for our LICAT ratios.

The ICA provides a wide range of discretionary intervention powers that allow OSFI to intervene to address c that may arise with companies. Capital requirements may be adjusted by OSFI as experience develops, the profile of Canadian life insurers changes, or to reflect other risks.

See the section entitled “Risk Management and Risk Factors” in our 2024 MD&A for information about regula initiatives and other developments that could impact MFC’s capital position.

Regulated subsidiaries of MFC must maintain minimum levels of capital, which are based on the local capital and the statutory accounting basis in each jurisdiction. The Company seeks to maintain capital in excess of th minimum required in all foreign jurisdictions in which the Company does business.

Investment Powers

Under the ICA, Manulife must maintain a prudent portfolio of investments and loans, subject to certain overall limitations on the amount it may invest in certain classes of investments, such as commercial loans. Addition restrictions (and in some cases, the need for regulatory approvals) limit the types of investments that the Con can make in excess of 10% of the voting rights or 25% of the equity of a body corporate, or in excess of 25% ownership interests of an unincorporated entity.

Restrictions on Shareholder Dividends and Capital Transactions

The ICA prohibits the declaration or payment of any dividend on shares of an insurance company if there are reasonable grounds for believing an insurance company does not have adequate capital and adequate and appropriate forms of liquidity, or the declaration or the payment of the dividend would cause the insurance co be in contravention of any regulation made under the ICA respecting the maintenance of adequate capital an adequate and appropriate forms of liquidity, or any direction made to the company by the Superintendent of F Institutions (Canada) (the “Superintendent”). The ICA also requires an insurance company to notify the Super of the declaration of a dividend at least 15 days prior to the date fixed for its payment. Similarly, the ICA prohi purchase for cancellation of any shares issued by an insurance company, or the redeemable shares or other similar capital transactions, if there are reasonable grounds for believing that the company do have adequate capital and adequate and appropriate forms of liquidity, or the purchase or the payment would the company to be, in contravention of any regulation made under the ICA respecting the maintenance of ade capital and adequate and appropriate forms of liquidity, or any direction made to the company by the Superin These latter transactions would require the prior approval of the Superintendent. There is currently no directio MFC or MLI paying a dividend or redeeming or purchasing their shares for cancellation.

Chief Actuary

In accordance with the ICA, the Board of Directors of MFC (the “Board”) has appointed the Chief Actuary who a Fellow of the Canadian Institute of Actuaries. The Chief Actuary is required to value the policy liabilities of M

as at the end of each financial year in accordance with accepted actuarial practices with such changes as may be

determined by the Superintendent and any direction that may be made by the Superintendent, including selec
appropriate assumptions and methods. The Chief Actuary must make a report in the prescribed form on the
including providing an opinion as to whether the consolidated financial statements fairly present the results of
valuation. At least once in each financial year, the Chief Actuary must meet with the Board, or the Audit Com
report, in accordance with accepted actuarial practice and any direction that may be made by the Superintend
the current and expected future financial condition of the Company. The Chief Actuary is also required to repo
President and Chief Executive Officer and the Chief Financial Officer of the Company if the Chief Actuary ide
any matters that, in the Chief Actuary's opinion, have material adverse effects on the financial condition of the
Company and require rectification.

Prescribed Supervisory Information

The Supervisory Information (Insurance Companies) Regulations made under the ICA prohibit regulated insu
companies, such as MFC and MLI, from disclosing, directly or indirectly, "prescribed supervisory information"
defined in those regulations. Prescribed supervisory information includes assessments, recommendations, ra
reports concerning the Company made by or at the request of the Superintendent, orders of the Superintende
respect to capital and liquidity, certain regulatory actions taken with respect to the Company, prudential agree
between the Company and the Superintendent, and directions of the Superintendent that we cease or refrain
committing, or remedy, unsafe or unsound practices in conducting our business.

Provincial Insurance Regulation

The Company is also subject to provincial regulation and supervision in each province and territory of Canada
it carries on business. While mainly subject to direct governance by provincial insurance regulation, which is
concerned primarily with the form of insurance contracts and the sale and marketing of insurance and annuity
products, including the licensing and supervision of insurance agents, the Company is also subject to other p
regulatory regimes governing general commercial conduct, such as consumer protection and privacy. Insurar
and agent compensation are also subject to guidelines established by the Canadian Insurance Services Regu
Organization, which have been incorporated into the criteria by which provincial insurance regulators underta
supervision. Individual variable insurance contracts and the underlying segregated funds to which they relate
subject to guidelines established by the Canadian Life and Health Insurance Association Inc. which have bee
incorporated into regulation in Ontario, are consistent with guidelines in Quebec adopted under the authority
Québec insurance legislation, and are generally followed by the regulators of all other provinces. These guid
govern a number of matters relating to the sale of these products and the administration of the underlying seg
funds. MLI is licensed to transact business in all provinces and territories of Canada.

Provincial/Territorial Securities Laws

The Company's Canadian investment fund, dealer and asset management businesses are subject to Canadi
provincial and territorial securities laws. Manulife Investment Management Limited ("MIML") is registered as a
manager with the securities commissions in all Canadian provinces and territories, as an investment fund ma
the provinces of Ontario, Newfoundland and Labrador and Québec, as a commodity trading manager in Onta
as a derivatives portfolio manager in Québec. Manulife Investment Management Distributors Inc. ("MIMDI") is
registered as an exempt market dealer with the securities commissions in all Canadian provinces and territori
MIML and MIMDI are subject to regulation by the applicable provincial securities regulators. Manulife Wealth
("MWI") is registered under provincial and territorial securities laws to sell investments across Canada and is
regulation by the applicable provincial and territorial securities regulators. MWI is regulated by the Canadian
Investment Regulatory Organization. MWI is also registered as a derivatives dealer in Québec.

Consumer Protection for Financial Institution Failure

Assuris was created by the life and health insurance industry in Canada in 1990 to provide Canadian policyho
with protection in the event of the insolvency of their insurance company. Assuris is funded by its member ins

[4] Accepted actuarial practices means Canadian accepted actuarial practices as established by the Actuarial Standards Board
.

companies, including MLI and Manulife Assurance Company of Canada. Member companies of Assuris are a
to build and maintain a liquidity fund at a minimum level of $100 million. Members are then primarily subject t
assessment on an "as needed" basis. The assessment base for member companies is calculated using each
member's solvency buffer, subject to adjustments where the member operates in foreign jurisdictions.

The Canadian Investor Protection Fund ("CIPF") has been created to provide clients with protection, within de
limits, in the event of the insolvency of their investment dealer or their mutual fund dealer. The CIPF is funded
member investment dealers and mutual fund dealers, including MWI.

The Canada Deposit Insurance Corporation ("CDIC") is a federal crown corporation created by parliament in

protect deposits made with member financial institutions in case of their failure. CDIC member institutions inc
Manulife Bank and its subsidiary Manulife Trust Company, fund deposit insurance through premiums paid on
insured deposits that they hold.

UNITED STATES

General Regulation at the State Level

The various states in the United States have laws regulating transactions between insurers and other membe
insurance holding company systems. Transactions between the Company's U.S. domiciled insurance subsidi
their affiliates are subject to regulation by the states in which such insurance subsidiaries are domiciled and, f
limited matters, states in which they transact business. Most states have enacted legislation that requires eac
insurance holding company and each insurance subsidiary in an insurance holding company system to regist
and be subject to regulation by, the insurance regulatory authority of the insurance subsidiary's state of domic
Company's principal U.S. life insurance subsidiaries are John Hancock Life Insurance Company (U.S.A.) ("JH
John Hancock Life Insurance Company of New York ("JHNY") and John Hancock Life & Health Insurance Co
("JHLH"). They are domiciled in Michigan, New York and Massachusetts, respectively. Under such laws, the
insurance subsidiaries are required to annually furnish financial and related information concerning the opera
companies within the holding company system that may materially affect the operations, management or fina
condition of insurers within the system. These reports are also filed with other insurance departments on requ
addition, such laws provide that all transactions within an insurance holding company system must be fair and
equitable, and following any such transactions, each insurer's policyholder surplus must be both reasonable i
to its outstanding liabilities and adequate for its needs.

The laws of the various states also establish regulatory agencies with broad administrative powers, such as th
to approve policy forms, grant and revoke licenses to transact business, regulate trade practices, license age
require financial statements and prescribe the type and amount of investment permitted. State insurance regu
authorities regularly make inquiries, hold investigations and administer market conduct examinations with res
an insurer's compliance with applicable insurance laws and regulations.

Insurance companies are required to file detailed annual statements with state insurance regulators in each o
states in which they do business and their business and accounts are subject to examination by such regulato
time. Quarterly statements must also be filed with the state insurance regulator in the insurer's state of domic
with the insurance departments of many of the states in which the insurer does business. Insurance regulator
periodically examine an insurer's financial condition, adherence to statutory accounting practices and compli
insurance department rules and regulations.

State insurance departments, as part of their routine oversight process, conduct detailed examinations of the
records and accounts of insurance companies domiciled in their states. These examinations are generally co
in accordance with the examining state's laws and the guidelines promulgated by the National Association of
Insurance Commissioners (the "NAIC"), an association of the chief insurance supervisory officials of each sta
territory or possession of the United States. Each of the Company's principal U.S. domiciled insurance subsid
subject to periodic examinations by its respective domiciliary state insurance regulators. The latest published
examination reports issued by each such insurance department did not raise any material issues or adjustme

Investment Powers

The Company's U.S. domiciled insurance subsidiaries are subject to laws and regulations that require diversi
their investment portfolios and limit the amount of investments in certain investment categories such as below
investment grade bonds and real estate. Failure to comply with these laws and regulations may cause investr
exceeding regulatory limitations to be treated as non-admitted assets for the purposes of measuring statutory
and in some circumstances would require divestiture of the non-qualifying assets.

Minimum Statutory Surplus and Capital

The Company's U.S. domiciled life insurance subsidiaries are required to have minimum statutory surplus an
of various amounts depending on the state in which they are licensed and the types of business they transact

NAIC IRIS Ratios

The NAIC uses a set of financial relationships or "tests," known as the Insurance Regulatory Information Syst
("IRIS"), which are designed for the early identification of insurance companies which might warrant special a
by insurance regulatory authorities. Insurance companies submit data annually to the NAIC, which in turn ana
data utilizing 12 ratios, each with defined "usual ranges." Having ratios that fall outside the usual range does
necessarily indicate that a company experienced unfavourable results. An insurance company may fall out of
range for one or more ratios because of transactions that are favourable (such as large increases in surplus)

immaterial or eliminated at the consolidated level. Each company's ratios are reviewed annually and are assi ranking by a team of examiners and financial analysts at the NAIC for the purpose of identifying companies th require immediate regulatory attention. The rankings are not reported to the companies and are only available regulators.

Risk-Based Capital Requirements

In order to enhance the regulation of insurer solvency, state regulators have adopted the NAIC model law implementing Risk-Based Capital ("RBC") requirements for life insurance companies. The requirements are d to monitor capital adequacy and to raise the level of protection that statutory surplus provides for policyholder model law measures four major areas of risk facing life insurers: (i) the risk of loss from asset defaults and as fluctuation; (ii) the risk of loss from adverse mortality and morbidity experience; (iii) the risk of loss from mism asset and liability cash flows due to changing interest rates; and (iv) general business risk. Insurers having le statutory surplus than required by the RBC model formula are subject to varying degrees of regulatory action depending on the level of capital inadequacy. Based on the formula adopted by the NAIC, each of the Compa domiciled insurance company subsidiaries exceeded the RBC capital requirements as at December 31, 2024

Regulation of Shareholder Dividends and Other Payments from Insurance Subsidiaries

Manulife's ability to meet debt service obligations and pay operating expenses and shareholder dividends dep the receipt of sufficient funds from its operating subsidiaries. Our U.S. operating subsidiaries are indirectly ow MLI. The payment of dividends by JHUSA is subject to restrictions set forth in the insurance laws of Michigan domiciliary state. Similarly, the payment of dividends by JHNY and JHLH is regulated by New York and Massachusetts insurance laws, respectively. In all three states, regulatory approval is required if proposed sh dividend distributions exceed certain thresholds. In addition, general regulations relating to an insurer's financ condition and solvency may also preclude or restrict the amount of dividends that may be paid by the Compa domiciled insurance subsidiaries.

Federal Securities and Commodity Laws

Certain of the Company's subsidiaries and certain investment funds, policies and contracts offered by them a subject to regulation under federal securities laws administered by the SEC and under certain state securities Certain segregated funds of the Company's insurance subsidiaries are registered as investment companies u *Investment Company Act of 1940* as are certain other funds managed by subsidiaries of the Company. Interests in segregated funds under certain variable annuity contracts and variable insurance policies issued by the Comp insurance subsidiaries are also registered under the U.S. *Securities Act of 1933*. Each of John Hancock Distributors

LLC, John Hancock Investment Management Distributors LLC and Manulife John Hancock Brokerage Servic is registered as a broker-dealer under the U.S. *Securities Exchange Act of 1934* and each is a member of, and subject to regulation by, the Financial Industry Regulatory Authority.

Each of John Hancock Investment Management LLC, Manulife Investment Management (US) LLC, Manulife Investment Management Timberland and Agriculture Inc., Manulife Investment Management Private Markets LLC, John Hancock Variable Trust Advisers LLC, Manulife Investment Management (North America) Limited Hancock Personal Financial Services, LLC is an investment adviser registered under the U.S. *Investment Advisers Act of 1940*. Certain investment companies advised or managed by these subsidiaries are registered with the SEC the *Investment Company Act of 1940* and the shares of certain of these entities are qualified for sale in certain states in the United States and the District of Columbia. All aspects of the investment advisory activities of the Comp subsidiaries are subject to various federal and state laws and regulations in jurisdictions in which they conduc business. These laws and regulations are primarily intended to benefit investment advisory clients and invest company shareholders and generally grant supervisory agencies broad administrative powers, including the p limit or restrict the carrying on of business for failure to comply with such laws and regulations. In such event, possible sanctions that may be imposed include the suspension of individual employees, limitations on the ac which the investment advisor may engage, suspension or revocation of the investment advisor's registration a advisor, censure and fines.

The *Commodity Exchange Act* may regulate certain of the Company's segregated funds and registered funds as a "commodity pool", and certain of the Company's registered advisers as a "commodity pool operator" or a "cor trading advisor".

State Guaranty Funds

All states of the United States have insurance guaranty fund laws requiring life insurance companies doing bu the state to participate in a guaranty association which, like Assuris in Canada, is organized to protect policyh against loss of benefits in the event of an insolvency or wind-up of a member insurer. These associations levy

assessments (up to prescribed limits) on the basis of the proportionate share of premiums written by member in the lines of business in which the impaired or insolvent insurer is engaged. Assessments levied against the Company in each of the past five years have not been material.

Employee Retirement Income Security Act of 1974 ("ERISA") Considerations

Employee benefit plans are governed by ERISA and are subject to regulation by the U.S. Department of Labo service providers to employee benefit plans, the Company and its subsidiaries may be "parties in interest", as term is defined in ERISA and the Internal Revenue Code of 1986, as amended (the "Code"), with respect to s plans. Certain transactions between parties in interest and those plans are prohibited by ERISA and the Code determined that the Company or subsidiary is not in compliance with an applicable statutory or administrative exemption, severe penalties and excise taxes could be imposed under ERISA and the Code.

In addition, ERISA imposes duties on fiduciaries to employee benefit plans covered by that law. The Compan subsidiaries that provide investment management or investment advisory services with respect to plan assets deemed to be fiduciaries under ERISA. Accordingly, the applicable subsidiary must comply with both the fidu duty and prohibited transaction rules of ERISA and the Code. If it is determined that the Company subsidiary breached its fiduciary duties in providing investment management or advice to a plan, then the Company sub could be liable for restoring any losses to the applicable plan(s).

ASIA

In Asia, local insurance authorities supervise and monitor the Company's business and financial condition in the markets in which the Company operates. The Company is also required to meet specific minimum workin regulatory capital requirements and is subject to regulations governing the investment of such capital in each jurisdictions. Hong Kong Special Administrative Region ("Hong Kong") and Japan are the regulatory jurisdictio governing Manulife's most significant operations in Asia.

Hong Kong

In Hong Kong, the authority and responsibility for supervision of the insurance industry is vested in the Insura Authority ("IA") under the *Insurance Ordinance, Cap. 41* (the "Insurance Ordinance").

The Chief Executive of the Government of Hong Kong appoints the members of the IA pursuant to the Insura Ordinance. The Insurance Ordinance provides that no person shall carry on any insurance business in or fro Kong except a company authorized to do so by the IA, Lloyd's of the United Kingdom or an association of un approved by the IA. The Insurance Ordinance stipulates certain requirements for authorized insurers, includi corporate governance, enhanced "fit and proper person" requirements for directors, controllers and several k persons in control functions such as financial control, compliance, risk management, intermediary manageme actuary and internal audit, minimum capital and solvency margin requirements, adequate reinsurance arrang requirements and statutory reporting requirements. The Insurance Ordinance also confers powers of inspecti investigation and intervention on the IA for the protection of policyholders and potential policyholders.

The IA has residual power to appoint an advisor or a manager to any authorized insurer if the IA considers su appointment to be desirable for the protection of policyholders or potential policyholders against the risk that t insurer may be unable to meet its liabilities or to fulfill the reasonable expectations of policyholders or potentia policyholders and that, in the IA's opinion, the exercise of other interventionary powers conferred by the Insur Ordinance would not be appropriate to safeguard the interests of policyholders or potential policyholders. In s circumstances, the advisor or manager appointed by the IA will have management control of the insurer.

In Hong Kong, the Company's life insurance business is conducted through a branch of a wholly owned Berm subsidiary, Manulife (International) Limited, which is licensed to carry on the business of "long-term" insuranc IA and the Bermuda Monetary Authority.

Long-term insurance companies are required under the Insurance Ordinance to maintain certain capital requi The prescribed capital amount is based on the risk capital amounts for its risk exposures to market risk, life in risk, counterparty default risk, operational risk and other risk(s) if applicable, as prescribed under the Insuranc (Valuation and Capital) Rules (Cap.41R), enacted pursuant to the Insurance Ordinance. For a long-term insu company, the value of its assets must not be less than the amount of its liabilities by the prescribed capital an subject to a minimum of Hong Kong $20 million. Compliance with the capital requirements is reported quarter IA. Currently, all capital requirements are being met.

Investment managers and distributors in Hong Kong, including Manulife Investment Management (Hong Kon (entity and staff)("MIMHK"), and the sale of mutual funds and the issuance of advertisements, invitations or d in relation to collective investment schemes which contain an invitation to acquire an interest (products and s highly regulated and are subject to Hong Kong securities laws as administered by the Securities and Futures

Commission (“SFC”). The promotion and sale of pension schemes fund products is undertaken by Manulife (International) Limited as the scheme sponsor, with Manulife Provident Funds Trust Company Limited as the approved trustee, and all such activities are subject to the supervision of the Mandatory Provident Fund Sche Authority (“MPFA”) and the IA. Management of the relevant pension funds is undertaken by MIMHK as invest manager, which is subject to the supervision of the MPFA and the SFC. The sales of long term insurance policies, investment-linked assurance, group life and health products and Qualifying Deferred Annuity Produc subject to the supervision of the IA. Investment-linked assurance is also subject to supervision by the SFC. T Voluntary Health Insurance Scheme products is subject to the regulatory scrutiny of the Food and Health Bur the Hong Kong Government. Manulife (International) Limited also conducts long term insurance business in t Special Administrative Region and is regulated by the Monetary Authority of Macau.

Japan

Life insurance companies in Japan, including Manulife Life Insurance Company (“Manulife Japan”), are gover the *Insurance Business Law* and the regulations issued thereunder (the “IB Law”). The IB Law sets out a comprehensive regulatory regime for Japanese life insurers, including such matters as capital and solvency requirements, powers of regulatory intervention, new insurance products and restrictions on shareholder divic

and distributions. The administration and application of the IB Law is supervised by the Financial Services A (“FSA”). The IB Law provides for certain rules with respect to the approval of new insurance products and the of premium levels.

The IB Law includes obligations relating to sales of insurance products such as understanding customers’ int and provision of relevant information to customers, as well as agencies’ obligation to develop their own contr frameworks including the non-exclusive agencies’ obligation to recommend a product based on a comparisor similar products.

The FSA published Principles for Customer-Oriented Business Operations that recommend financial institutic including insurers, among others, take the following actions:
(i) develop and make public a policy for a customer-oriented business; (ii) provide thorough disclosure of deta and expenses of financial products to customers; (iii) provide important information in an easy to understand and (iv) provide services suited to each customer. Manulife Japan established a policy known as a “Custome Promise” and made it public on its website.

Investment managers in Japan, including Manulife Investment Management (Japan) Limited, are governed by *Financial Instruments and Exchange Act (Japan)* and the regulations issued thereunder (the “FIEA”). The FIEA sets out a comprehensive regulatory regime for investment managers that do business in Japan, including the reg requirement for investment managers, filing requirements for public offerings of investment trusts, behaviour regulations and other matters. Persons who conduct investment management business in Japan (manageme investment trusts and/or discretionary investment management business) must be registered with the FSA ur FIEA. The registered investment managers are supervised by the FSA or local financial bureaus. The *Trust and Investment Corporation Act (Japan)* provides structural requirements for investment trust funds organized within Japan and also governs managers of such domestic investment trusts.

Restrictions on Shareholder Dividends

In Asia, insurance and company laws in the jurisdictions in which the Company operates provide for specific restrictions on the payment of shareholder dividends and other distributions by the Company’s subsidiaries, c solvency or other financial tests, which could affect the ability of these subsidiaries to pay dividends in certain circumstances.

GENERAL DESCRIPTION OF CAPITAL STRUCTURE

The following summarizes certain provisions of MFC’s common shares, preferred shares and limited recourse notes. This summary is qualified in its entirety by MFC’s by-laws and the actual terms and conditions of such securities.

MFC has authorized share capital consisting of an unlimited number of common shares (“Common Shares”), unlimited number of Class A Shares (“Class A Shares”), an unlimited number of Class B Shares (“Class B Sh and an unlimited number of Class 1 Shares (“Class 1 Shares”) (collectively, the Class A Shares, Class B Sha Class 1 Shares are “Preferred Shares”).

As of December 31, 2024, MFC had the following Common Shares, Class A Shares and Class 1 Shares issued:

Common Shares	1,728,734,607
Class A Shares Series 2	14,000,000
Class A Shares Series 3	12,000,000
Class 1 Shares Series 3	6,537,903
Class 1 Shares Series 4	1,462,097
Class 1 Shares Series 9	10,000,000
Class 1 Shares Series 11	8,000,000
Class 1 Shares Series 13	8,000,000
Class 1 Shares Series 15	8,000,000
Class 1 Shares Series 17	14,000,000
Class 1 Shares Series 19	10,000,000
Class 1 Shares Series 25	10,000,000
Class 1 Shares Series 27 [5]	2,000,000
Class 1 Shares Series 28 [6]	1,200,000
Class 1 Shares Series 29 [7]	1,000,000

MFC has authorized but not issued Class 1 Shares Series 10, Class 1 Shares Series 12, Class 1 Shares Ser Class 1 Shares Series 16, Class 1 Shares Series 18, Class 1 Shares Series 20, and Class 1 Shares Series 2

Certain Provisions of the Class A Shares as a Class

The following is a summary of certain provisions attaching to the Class A Shares as a class.

Priority

Each series of Class A Shares ranks on a parity with every other series of Class A Shares and every series o Shares with respect to dividends and return of capital. The Class A Shares shall be entitled to a preference o Class B Shares, the Common Shares and any other shares ranking junior to the Class A Shares with respect priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or w of MFC, whether voluntary or involuntary, or any other distribution of the assets of MFC among its shareholde specific purpose of winding up its affairs.

Certain Provisions of the Class B Shares as a Class

The following is a summary of certain provisions attaching to the Class B Shares as a class.

Priority

Each series of Class B Shares ranks on a parity with every other series of Class B Shares with respect to div and return of capital. The Class B Shares shall rank junior to the Class A Shares and the Class 1 Shares with to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution o up of MFC, whether voluntary or involuntary, or any other distribution of the assets of MFC among its shareho the specific purpose of winding up its affairs, but the Class B Shares shall be entitled to a preference over the Common Shares and any other shares ranking junior to the Class B Shares with respect to priority in paymer

5 On February 17, 2021, 2,000,000 Non-Cumulative Fixed Rate Reset Class 1 Shares Series 27 were issued to the Limited Recourse Computershare Trust Company of Canada, in connection with MFC's Limited Recourse Capital Notes Series 1. These shares are no on the Toronto Stock Exchange (the "TSX")

6 On November 10, 2021, 1,200,000 Non-Cumulative Fixed Rate Reset Class 1 Shares Series 28 were issued to the Limited Recours Trustee, Computershare Trust Company of Canada, in connection with MFC's Limited Recourse Capital Notes Series 2. These share not listed on the TSX

7 On June 14, 2022, 1,000,000 Non-Cumulative Fixed Rate Reset Class 1 Shares Series 29 were issued to the Limited Recourse Trus Computershare Trust Company of Canada, in connection with MFC's Limited Recourse Capital Notes Series 3. These shares are no on the TSX.

dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of MFC, whet
voluntary or involuntary, or any other distribution of the assets of MFC among its shareholders for the specific purpose
of winding up its affairs.

Certain Provisions of the Class 1 Shares as a Class

The following is a summary of certain provisions attaching to the Class 1 Shares as a class.

Priority

Each series of Class 1 Shares ranks on a parity with every other series of Class 1 Shares and every series of
Shares with respect to dividends and return of capital. The Class 1 Shares shall be entitled to a preference ov
Class B Shares, the Common Shares and any other shares ranking junior to the Class 1 Shares with respect
in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-
MFC, whether voluntary or involuntary, or any other distribution of the assets of MFC among its shareholders
specific purpose of winding up its affairs.

Certain Provisions Common to the Class A Shares, Class B Shares and Class 1 Shares

The following is a summary of certain provisions attaching to the Class A Shares as a class, to the Class B S
a class and to the Class 1 Shares as a class
.

Directors' Right to Issue in One or More Series

The Class A Shares, Class B Shares and Class 1 Shares may be issued at any time and from time to time in
more series. Before any shares of a series are issued, the Board shall fix the number of shares that will form
series, if any, and shall, subject to any limitations set out in the by-laws of MFC or in the ICA, determine the
designation, rights, privileges, restrictions and conditions to be attached to the Class A Shares, Class B Shar
Class 1 Shares as the case may be, of such series, the whole subject to the filing with OSFI of the particulars
series, including the rights, privileges, restrictions and conditions determined by the Board.

Summaries of the terms for each series of the Class A Shares and Class 1 Shares that have been issued or
authorized for issuance are contained in the prospectuses relating to such shares, which are available on SEDAR

Voting Rights of Preferred Shares

Except as hereinafter referred to or as required by law or as specified in the rights, privileges, restrictions and
conditions attached from time to time to any series of Class A Shares, Class B Shares or Class 1 Shares, the
of such Class A Shares, Class B Shares or Class 1 Shares as a class shall not be entitled as such to receive
to attend or to vote at any meeting of the shareholders of MFC.

Amendment with Approval of Holders of Preferred Shares

The rights, privileges, restrictions and conditions attached to each of the Class A Shares, Class B Shares and
Shares as a class may be added to, changed or removed but only with the approval of the holders of such cla
Preferred Shares given as hereinafter specified.

Approval of Holders of Preferred Shares

The approval of the holders of a class of Preferred Shares to add to, change or remove any right, privilege, re
or condition attaching to such class of Preferred Shares as a class or in respect of any other matter requiring
consent of the holders of such class of Preferred Shares may be given in such manner as may then be requir
law, subject to a minimum requirement that such approval be given by resolution signed by all the holders of
class of Preferred Shares or passed by the affirmative vote of at least two-thirds (2/3) of the votes cast at a m
the holders of such class of Preferred Shares duly called for that purpose. Notwithstanding any other conditio

provision of any class of Preferred Shares, the approval of the holders of any class, voting separately as a cla series, is not required on a proposal to amend the by-laws of MFC to:

(i) increase or decrease the maximum number of authorized Class A Shares, Class B Shares or Class 1 Shares, as the case may be, or increase the maximum number of authorized shares of a class of shar having rights or privileges equal or superior to such class of Preferred Shares;

(ii) effect the exchange, reclassification or cancellation of all or any part of the Class A Shares, Class B S or Class 1 Shares, as the case may be; or

(iii) create a new class of shares equal to or superior to the Class A Shares, the Class B Shares or the Cla Shares, as the case may be.

The formalities to be observed with respect to the giving of notice of any such meeting or any adjourned mee quorum required therefor and the conduct thereof shall be those from time to time required by the ICA as in fo the time of the meeting and those, if any, prescribed by the by-laws or the administrative resolutions of MFC v respect to meetings of shareholders. On every poll taken at every meeting of the holders of a class of Preferr Shares as a class, or at any joint meeting of the holders of two or more series of a class of Preferred Shares, holder of such class of Preferred Shares entitled to vote thereat shall have one vote in respect of each releva Preferred Share held.

Certain Provisions of the Common Shares as a Class

The authorized common share capital of MFC consists of an unlimited number of Common Shares without no par value. Each holder of Common Shares is entitled to receive notice of and to attend all meetings of the shareholders of MFC and is entitled to one vote for each share held except for meetings at which only holders another specified class or series of shares of MFC are entitled to vote separately as a class or series. The ho Common Shares are entitled to receive dividends as and when declared by the Board, subject to the preferer holders of Class A Shares, Class B Shares, Class 1 Shares and any other shares ranking senior to the Comr Shares with respect to priority in payment of dividends. After payment to the holders of Class A Shares, Class Shares, Class 1 Shares and any other shares ranking senior to Common Shares with respect to priority in the distribution of assets in the event of the liquidation, dissolution or winding-up of MFC, the holders of Common shall be entitled to receive prorated the net assets of MFC remaining, after the payment of all creditors and lic preferences, if any, that pertain to shareholders.

Description of the Limited Recourse Capital Notes

MFC has outstanding $2,000,000,000 of 3.375% Limited Recourse Capital Notes Series 1 (Subordinated Indebtedness) due June 19, 2081 (the “Series 1 Notes”); $1,200,000,000 of 4.10% Limited Recourse Capital Series 2 (Subordinated Indebtedness) due March 19, 2082 (the “Series 2 Notes”); and $1,000,000,000 of 7.1 Limited Recourse Capital Notes Series 3 (Subordinated Indebtedness) due June 19, 2082 (the “Series 3 Note collectively with the Series 1 Notes and the Series 2 Notes, the “Notes”) which are classified as equity in our 2 Consolidated Financial Statements.

Certain Provisions of the Limited Recourse Capital Notes

The following is a summary of certain provisions attaching to the Notes as a class.

Priority

The Notes are direct, subordinated, unsecured indebtedness of MFC and will rank subordinate to all of MFC’s liabilities and all other indebtedness (including all of MFC’s other unsecured and subordinated indebtedness) to time issued and outstanding, except for such indebtedness which by its terms ranks equally in right of payr or is subordinate to, the Notes.

Limited Recourse

In the event of non-payment by MFC of the principal amount of, interest on, or redemption price for, the Notes due, the sole recourse of each holder of the Notes shall be limited to the assets held in respect of the Notes b

Computershare Trust Company of Canada, as trustee (the “Limited Recourse Trustee”) of Manulife LRCN Limited Recourse Trust (the “Limited Recourse Trust”) from time to time (“Corresponding Trust Assets”). As of the da hereof, the Corresponding Trust Assets in respect of the Series 1 Notes consist of 2,000,000 Class 1 Shares 27, the Corresponding Trust Assets in respect of the Series 2 Notes consist of 1,200,000 Class 1 Shares Ser and the Corresponding Trust Assets in respect of the Series 3 Notes consist of 1,000,000 Class 1 Shares Se

DIVIDENDS

The declaration and payment of dividends and the amount thereof is subject to the discretion of the Board an dependent upon the results of operations, financial condition, cash requirements and future prospects of, and regulatory restrictions on the payment of dividends by, the Company and other factors deemed relevant by th

Since MFC is a holding company that conducts all of its operations through regulated insurance subsidiaries companies owned directly or indirectly by these subsidiaries), its ability to pay future dividends will depend or receipt of sufficient funds from its regulated insurance subsidiaries. These subsidiaries are also subject to cer regulatory restrictions under laws in Canada, the United States and certain other countries that may limit thei pay dividends or make other upstream distributions. MFC has paid the following cash dividends in the period January 1, 2022 to December 31, 2024:

Type of Shares	2024	2023	2022
Common Shares	$1.6000	$1.4600	$1.3200
Preferred Shares			
Class A Shares Series 2	$1.1625	$1.1625	$1.1625
Class A Shares Series 3	$1.1250	$1.1250	$1.1250
Class 1 Shares Series 3	$0.5870	$0.5870	$0.5870
Class 1 Shares Series 4	$1.5578	$1.4946	$0.6814
Class 1 Shares Series 7	-	-	$0.2695
Class 1 Shares Series 9	$1.4945	$1.4945	$1.1894
Class 1 Shares Series 11	$1.5398	$1.4505	$1.1827
Class 1 Shares Series 13	$1.5875	$1.2245	$1.1035
Class 1 Shares Series 15	$1.1951	$0.9465	$0.9465
Class 1 Shares Series 17	$0.9500	$0.9500	$0.9500
Class 1 Shares Series 19	$0.9188	$0.9188	$0.9188
Class 1 Shares Series 23	-	-	$0.3031
Class 1 Shares Series 25	$1.4855	$1.3303	$1.1750
Class 1 Shares Series 27	-	-	-
Class 1 Shares Series 28	-	-	-
Class 1 Shares Series 29	-	-	-

With reference to the information in the table above:

Class 1 Shares Series 7 and Series 23 were redeemed and delisted from the TSX, effective March 19, 2022.

Until revoked, the Limited Recourse Trustee of the Limited Recourse Trust has waived its right to receive any dividends on the Class 1 Shares Series 27, the Class 1 Shares Series 28, and the Class 1 Shares Series 29. such waiver is revoked by the Limited Recourse Trustee of the Limited Recourse Trust, no dividends are exp be declared or paid on the Class 1 Shares Series 27, the Class 1 Shares Series 28 or the Class 1 Shares Se

The 2024, 2023 and 2022 dividends on the Common Shares, the Class A Shares and the Class 1 Shares we quarterly in March, June, September and December.

CONSTRAINTS ON OWNERSHIP OF SHARES

The ICA contains restrictions on the purchase or other acquisition, issue, transfer and voting of the shares of Pursuant to these restrictions, no person is permitted to acquire any shares of MFC if the acquisition would ca person to have a “significant interest” in any class of shares of MFC, unless the prior approval of the Minister Finance (Canada) is obtained. The restrictions also prohibit any person from becoming a “major shareholder” In addition, MFC is not permitted to record in its securities register any transfer or issue of shares if the transf issue would cause the person to breach the ownership restrictions. For these purposes, a person has a signif interest in a class of shares of MFC where the aggregate of any shares of that class beneficially owned by tha any entity controlled by that person and by any person associated or acting jointly or in concert with that pers exceeds 10% of all the outstanding shares of that class of shares of MFC. A person is a major shareholder if aggregate of any shares in a class of voting shares held by that person and by any entity controlled by that pe exceeds 20% of the outstanding shares of that class, or, for a class of non-voting shares, a holding exceeds that class. If a person contravenes any of these restrictions, the Minister of Finance (Canada) may, by order, such person to dispose of all or any portion of those shares. In addition, the ICA prohibits life insurance comp including MFC, from recording in their securities register a transfer or issue of any share to His Majesty in righ

Canada or of a province, an agent or agency of His Majesty, a foreign government or an agent or agency of a government and provides further that no person may exercise the voting rights attached to those shares of ar insurance company. The ICA exempts from such constraints certain foreign financial institutions which are co by foreign governments and eligible agents provided certain conditions are satisfied.

Under applicable insurance laws and regulations in Michigan, New York and Massachusetts, no person may control of any of the Company's insurance company subsidiaries domiciled in any such state without obtainin approval of such state's insurance regulatory authority. Under applicable laws and regulations, any person ac directly or indirectly, 10% or more of the voting securities of any other person is presumed to have acquired "c such person. Thus, any person seeking to acquire 10% or more of the voting securities of MFC must obtain th approval of the insurance regulatory authorities in certain states including Michigan, Massachusetts and New must demonstrate to the relevant insurance regulator's satisfaction that the acquisition of such securities will them control of MFC. Under state law, the failure to obtain such prior approval would entitle MFC or the insura regulatory authorities to seek judicial injunctive relief, including enjoining the proposed acquisition or the votin acquired securities at any meeting of shareholders.

RATINGS

Credit rating agencies publish credit ratings, which are indicators of an issuer's ability to meet the terms of its obligations in a timely manner and are important factors in a company's overall funding profile and ability to a external capital.

Ratings are important factors in establishing the competitive position of insurance companies, maintaining pu confidence in products being offered, and determining the cost of capital. A ratings downgrade, or the potenti such a downgrade, could adversely affect our operations and financial condition. Some effects of a downgra include an increase in our cost of capital and limit in our access to the capital markets, causing some of our e liabilities to be subject to acceleration, additional collateral support, changes in terms or additional financial ob the termination of our relationships with broker-dealers, banks, agents, wholesalers and other distributors of c products and services, an unfavourable impact on our ability to execute on our hedging strategy, a material ir the number of surrenders, for all or a portion of the net cash values, by the owners of policies and contracts w issued, and a material increase in the number of withdrawals by policyholders of cash values from their polici reduction in new sales.

The following table summarizes, by type of securities, the ratings and ranking that MFC has received from se independent rating organizations as at February 13, 2025. Note that some of the rating organizations may nc assigned ratings to all classes or series of instruments under each security type.

	AM Best Company ("AM Best")		DBRS Limited & affiliated entities ("Morningstar DBRS")		Fitch Ratings Inc. ("Fitch")		S&P Global Rating ("S&P")	
Securities	Rating	Rank	Rating	Rank	Rating/	Rank	Rating	Rank
Preferred Shares	bbb	9 of 21	Pfd-2 (high)	4 of 16	BBB	9 of 21	P-2 (high), BBB+	4 of 18, 6 of 20
Medium Term Notes and Senior Debt	a-	7 of 21	A (high)	5 of 26	A	6 of 21	A	6 of 22
Subordinated Debt	bbb+	8 of 21	A	6 of 26	A-	7 of 21	A-	7 of 22
Limited Recourse Capital Notes	bbb+	8 of 21	A (low)	7 of 26	BBB	9 of 21	BBB+	8 of 22

The security ratings accorded by the rating organizations are not a recommendation to purchase, hold or sell securities and may be subject to revision or withdrawal at any time by the rating organizations. Security rating intended to provide investors with an independent measure of the credit quality of an issue of securities. The provides certain rating agencies with confidential, in-depth information in support of the rating process.

The Company has paid customary rating fees to Morningstar DBRS, Fitch and S&P in connection with some the above-mentioned ratings. In addition, the Company has made customary payments in respect of certain c services provided to MFC by each of AM Best, Morningstar DBRS, Fitch, and S&P during the last two years.

The descriptions of the ratings below are sourced from public information as disclosed by each rating agency

AM Best Ratings

AM Best assigns ratings for preferred shares and debt in a range from “aaa” to “c”. These ratings provide an o an entity’s ability to meet ongoing financial obligations to security holders when due, and reflects the risk that may not meet its contractual obligations. The modifiers plus (+) or minus (-) may be appended to a rating to denote a gradation within the category to indicate whether credit quality is near the top or bottom of a particular rating c The company’s rating outlooks may be positive, stable, or negative, indicating the potential future direction a may move over a 36-month period. The Company’s current rating outlook is stable.

MFC’s Class A Shares and Class 1 Shares have been assigned a “bbb” rating, which denotes a good ability t the terms of the obligation; however, the issue is more susceptible to changes in economic or other condition

MFC’s Medium Term Notes and Senior Debt have been assigned an “a-” rating, which denotes an excellent a meet the terms of the obligation.

MFC’s Subordinated Debt and Limited Recourse Capital Notes have been assigned a “bbb+” rating, which de good ability to meet the terms of the obligation; however, the issue is more susceptible to changes in econom other conditions.

Morningstar DBRS Ratings

Morningstar DBRS assigns ratings for preferred shares in a range from “Pfd-1” to “D”. The Morningstar DBRS preferred share rating scale is used in the Canadian securities market and is meant to give an indication of th that a borrower will not fulfill its full obligations in a timely manner with respect to both dividend and principal commitments. Morningstar DBRS assigns ratings for long-term obligations in a range from “AAA” to “D”. The provides an opinion on the risk that an issuer will fail to satisfy its financial obligations in accordance with the under which an obligation has been issued. Every Morningstar DBRS rating is based on quantitative and qua considerations relevant to the borrowing entity. Some rating categories are denoted by the subcategories “hig “low”. The absence of either a “high” or “low” designation indicates the rating is in the middle of the category.

company’s rating is appended with one of three rating trends: “Positive”, “Stable”, or “Negative”. The Compan current rating trend is stable.

MFC’s Class A Shares and Class 1 Shares have been assigned a “Pfd-2 (high)” rating as they are considered good credit quality. Protection of dividends and principal is still substantial, but earnings, the balance sheet ar coverage ratios are not as strong as “Pfd-1” rated companies.

MFC’s Medium Term Notes and Senior Debt have been assigned an “A (high)” rating, while MFC’s Subordina has been assigned an “A” rating and MFC’s Limited Recourse Capital Notes have been assigned an “A (low)” An obligation rated “A (high)”, “A” or “A (low)” is of good credit quality, where the capacity for the payment of f obligations is substantial, but of lesser credit quality than “AA”. The Company may be vulnerable to future eve qualifying negative factors are considered manageable.

Fitch Ratings

Fitch assigns ratings for preferred shares and debt in a range from “AAA” to “C” and these ratings provide an on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, repayr principal, insurance claims or counterparty obligations. These ratings are used by investors as indications of t likelihood of receiving the money owed to them in accordance with the terms on which they invested. These r not directly address any risk other than credit risk. In particular, ratings do not deal with the risk of a market va on a rated security due to changes in interest rates, liquidity and other market considerations. The modifiers “+” or “-” may be appended to a rating to denote relative status within major rating categories. The company’s rating ou indicates the direction a rating is likely to move over a one- to two-year period. Rating outlooks may be positiv negative or evolving. The Company’s current rating outlook is stable.

MFC’s Class A Shares and Class 1 Shares and MFC’s Limited Recourse Capital Notes have b een assigned a “BBB” rating. This rating indicates that expectations of credit risk are currently low. The capacity for pa yment of financial commitments is considered adequate but adverse business or economic conditions are more lik ely to impair this capacit y.

MFC’s Medium Term Notes and Senior Debt have been assigned an “A” rating, while MFC's Subordinated De been assigned an "A-" rating. These ratings denote expectations of low credit risk. The capacity for payment financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse or economic conditions than is the case for higher ratings.

S&P Ratings

S&P assigns ratings for Canadian preferred shares in a range from “P-1” to “D” and these ratings are a forwa looking opinion about the creditworthiness of an obligor with respect to a specific preferred share obligation is the Canadian market, relative to preferred shares issued by other issuers in the Canadian market. There is a correspondence between the specific ratings assigned on the Canadian preferred share scale and the variou levels on the global debt rating scale of S&P. It is the practice of S&P to present an issuer’s preferred share r both the global ratings scale and the Canadian national scale when listing the ratings for a particular issuer Canadian scale preferred share ratings may be modified by the addition of “High” or “Low” to show relative st within the major rating categories. S&P’s global scale preferred share ratings may be modified by the additior (+) or minus (-) sign to show relative standing within the major rating categories.

S&P assigns ratings for long-term obligations in a range from “AAA” to “D”. These ratings provide a forward-l opinion about the creditworthiness of an obligor with respect to a specific financial obligation, a specific class financial obligations, or a specific financial program (including ratings on medium-term note programs and co paper programs). S&P’s long-term issue credit ratings may be modified by the addition of a plus (+) or minus show relative standing within the major rating categories.

The company’s rating outlook may be positive, negative, stable, developing or not meaningful. The Company rating outlook is stable.

MFC’s Class A Shares and Class 1 Shares have been assigned a “P-2 (High)” rating on the Canadian scale (corresponds to a “BBB+” rating on the global scale), while MFC’s Limited Recourse Capital Notes have been a “BBB+” rating. Obligations rated “P-2 (High)” or “BBB+” exhibit adequate protection parameters; however, a economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor its financial commitment on the obligation.

MFC’s Medium Term Notes and Senior Debt have been assigned an “A” rating, while its Subordinated Debt h assigned an “A-” rating. An obligation rated “A” or “A-” is somewhat more susceptible to the adverse effects o in circumstances and economic conditions than obligations in higher-rated categories, however, the obligor’s to meet its financial commitment on the obligation is still strong.

MARKET FOR SECURITIES

MFC’s Common Shares are listed for trading under the symbol “MFC” on the Toronto Stock Exchange (“TSX New York Stock Exchange (“NYSE”), and the Philippine Stock Exchange and under “0945” on The Stock Exc Hong Kong Limited. The Class A Shares Series 2 and Class A Shares Series 3 preferred shares are listed fo on the TSX under the symbols “MFC.PR.B” and “MFC.PR.C”, respectively. The Class 1 Shares Series 3, Cla Shares Series 4, Class 1 Shares Series 9, Class 1 Shares Series 11, Class 1 Shares Series 13, Class 1 Sha Series 15, Class 1 Shares Series 17, Class 1 Shares Series 19 and Class 1 Shares Series 25 preferred shar listed for trading on the TSX under the symbols “MFC.PR.F”, “MFC.PR.P”, “MFC.PR.I”, “MFC.PR.J”, “MFC.PI “MFC.PR.L”, “MFC.PR.M”, “MFC.PR.N” and “MFC.PR.Q”, respectively.

Trading Price and Volume

The following table sets out the intra-day price range and trading volume of the Common Shares on the TSX NYSE for the period indicated.

January	29.98	28.06	107,004	22.39	20.78	11,435
February	33.59	28.95	168,935	24.89	21.55	25,611
March	34.05	31.84	139,898	25.14	23.57	19,712
April	34.04	31.24	92,212	25.05	22.62	10,489
May	36.61	32.00	183,955	26.81	23.29	12,888
June	36.62	34.05	131,437	26.77	24.73	9,356
July	37.46	35.40	105,813	27.50	25.64	9,108
August	37.34	32.87	202,168	27.74	23.31	9,343
September	40.27	36.57	120,380	29.87	26.93	6,428
October	42.52	39.46	97,293	30.86	29.07	8,096
November	46.42	40.80	159,388	33.05	29.29	8,922

December	46.13	42.73	120,372	32.86	29.59	8,149

The following tables set out the intra-day price range and trading volume of the Class A Shares Series 2 and preferred shares and the Class 1 Shares Series 3, Series 4, Series 9, Series 11, Series 13, Series 15, Series Series 19, and Series 25 preferred shares on the TSX for the period indicated.

2024	TSX – Class A Shares Series 2			TSX – Class A Shares Series 3		
	High (C$)	Low (C$)	Volume (000s)	High (C$)	Low (C$)	Volume (000s)
January	19.47	18.91	157	19.13	18.30	159
February	19.84	19.00	113	19.44	18.75	70
March	19.49	18.92	145	19.07	18.33	51
April	19.25	18.12	89	18.96	17.50	115
May	19.72	18.53	119	19.12	17.95	90
June	19.77	18.87	116	19.22	18.31	400
July	20.19	19.25	165	19.76	18.77	149
August	20.90	20.10	99	20.52	19.53	123
September	21.02	20.46	754	20.64	20.07	296
October	21.00	20.06	209	20.29	19.70	95
November	20.36	19.41	280	19.97	19.00	92
December	20.77	19.77	103	20.19	19.40	92

2024	TSX – Class 1 Shares Series 3			TSX – Class 1 Shares Series 4		
	High (C$)	Low (C$)	Volume (000s)	High (C$)	Low (C$)	Volume (000s)
January	15.28	14.30	295	16.70	15.51	12
February	15.35	14.65	197	16.90	16.32	11
March	15.35	14.43	227	16.50	16.00	30
April	16.75	15.08	337	17.00	16.25	16
May	18.15	16.67	544	19.43	17.55	26
June	17.20	15.04	102	18.50	16.72	16
July	18.00	16.19	459	18.20	17.15	17
August	17.06	16.03	173	18.20	17.00	25
September	16.97	16.30	84	17.05	16.00	9
October	16.45	16.05	35	17.28	16.50	21
November	16.70	16.00	91	17.10	16.51	18
December	17.04	16.60	174	17.32	16.65	11

January	23.05	22.50	209	23.28	22.57	151
February	23.20	21.97	148	23.33	22.00	59
March	22.76	21.95	144	22.79	22.01	145
April	23.51	22.32	70	23.48	22.30	55
May	25.00	23.21	184	24.75	23.40	98
June	24.55	22.41	76	24.50	22.40	139
July	24.79	23.69	89	24.68	23.49	106
August	24.93	24.15	193	24.80	24.01	79
September	24.75	24.35	197	24.85	24.30	67

October	24.62	24.03	69	24.42	24.05	104
November	24.43	23.85	680	24.28	23.73	75
December	24.73	24.01	88	24.85	23.95	59

2024	TSX – Class 1 Shares Series 13			TSX – Class 1 Shares Series 15		
	High (C$)	Low (C$)	Volume (000s)	High (C$)	Low (C$)	Volume (000s)
January	23.05	22.40	362	19.86	18.90	122
February	23.11	21.94	195	19.92	19.34	68
March	22.66	21.78	107	20.21	19.49	94
April	22.95	22.21	145	22.18	19.50	198
May	23.97	22.90	109	22.53	21.22	156
June	23.90	22.00	372	22.06	19.09	158
July	24.35	23.41	219	22.50	21.80	116
August	24.69	23.77	128	23.45	22.02	600
September	24.74	24.06	129	23.41	23.10	183
October	24.60	24.15	178	23.70	23.00	165
November	24.60	23.88	216	23.36	22.82	257
December	24.47	23.89	168	23.00	22.61	67

2024	TSX – Class 1 Shares Series 17			TSX – Class 1 Shares Series 19		
	High (C$)	Low (C$)	Volume (000s)	High (C$)	Low (C$)	Volume (000s)
January	20.00	18.48	237	19.43	18.15	212
February	19.67	19.09	97	19.44	18.93	119
March	20.51	19.14	91	20.19	18.95	59
April	21.35	19.98	303	20.82	19.70	142
May	22.05	21.08	245	21.60	20.88	150
June	21.85	19.57	195	21.32	19.05	184
July	22.41	21.54	324	22.31	21.25	201
August	22.13	21.06	339	22.22	21.20	294
September	22.21	20.99	312	22.01	20.80	111
October	22.23	21.30	394	21.58	20.72	221
November	22.21	21.70	789	21.58	20.87	79
December	22.80	22.00	278	21.68	20.69	199

2024	TSX – Class 1 Shares Series 25		
	High (C$)	Low (C$)	Volume (000s)
January	22.79	22.20	167
February	22.75	21.40	56
March	22.19	21.42	49
April	22.41	21.54	69
May	24.60	22.33	250
June	24.14	21.87	220
July	24.34	23.16	204
August	24.90	23.79	98
September	24.65	24.00	171
October	24.44	23.84	237
November	24.28	23.81	90
December	24.41	23.70	200

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

In connection with the issuances of the Series 1 Notes, Series 2 Notes and the Series 3 Notes, the Class 1 S Series 27, Class 1 Shares Series 28 and the Class 1 Shares Series 29, respectively, were issued to and are the Limited Recourse Trust and are restricted from being transferred, except to holders of the Series 1 Notes, Series 2 Notes or the Series 3 Notes, respectively, in respect of certain events. See “General Description of C Structure – Certain Provisions of the Limited Recourse Capital Notes” above.

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Class 1 Shares Series 27	2,000,000	2.49%
Class 1 Shares Series 28	1,200,000	1.50%
Class 1 Shares Series 29	1,000,000	1.25%

DIRECTORS AND EXECUTIVE OFFICERS

DIRECTORS

The by-laws of MFC provide that the Board shall consist of a minimum of seven and a maximum of 30 Directo the exact number of Directors to be elected at any annual meeting of MFC to be fixed by the Directors prior to annual meeting.

The following table sets forth the Directors of MFC, as of the date of this AIF, and for each Director, their plac residence, principal occupation, years as a director and membership on Board committees.

Each Director is elected for a term of one year, expiring at the close of the next annual meeting of the Compa next annual meeting will occur on May 8, 2025.

Donald R. Lindsay British Columbia, Canada	Chair of the Board, MFC and MLI[2]	August 2010	CGNC[3]
Roy Gori Ontario, Canada	President and Chief Executive Officer, MFC and MLI	October 2017	N/A[4]
Nicole S. Arnaboldi Connecticut, United States	Partner, Oak Hill Capital Management, LLC (private equity company)[5]	June 2020	MRCC (Chair) Risk
Guy L.T. Bainbridge Edinburgh, UK	Corporate Director	August 2019	Audit (Chair) CGNC
Susan F. Dabarno Ontario, Canada	Corporate Director	March 2013	MRCC Risk
Julie E. Dickson Ontario, Canada	Corporate Director	August 2019	Audit CGNC
J. Michael Durland Ontario, Canada	Chief Executive Officer, Melancthon Capital Corporation (venture capital firm)	March 2024	Audit CGNC
Donald P. Kanak Washington, United States	Corporate Director[6]	March 2024	MRCC Risk
Anna Manning Ontario, Canada	Corporate Director[7]	August 2024	MRCC Risk
C. James Prieur Illinois, United States	Corporate Director	January 2013	MRCC Risk (Chair)
May Tan Hong Kong, People's Republic of China	Corporate Director	December 2021	Audit CGNC (Chair)
Leagh E. Turner Ontario, Canada	CEO, Coupa Software Inc. (software company)[8]	November 2020	MRCC Risk
John W. P-K Wong Hong Kong, People's Republic of China	Corporate Director[9]	May 2024	Audit CGNC

Notes:

(1) In this table, Audit means Audit Committee, CGNC means Corporate Governance and Nominating Committee, MRCC means Management Resources and Compensation Committee, and Risk means Risk Committee

(2) Don Lindsay was appointed Chair of the Board effective February 15, 2023. Mr. Lindsay held the position of Vice-Chair of the Board from November 9, 2022 to February 15, 2023. Prior to October 2022, Mr. Lindsay was President and Chief Executive Officer, Teck Resources Limited.

(3) Mr. Lindsay is a member of the CGNC, however, in his capacity as Chair of the Board, Mr. Lindsay attends the meetings of all committees whenever possible

(4) Roy Gori is not a member of any committee but attends committee meetings at the invitation of the Chair.

(5) From June 2020 to May 2021, Nicole Arnaboldi was a corporate director and from February 2019 to June 2020 she was Senior Advisor, Credit Suisse (USA).

(6) From April 2022 to December 2022, Don Kanak was a private equity business advisor at Hillhouse Investment Management Ltd.From November 2020 to October 2022 he was the Chairman, Insurance Growth Markets at Prudential Holdings Ltd. From June 2015 to October 2022 he was the Chairman, Prudence Foundation at Prudential Holdings Ltd. From February 2012 to October 2020 he was the Chairman, Eastspring Investments at Prudential Holdings Ltd

(7) Prior to December 2023, Anna Manning was the President and Chief Executive Officer of Reinsurance Group of America

(8) From February 2022 to November 2023, Leagh Turner was Co-Chief Executive Officer, Ceridian HCM, Inc. From August 2018 to February 2022, Ms.Turner was President and Chief Operating Officer at Ceridian HCM, Inc.

(9) Prior to June 2023, John Wong was a Senior Partner and Managing Director of Boston Consulting Group

EXECUTIVE OFFICERS

The name, place of residence, and position of each of the executive officers of Manulife are set forth in the following table as of January 1, 2025.

Roy Gori Ontario, Canada	President and Chief Executive Officer
Marc M. Costantini Massachusetts, United States	Global Head of Strategy and Inforce Management[1]
Steven A. Finch Massachusetts, United States	Chief Actuary
James D. Gallagher Massachusetts, United States	General Counsel

Rahim Hirji Ontario, Canada	Chief Auditor and Head of Advisory Services[2]
Naveed Irshad Ontario, Canada	President and Chief Executive Officer, Manulife Canada[3]
Rahul M. Joshi Texas, United States	Chief Operations Officer
Pamela O. Kimmet Florida, United States	Chief Human Resources Officer
Trevor Kreel Ontario, Canada	Chief Investment Officer[4]
Karen A. Leggett Ontario, Canada	Chief Marketing Officer[5]
Paul R. Lorentz Ontario, Canada	President and Chief Executive Officer, Global Wealth and Asset Management
Colin L. Simpson Ontario, Canada	Chief Financial Officer[6]
Brooks E. Tingle Massachusetts, United States	President and Chief Executive Officer, John Hancock[7]
Halina K. von dem Hagen Ontario, Canada	Chief Risk Officer[8]
Shamus E. Weiland New York, United States	Chief Information Officer
Philip J. Witherington Hong Kong, People's Republic of China	President & Chief Executive Officer, Asia[9]

Notes
(1) From April 2020 to June 2022, Marc Costantini was President and Chief Executive Officer, Corporate Development Strategy and D Solutions at Munich Re, North America Life and Health. From January 2020 to April 2020, Mr. Costantini was a consultant at Munic North America Life and Health. Prior to January 2020, Mr. Costantini was Executive Vice President Commercial and Government M at Guardian Life Insurance Company
(2) Prior to June 2023, Rahim Hirji was Chief Risk Officer
(3) From November 3, 2021 to June 1, 2022, Naveed Irshad was Global Head of Inforce Management. From January 1, 2018 to Nover 2021, Mr. Irshad was Head of North American Legacy Business.
(4) Prior to August 1, 2024, Trevor Kreel was Global Head of Portfolio Management
(5) From July 2019 to February 17, 2020, Karen Leggett was a Partner at Ernst & Young Global Consulting Services.
(6) From November 2022 to July 2023, Colin Simpson was Chief Financial Officer, US Segment. Prior to November 2022, Mr. Simpson Chief Financial Officer, Aviva Canada
(7) Prior to April 2023, Brooks Tingle was President and Chief Executive Officer, John Hancock Insuranc
(8) Prior to June 2023, Halina von dem Hagen was Global Treasurer and Head of Capital Management.
(9) From June 2017 to July 2023 Philip Witherington was Chief Financial Officer.

SHARE OWNERSHIP

The number of Common Shares held by the Directors and executive officers of MFC as at December 31, 202 1,576,165, which represented less than 1% of the outstanding Common Shares.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

A description of certain legal proceedings to which the Company is a party can be found in the section entitle proceedings" in Note 18 to our 2024 Consolidated Financial Statements.

Since January 1, 2024, (i) there have been no penalties or sanctions imposed against us by a Canadian secu regulatory authority, other than nominal late filing fees, or by a court relating to Canadian securities legislatior there have been no other penalties or sanctions imposed by a court or regulatory body against us that would considered important to a reasonable investor in making an investment decision, and (iii) we have not entere settlement agreements before a court relating to Canadian securities legislation or with a Canadian securities regulatory authority.

TRANSFER AGENT AND REGISTRAR

TSX Trust Company is the principal transfer agent and registrar for MFC's Common and Preferred shares. M transfer agents and co-transfer agents are as follows (opposite their applicable jurisdictions):

Transfer Agent	
Canada:	TSX Trust Company 301-100 Adelaide Street West

	Toronto, ON M5H 4H1 Toll Free: 1-800-783-9495
Co-Transfer Agents United States:	www.tsxtrust.com www.tsxtrust.com/fr Equiniti Trust Company, LLC P.O. Box 27756 Newark, NJ 07101 Toll Free: 1-800-249-7702 https://equiniti.com/us/ast-access
Philippines:	RCBC Stock Transfe Ground Floor, West Wing GPL (Grepalife) Building 221 Senator Gil Puyat Avenue Makati City, Philippines Telephone: 632 5318 8567 or 632 8894 9909 www.rcbc.com
Hong Kong:	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong Telephone: 852 2980-1333 www.vistra.com

INTERESTS OF EXPERTS

Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants, Toronto, Canada, is external auditor who prepared the Reports of Independent Registered Public Accounting Firm to the Shareho Board of Directors on the audited consolidated financial statements of the Company, and the Report of Indep Registered Public Accounting Firm to the Shareholders and Board of Directors on Internal Control over Finan Reporting under Standards of the Public Company Accounting Oversight Board (United States). Ernst & You independent with respect to the Company within the meaning of the CPA Code of Professional Conduct of th Chartered Professional Accountants of Ontario, United States federal securities laws and the rules and regula thereunder, including the independence rules adopted by the SEC pursuant to the Sarbanes-Oxley Act of 200 ("SOX") and is in compliance with Rule 3520 of the Public Company Accounting Oversight Board (United States Under Hong Kor Financial Reporting Council Ordinance, Ernst & Young LLP is a Recognised Public Interest Entity Auditor.

Steven Finch is the Appointed Actuary of the Company who prepared the Appointed Actuary's Report to the Shareholders of the Company. The number of Common Shares of MFC held by Steven Finch as at December 31, 2024 represented less than 1% of the outstanding Common Shares.

AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee has adopted a formal Charter that describes the Audit Committee's role and responsibil Charter is set out in the attached Schedule 1.

The Audit Committee is responsible for assisting the Board in its oversight role with respect to the quality and of financial information, the effectiveness of the Company's internal control over financial reporting, the effect of the Company's risk management and compliance practices, the performance, qualifications and independe the independent auditor, the Company's compliance with legal and regulatory requirements, the performance Company's finance, actuarial, internal audit and global compliance functions, and the procedures relating to c of interest, confidential information, related party transactions, and customer complaints.

Composition of the Audit Committee

MFC's Audit Committee was composed of the following members as at December 31, 2024: Guy Bainbridge (Chair of the Audit Committee), Julie Dickson, Michael Durland, May Tan and John Wong. The Board has reviewed the committee membership and determined that all members are financially literate as required by the NYSE Listed Company Manual and the applicable instruments of the Canadian Securities Administrators. All committee members are independent, pursuant to applicable regulatory and stock exchange requirements. The Board has also determined that Guy Bainbridge and May Tan have the necessary qualifications to be designated as audit committee financial experts under SOX.

Relevant Education and Experience

In addition to the general business experience of each member of MFC's Audit Committee, each member of the Committee in 2024 had relevant education and experience. Guy Bainbridge is a member of the Institute of Chartered Accountants in England and Wales and holds an MA from the University of Cambridge. Mr. Bainbridge is a former partner of KPMG LLP. Julie Dickson holds a M. Econ. from Queen's University, is the former Superintendent of Financial Institutions, Canada, and is a member of the boards of the Canadian Public Accountability Board and Dubai Financial Services Authority. Michael Durland holds a Ph.D. in Management from Queen's University and a B. Comm. from Saint Mary's University, and is the former Group Head and CEO, Global Banking and Markets, The Bank of Nova Scotia. May Tan holds a B.A. in Economics and Accounting from the University of Sheffield, is a member of the Institute of Chartered Accountants in England and Wales and is a Certified Public Accountant in Hong Kong. John Wong holds an MBA from Harvard University and is a former Senior Partner and Chairman of Greater China, Bain & Consulting Group.

Pre-Approval Policies and Procedures

Our auditor independence policy requires the Audit Committee to pre-approve all audit and permitted non-audit services (including the fees and conditions) the external auditor provides. If a new service is proposed during that is outside the pre-approved categories or budget, it must be pre-approved by the Audit Committee Chair.

All audit and permitted non-audit services provided by Ernst & Young LLP have been pre-approved by the Audit Committee.

External Auditor Service Fees

The table below lists the services Ernst & Young LLP provided to Manulife and its subsidiaries in the last two years and the fees they charged each year.

Fees	2024 ($ in millions)	2023 ($ in millions)
Audit Fees: Includes the audit of our financial statements as well as the financial statements of our subsidiaries, segregated funds, audits of statutory filings, prospectus services, report on internal controls, reviews of quarterly reports and regulatory filings.	39.5	51.4
Audit-Related Fees: Includes consultation concerning financial accounting and reporting standards not classified as audit, due diligence in connection with proposed or consummated transactions and assurance services to report on internal controls for third parties.	3.1	4.0
Tax Fees: Includes tax compliance, tax planning and tax advice services.	0.4	0.4
All Other Fees: Includes other advisory services.	0.2	0.2
Total	**43.2**	**56.0**

Note: Total fees above exclude fees of $17.7 million in 2024 and $13.1 million in 2023 for professional services provided by Ernst & Young to certain investment funds managed by subsidiaries of MFC. For certain funds, these fees are paid directly by the funds. For other funds, in addition to other administrative costs, the subsidiaries are responsible for the auditor's fees for professional services, in return for a fixed administration fee. Audit fees above also include one-time fees for special projects related to the implementation of IFRS 17 and 9 of $12.8 million for 2023.

ADDITIONAL INFORMATION

Additional information with respect to the Company, including directors' and officers' remuneration and indebtedness, principal holders of MFC's securities, and securities authorized for issuance under MFC's equity compensation

where applicable, is contained in MFC's Management Information Circular for its most recent annual meeting security holders that involved the election of directors. Additional financial information is provided in our 2024 Consolidated Financial Statements and our 2024 MD&A. Copies of these documents and additional informati relating to the Company may be found on SEDAR+ at www.sedarplus.ca and is accessible at the Company's www.manulife.com.

Schedule 1

Manulife Financial Corporation (the "Company")

Audit Committee Charter

1. Overall Role and Responsibility

1.1 The Audit Committee ("Committee") shall:

(a) assist the Board of Directors in its oversight role with respect to:

(i) the quality and integrity of financial information;

(ii) the effectiveness of the Company's internal control over financial reporting;

(iii) the effectiveness of the Company's risk management and compliance practices;

(iv) the independent auditor's performance, qualifications and independence;

(v) the Company's compliance with legal and regulatory requirements;

(vi) the Finance, Actuarial, Internal Audit and Global Compliance functions;

(vii) conflicts of interest and confidential information;

(viii) related party transactions; and

(ix) complaints of customers relating to obligations under the *Insurance Companies Act* (Canada) (the "Act"), and accounting, internal accounting controls and audit matters.

(b) prepare such reports of the Committee required to be included in the Proxy Circular in accordance with applicable laws or the rules of applicable securities regulatory authorities.

1.2 The Committee will also act as the conduct review committee of the Company.

2. Structure and Composition

2.1 The Committee shall consist of five or more Directors appointed by the Board of Directors on the recommendation of the Corporate Governance and Nominating Committee.

2.2 No member of the Committee shall be an officer or employee of the Company, its subsidiaries or affiliates. Members of the Committee will not be affiliated with the Company as such term is defined in the Act.

2.3 Each member of the Committee shall satisfy the applicable independence and experience requirements of the laws governing the Company, the applicable stock exchanges on which the Company's securities are

listed and applicable securities regulatory authorities.

2.4 The Board of Directors shall designate one member of the Committee as the Committee Chair.

2.5 Members of the Committee shall serve at the pleasure of the Board of Directors for such term or terms as the Board of Directors may determine.

2.6 Each member of the Committee shall be financially literate as such qualification is defined by applicable law and interpreted by the Board of Directors in its business judgment.

2.7 The Board of Directors shall determine whether and how many members of the Committee qualify as a financial expert as defined by applicable law. At least one member must be an audit committee financial expert, as defined in applicable laws and regulations.

2.8 The Committee shall annually determine whether any of its members serve on the audit committee of more than three public companies (including the Committee). If any of the Committee members fall into this category, the Committee shall consider the ability of such members to effectively serve on the Committee and, if it is determined that such members are able to continue serving, the Committee shall record the reasons for such a decision.

3. Structure, Operations and Assessment

3.1 The Committee shall meet quarterly or more frequently as the Committee may determine. The Committee shall report to the Board of Directors on its activities after each of its meetings.

3.2 The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution.

3.3 The Committee may create one or more subcommittees and may delegate, in its discretion, all or a portion of its duties and responsibilities to such subcommittees.

3.4 The Committee shall, on an annual basis:

(a) review and assess the adequacy of this Charter and, where necessary, recommend changes to the Board of Directors for its approval;

(b) undertake a performance evaluation of the Committee comparing the performance of the Committee with the requirements of this Charter; and

(c) report the results of the performance evaluation to the Board of Directors.

The performance evaluation by the Committee shall be conducted in such manner as the Committee considers appropriate. The report to the Board of Directors may take the form of an oral report by the chair of the Committee or any other member of the Committee designated by the Committee to make this report.

3.5 The Committee is expected to establish and maintain free and open communication with management, the independent auditor, the Chief Auditor and the Chief Actuary and shall periodically meet separately with each of them.

4. Specific Duties

The Committee will carry out the following specific duties:

4.1 Oversight of the Independent Auditor

(a) Recommend to the Board for approval the appointment and, when considered appropriate, the dismissal or removal of the independent auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company (subject to shareholder ratification).

(b) Review and approve the scope and terms of all audit engagements and recommend to the Board the compensation of the independent auditor.

(c) Oversee the work of the independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services (including resolution of disagreements between management and the independent auditor regarding financial reporting). The independent auditor shall report directly to the Committee.

(d) Pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be provided by the independent auditor.

(e) When appropriate, the Committee may delegate to one or more members the authority to grant preapprovals of audit and permitted non-audit services and the full Committee shall be informed of each non-audit service.

(f) Review the decisions of such delegates under subsection (e) above, which shall be presented to the full Committee at its next scheduled meeting.

(g) Evaluate the qualifications, performance and independence of the independent auditor, including:

  (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Company;

  (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services are compatible with maintaining the auditor's independence; and

  (iii) addressing any concerns raised by regulatory authorities or other stakeholders regarding the auditor's independence.

(h) Present its conclusions with respect to the independent auditor to the Board of Directors and, if so determined by the Committee, recommend that the Board of Directors take additional action to satisfy itself of the qualifications, performance and independence of the independent auditor.

(i) Obtain and review a report from the independent auditor at least annually regarding:

  (i) the independent auditor's internal quality-control procedures;

  (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm;

  (iii) any steps taken to deal with any such issues; and

  (iv) all relationships between the independent auditor and the Company.

(j) At least annually, review and approve the audit plan (including any significant changes to the audit plan) and, as part of this review, satisfy itself that the audit plan is risk-based and addresses all the relevant activities over a measurable cycle and that the work of the independent

internal audit is coordinated.

(k) Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.

(l) Review and approve policies for the Company's hiring of partners and employees or former partners and employees of the independent auditor.

4.2 Financial Reporting

(a) Review and discuss with management and the independent auditor the annual audited financial statements, the results of the audit, any changes to the audit scope or strategy, the annual report of the auditors on the statements and any other returns or transactions required to be reviewed by the Committee and report to the Board of Directors prior to approval by the Board of Directors and the publication of earnings.

(b) Review such returns of the Company as the Superintendent of Financial Institutions (Canada) (the "Superintendent") may specify.

(c) Review and discuss with the independent auditor and with management the Company's annual and quarterly financial disclosures, including management's discussion and analysis. The Committee shall approve any reports for inclusion in the Company's Annual Report, as required by applicable legislation and make a recommendation thereon to the Board.

(d) Review the Company's disclosure policy, which governs the release of information about the Company and requires timely, accurate and fair disclosure of such information in compliance with all legal and regulatory requirements, and periodically assess the adequacy of procedures regarding disclosure of financial information.

(e) Require management to implement and maintain appropriate internal control procedures.

(f) Oversee systems of internal control and meet with the heads of the oversight functions, management and the independent auditors to assess the adequacy and effectiveness of these systems and to obtain reasonable assurance that the controls are effective.

(g) Review and discuss with management and the independent auditor management's report on its assessment of internal controls over financial reporting and the independent auditor's attestation report on management's assessment.

(h) Review, evaluate and approve the procedures established under s. 4.2(e).

(i) Review such investments and transactions that could adversely affect the well-being of the Company as the auditor or any officer of the Company may bring to the attention of the Committee.

(j) Review and discuss with management and the independent auditor the Company's quarterly financial statements prior to the publication of earnings, including:

(i) the results of the independent auditor's review of the quarterly financial statements; and

(ii) any matters required to be communicated by the independent auditor under applicable review standards.

(k) Review and discuss with management and the independent auditor at least annually significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including:

(i) key areas of risk for material misstatement of the financial statements, including critical accounting estimates or areas of measurement uncertainty;

(ii) whether the auditor considers estimates to be within an acceptable range and the rationale for the final valuation decision and whether it is consistent with industry practice;

(iii) any significant changes in the Company's selection or application of accounting or actuarial principles;

(iv) any major issues as to the adequacy of the Company's internal controls;

(v) any special steps adopted in light of material control deficiencies, if any; and

(vi) the role of any other audit firms.

(l) Review and discuss with management and the independent auditor at least annually reports from the independent auditor on:

(i) critical accounting policies and practices to be used;

(ii) significant financial reporting issues, estimates and judgments made in connection with the preparation of the financial statements;

(iii) alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and

(iv) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

(m) Meet with the independent auditor to discuss the annual financial statements and any investments or transactions that may adversely affect the well-being of the Company.

(n) Discuss with the independent auditor at least annually any "management" or "internal control" letters issued or proposed to be issued by the independent auditor to the Company and review all material correspondence between the independent auditor and management related to audit findings.

(o) Review and discuss with management and the independent auditor at least annually any significant changes to the Company's accounting and actuarial principles and practices suggested by the independent auditor, internal audit personnel or management and assess whether the Company's accounting and actuarial practices are appropriate and within the boundaries of acceptable practice.

(p) Discuss with management and approve the Company's earnings press releases, the release of earnings projections, forecast or guidance and the use of non-GAAP financial measures (if any), and the financial information provided to analysts and rating agencies.

(q) Review and discuss with management and the independent auditor at least annually the effect of regulatory and accounting initiatives as well as off-balance-sheet structures on the Company's financial statements.

(r) Discuss with the independent auditor matters required to be discussed by American Institute of Certified Public Accountants Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

(s) Review and discuss with the Chief Executive Officer and the Chief Financial Officer the procedures undertaken in connection with the Chief Executive Officer and Chief Financial Officer certifications for the annual and interim filings with applicable securities regulatory authorities.

(t) Review disclosures made by the Company's Chief Executive Officer and Chief Financial Officer during their certification process for the annual and interim filing with applicable securities

regulatories about any significant deficiencies in the design or operation of internal c
ontrols which could adversely affect the Company's ability to record, process, summarize and report fi
nancial data or any material weaknesses in the internal controls, and any fraud involving management or other employees who have a significant role in the Company's inter
nal controls.

(u) Meet with the Chief Actuary of the Company at least annually to receive and review reports, opinions and recommendations prepared by the Chief Actuary in accordance with the Act, i
ncluding the parts of the annual financial statement and the annual return filed under s. 665 of the Act, pr
epared by the Chief Actuary, and such other matters as the Committee may direct, including the r
eport on the Financial Condition Testing (formerly the Dynamic Capital Adequacy Testing), whic
h is also reviewed by the Risk Comm
ittee.

(v) Receive reports from the Chief Actuary regarding material capital model modificatio
ns and new capital model applicati
ons.

(w) Discuss with the Company's General Counsel at least annually any legal matters t
hat may have a material impact on the financial statements, operations, assets or compliance polici
es and any material reports or inquiries received by the Company or any of its subsidiaries from regula
governmental age
ncies.

(x) Meet with the Chief Auditor and with management to discuss the effectiveness of t
he internal control procedure established pursuant to
s. 4.2(e).

4.3 Oversight of the Finance Function

(a) At least annually review and approve the mandate of the Chief Financial Officer and the Finance functio
n.

(b) At least annually, review and approve the budget, structure, skills and resources of the Finance functio
n.

(c) At least annually, review the performance evaluation of the Chief Financial Officer, with the input of the Management Resources and Compensation Committee, and assess the effectiven
ess of the Chief Financial Officer and the Finance function.

(d) Recommend to the Board for approval the appointment and, when considered appropriate, the dismissal of the Chief Financial Officer, who shall have direct access to the Committee.

(e) Review the results of periodic independent reviews of the Finance function.

4.4 Oversight of the Actuarial Function

(a) At least annually, review and approve the mandate for the Chief Actuary and the Actuarial function.

(b) At least annually, review and approve the budget, structure, skills and resources of the Actuarial functio
n.

(c) At least annually, review the performance evaluation of the Chief Actuary, with the input of the Management Resources and Compensation Committee, and assess the effectiven
ess of the Chief Actuary and the Actuarial f
unction.

(d) Recommend to the Board for approval the appointment and, when considered appropriate, the dismissal of the Chief Actuary, who shall have direct access to the Committee.

(e) Review the results of periodic independent reviews of the Actuarial function.

4.5 Oversight of the Internal Audit Function

(a) At least annually, review and approve the Internal Audit Charter, which includes the

	)	Chief Audit Executive and the Internal Audit Function and the scope and types of in ternal audit s.
	(b)	At least annually, review and approve the Internal Audit budget, structure, skills, re sources, independence and qualifications of the function.
	(c)	At least annually, review and approve the audit plan of the Internal Audit function (in cluding any significant changes to the audit plan) and, as part of this review, satisfy itself that th e audit plan is risk-based and addresses all the relevant activities over a me asurable cycle.
	(d)	Review the periodic reports of the internal audit department on internal audit activiti es, including audit issues, recommend ations, progress in meeting the annual audit plan (including the i mpact of any access, authority, scope resource li mitations).
	(e)	Determine the qualifications and competencies the Company expects in a Chief Au dit Executive. At least annually, review the performance evaluation and compensation of the Chief A udit Executive, with the input of the Management Resources and Compensati on Committee.
	(f)	Recommend to the Board for approval the appointment and, when considered appr opriate, the dismissal of the Chief Audit Executive, who shall have unrestricted and direct acce ss to the Committee, including private meetings without Executive Leadershi p Team present.

	(g)	Ensure that a Quality Assurance and Improvement Program (QAIP), including both internal and external assessments, has been established. Periodically review the Internal Audit Strategy and approve the performance objectives for the Internal Audit Function a t least annually.
	(h)	At least annually, assess the effectiveness and efficiency of the Internal Audit Funct ion's QAIP, including Internal Audit function's conformance with the Global Interna l Audit Standards, achievement of performance objectives, alignment to the expectations of the interna l Audit Function with OSFI's Supervisory Framework, and action plans to address any deficiencies and opportunities for improvement, if appli cable.
	(i)	Review and approve the Chief Audit Executive's External Quality Assessment (EQ A) plan (at least once every 5 years) ensuring satisfaction with the scope, frequency, competency and independence of the external assessor or assessment team. Additionally, approve the action plans, including timelines to address any identified deficiencies or opportunities for improvement, if applicable, and monitor progre ss.
4. 6	**Risk Management Ove rsight**	
	(a)	Review reports from the Risk Committee respecting the Company's processes for assessing and managing ri sk.
	(b)	The Committee will receive reports that highlight key areas of disclosure judgement considered by the Disclosure Comm ittee.
4. 7	**Oversight of Regulatory Compliance and Compla int Handling**	
	(a)	Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confi dential, anonymous submission by employees of concerns regarding questionable accounting o r auditing matters.
	(b)	Discuss with management and the independent auditor at least annually any corre spondence with regulators or governmental agencies and any published reports which raise materia l issues regarding the Company's financial statements or a ccounting.
	(c)	Review at least annually with the Global Compliance Chief the Company's complia nce with applicable laws and regulations, and correspondence from regulators.

4.8 Oversight of the Global Compliance Function

(a) At least annually, review and approve the mandate for the Global Compliance Chief and the Global Compliance function.

(b) At least annually, review and approve the budget, structure, skills and resources of the Global Compliance function.

(c) At least annually, review the performance evaluation of the Global Compliance Chief, with the input of the Management Resources and Compensation Committee, and assess the effectiveness of the Global Compliance Chief and the Global Compliance function.

(d) Recommend to the Board for approval, the appointment and, when considered appropriate, the dismissal of the Global Compliance Chief, who shall have direct access to the Committee.

(e) Review the results of periodic independent reviews of the Global Compliance function.

4.9 Oversight of the Anti-Money Laundering and Anti-Terrorist Financing Program

(a) The Committee shall review the Company's Anti-Money Laundering and Anti-Terrorist Financing Policy.

(b) The Committee shall meet with the Chief Anti-Money Laundering Officer as necessary to review the AML/ATF Program.

(c) The Committee shall meet with the Chief Auditor as necessary to review results of testing of the effectiveness of the AML/ATF Program.

4.10 Review of Ethical Standards

(a) Annual review of the Company's Code of Business Conduct and Ethics.

(b) Establish procedures to receive and process any request from executive officer(s) and Director(s) for waiver of the Company's Code of Business Conduct and Ethics.

(c) Grant any waiver of the Company's Code of Business Conduct and Ethics to executive officer(s) and Director(s) as the Committee may in its sole discretion deem appropriate and arrange for any such waiver to be promptly disclosed to the shareholders in accordance with applicable laws or the rules of applicable securities regulatory authorities.

(d) Annual review and assessment of procedures established by the Board of Directors to resolve conflicts of interest, including techniques for identification of potential conflict situations.

(e) Review and assessment of procedures established by the Board of Directors for restricting the use of confidential information.

4.11 Self Dealing and Disclosure Requirements

(a) Require management to establish procedures for complying with Part XI (Self-Dealing) of the Act (the "Related Party Standards").

(b) Establish criteria for the determination of materiality of a transaction with a related party.

(c) Annual review of the Related Party Standards and their effectiveness in ensuring that the Company is complying with Part XI of the Act and the Sarbanes-Oxley Act.

(d) Review the practices of the Company to ensure that any transactions with related parties of the Company that may have a material effect on the stability or solvency of the Company are identified.

(e) Ensure that, within 90 days after the end of each financial year of the Company, the Committee will report to the Superintendent on its activities of the previous year respecting conduct review undertaken in carrying out its responsibilities under the Act (and, in particular, in respect of (a), (c), and (d) above).

(f) The Committee shall report to the Superintendent on its mandate respecting conduct review and responsibilities of the Committee and the procedures referred to in (a) above.

(g) Review and assessment of the procedures established by the Board of Directors to disclose information to customers of the Company under the Act, if applicable, and of the procedures for dealing with complaints of customers of the Company to satisfy itself that the applicable procedures are being followed.

4.12 Proxy Circular

(a) The Committee shall prepare a report on its activities on an annual basis to be included in the Proxy Circular, as may be required by applicable laws or rules of applicable securities regulatory authorities.

4.13 Duties and Responsibilities Delegated by the Board

(a) Exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board of Directors.

5. Funding for the Independent Auditor and Retention of External Advisors

The Company shall provide for appropriate funding, as determined by the Committee, for payment of compen the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Commit Committee shall have the authority to retain such external advisors as it may from time to time deem necessa advisable for its purposes and to set the terms of the retainer. The expenses related to any such engagemer also be funded by the Company.

Exhibit 99.4

Certification of Annual Filings

Manulife Financial Corporation

I, Roy Gori, certify that:

1. I have reviewed this annual report on Form 40-F of Manulife Financial Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: February 19, 2025

/s/ Roy Gori
Roy Gori
President and Chief Executive Officer

Exhibit 99.5

Certification of Annual Filings

Manulife Financial Corporation

I, Colin Simpson, certify that:

1. I have reviewed this annual report on Form 40-F of Manulife Financial Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the period presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: February 19, 2025

/s/ Colin Simpson
Colin Simpson
Chief Financial Officer

Exhibit 99.6

CERTIFICATION
Pursuant to 18 United States Code s. 1350
As adopted pursuant to
Section 906 of the Sarbanes–Oxley Act of 2002

In connection with the Annual Report on Form 40-F of Manulife Financial Corporation (the "Company") for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Company certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 19, 2025

/s/ Roy Gori
Name: Roy Gori
Title: President and Chief Executive Officer

Exhibit 99.7

CERTIFICATION
Pursuant to 18 United States Code s. 1350
As adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 40-F of Manulife Financial Corporation (the "Company") for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Company certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material aspects, the financial condition and results of operations of the Company.

Date: February 19, 2025

/s/ Colin Simpson
Name: Colin Simpson
Title: Chief Financial Officer

Exhibit 99.8

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our firm under the caption “Interests of Experts”, which appears in the Annual Information Form of Manulife Financial Corporation (the Company) in Exhibit 99.3, and to the use in this Annual Report on Form 40-F of our reports dated February 19, 2025, with respect to the consolidated statements of financial position as at December 31, 2024 and December 31, 2023 and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and the related notes, and the effectiveness of internal control over financial reporting of the Company as of December 31, 2024, filed with the Securities and Exchange Commission.

We also consent to the incorporation by reference of our reports dated February 19, 2025 in the following Registration Statements of the Company, filed with the Securities and Exchange Commission:

• Registration Statement (Form S-8 No. 333-12610) of Manulife Financial Corporation pertaining to the Manulife Financial Corporation Stock Plan for Non-Employee Directors and Executive Stock Option Plan;

• Registration Statement (Form S-8 No. 333-13072) of Manulife Financial Corporation pertaining to the Manulife Financial Corporation Global Share Ownership Plan;

• Registration Statement (Form S-8 No. 333-157326) of Manulife Financial Corporation pertaining to the Stock Plan for Non-Employee Directors, Executive Stock Option Plan and Global Share Ownership Plan;

• Registration Statement (Form S-8 No. 333-114951) of Manulife Financial Corporation pertaining to the John Hancock Financial Services, Inc. 1999 Long-Term Stock Incentive Plan, as amended and the John Hancock Financial Services, Inc. Non-Employee Directors’ Long-Term Stock Incentive Plan;

• Registration Statement (Form S-8 No. 333-129430) of Manulife Financial Corporation pertaining to the Deferred Compensation Plan for Certain Employees of John Hancock and the Deferred Compensation Plan of the John Hancock Financial Network;

• Registration Statement (Form S-8 No. 333-211366) of Manulife Financial Corporation pertaining to the Deferred Compensation Plan for Certain Employees of John Hancock and the Deferred Compensation Plan for the John Hancock Financial Network;

• Registration Statement (Form S-8 No. 333-272672) of Manulife Financial Corporation pertaining to the Deferred Compensation Plan for Certain Employees of John Hancock and the Deferred Compensation Plan for the John Hancock Financial Network;

• Registration Statement (Form S-8 No. 333-277446) of Manulife Financial Corporation pertaining to the Stock Plan for Non-Employee Directors, Executive Stock Option Plan and Global Share Ownership Plan;

• Registration Statement (Form F-10 No. 333-274698) of Manulife Financial Corporation pertaining to Manulife Financial Corporation’s shelf prospectus offering Debt Securities, Preferred Shares, Common Shares, Subscription Receipts, Warrants, Share Purchase Contracts and Units; and,

• Registration Statement (Form F-3D No. 333-159176) of Manulife Financial Corporation pertaining to the Manulife Financial Corporation Dividend Reinvestment and Share Purchase Plan for U.S. Shareholder of Manulife Financial Corporation (the “Company”).

/s/ Ernst & Young LLP

Toronto, Canada
February 19, 2025

Exhibit 99.9

CONSENT OF APPOINTED ACTUARY

I hereby consent to the use and incorporation by reference in this Annual Report on Form 40-F of Manulife Financial Corporation (the "Company") for the year ended December 31, 2024 of my Appointed Actuary's Report to the Policyholders and Shareholders dated February 19, 2025 (the "Report"), relating to the valuation of the policy liabilities of the Company for its Consolidated Statements of Financial Position as at December 31, 2024 and 2023 and their change in the Consolidated Statements of Income for the years then ended.

/s/ Steven A. Finch
Steven A. Finch
Chief Actuary
Fellow, Canadian Institute of Actuaries
Toronto, Canada

Date: February 19, 2025

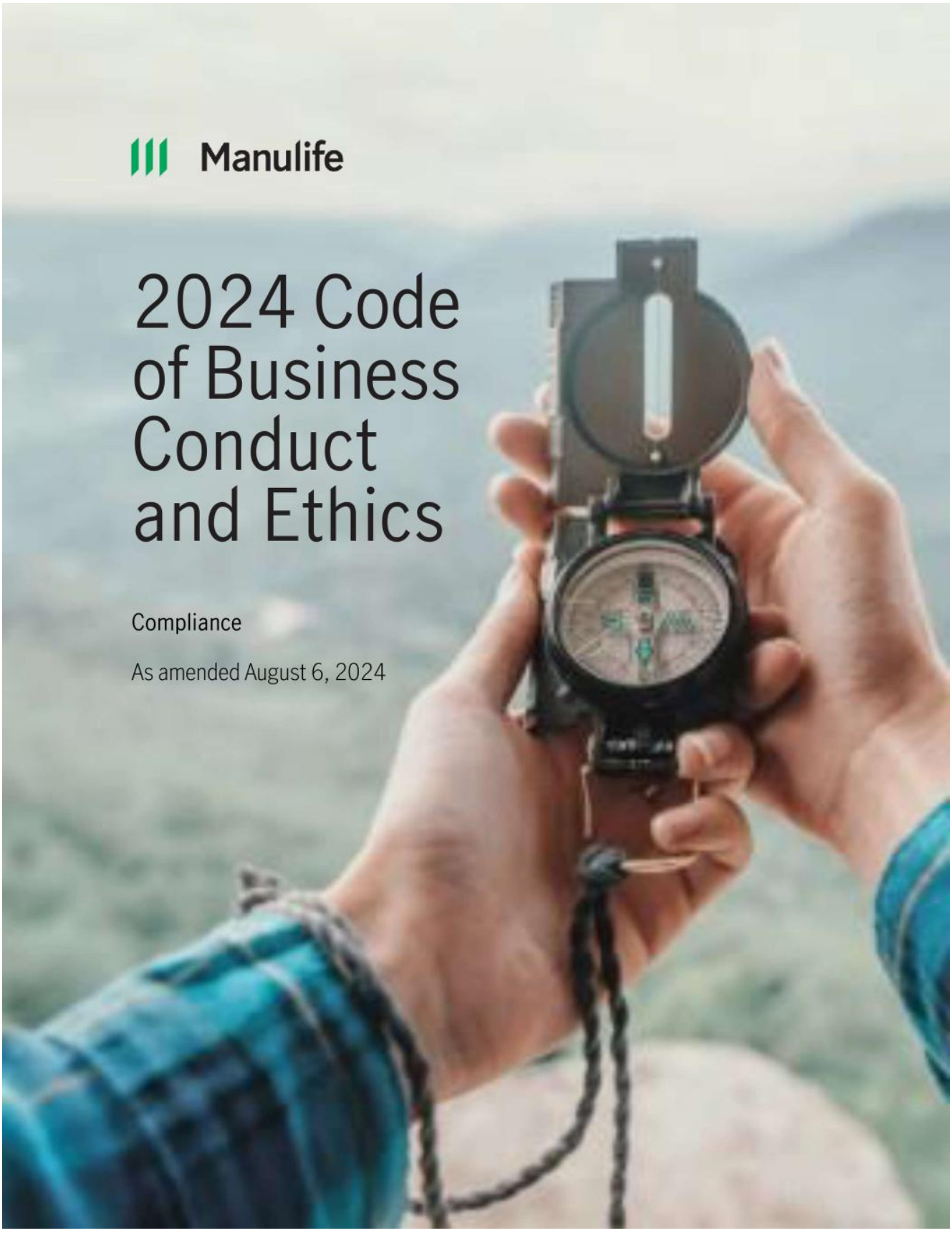

Manulife
2024 Code of Business Conduct and Ethics
Compliance
As amended August 6, 2024

Table of Contents

4 **Overview**

5 **Main Sections of the Code**

Why Ethics Matter

Ethics in The Workplace

Ethics in Your Business Relationships

Conflicts of Interest

Handling Information

Ethics and The Law

A Final Word

6 **Why Ethics Matter**

Why Ethics Matter to You and the Company

The Purpose of this Code

Application of the Code

Conflicts of Interest and Ethics

What if Someone Violates the Code?

Where to Go for Help

10 **Ethics in the Workplace**

Our Values

Promoting Equal Opportunity

Treat Others with Respect and Exercise Professionalism

Keep Your Workplace Safe

Keep Your Workplace Secure

Freedom of Association

Human Rights

Human Trafficking and Slavery

Expectations Relating to Business Partners

12 **Ethics in Your Business Relationships**

Protect and Enhance the Company's Reputation

Treat Others Honestly and Fairly

Take Care in Government and Political Dealings

Working with Industry Groups and Others

Handling Media Questions

Working With Suppliers

Third-Party Requests for Endorsements

15 **Conflicts of Interest**

Steps You Can Take to Help Prevent Conflicts or the Appearance of Conflicts of Interest

Deal at Arm's Length with Suppliers and other Counterparties

Follow Company Policy about Family Members

Bribery and Kickbacks are Prohibited

Be Careful about Gifts

Be Careful about Personal Benefits

Giving in an Ethical Manner

Invest in an Ethical Manner

Working for Competitors May Jeopardize the Company

External Directorships

Use Caution Regarding Outside Positions

Protect Corporate Opportunities

Protect the Company's Name, Reputation and Assets

23 **Handling Information: Protect Personal and Confidential Information**

Follow Disclosure Requirements

Respect Copyrighted Materials

Keep Full and Accurate Records

Use Communication Systems and Services for Business

Social Media

26 **Ethics and the Law**

Know and Comply with the Law

Manage Assets Properly

Identify and Report Fraud and Theft

Reminder: Reporting Any Illegal or Unethical Behaviour

28 **A Final Word**

Other Policies

Further Helpful Information

Overview

Manulife's Commitment to Ethical Conduct.

The Manulife Financial Corporation (Manulife) Code of Business Conduct and Ethics (the "Code") affirms the Company's commitment to ethical conduct and its practice of complying with all applicable laws. It is the obligation of all of us to comply with the Code. In addition, it is each employee's responsibility to identify, disclose and avoid potential or actual conflicts of interest.

Become Familiar with the Code. We must all be thoroughly familiar with its provisions and conduct ourselves according to both the letter and the spirit of the Code. With a long tradition of uncompromising dedication to the highest standards of business conduct, Manulife enjoys a reputation of unquestioned integrity and honesty. This reputation is among our most valuable assets, and we must protect it.

Code Guidance is Principles-Based. The Code is meant to provide principles-based guidance for our daily conduct at work. It is not meant to be a compendium of all rules or of all Manulife policies that govern our behaviour. Nevertheless, specific provisions are included to help illustrate certain principles and to address general governance needs where necessary.

Code Governance and Oversight. The Code is reviewed annually, with input from colleagues across functions. The Global Chief Compliance Officer and General Counsel have oversight of the Code and the Code is reviewed and approved annually by Manulife's Board of Directors.

For purposes of this Code, the "Company" or "Manulife" means Manulife Financial Corporation and its subsidiaries.

Questions?
Reach Out to Key Contacts.

If you have any questions related to the Code or its provisions, please ask your manager, your HR partner or a member of the Compliance function (listed at the end of the Code). You can also email the Compliance Office (GlobalComplianceOffice@manulife.com) or Employee Relations (Global_Employee_Relations@manulife.com).

Main Sections of the Code

Why Ethics Matter

This section outlines the Code's purpose, its application, and the way to handle specific questions and concerns under the Code, including those relating to accounting and auditing matters.

Ethics in The Workplace

This section explains how Manulife's values guide every aspect of the Company's operations. It is the obligation of every individual to whom this Code applies to be familiar with, and vigilant about, the application of the Code to our day-to-day operations.

Ethics in Your Business Relationships

The critical issues addressed in this section include fairness and honesty in our interactions with customers, compliance with applicable laws and the special concerns that can arise when giving gifts or other things of value to government officials. In addition, lobbying and campaign finance issues, certain antitrust concerns, and the manner in which media inquiries should be handled are also included in this section.

Conflicts of Interest

One of the main issues dealt with in the Code is how to scrupulously avoid actual conflicts of interest. This section addresses potential conflicts which may arise in a variety of situations, including:

- The giving and receiving of gifts and entertainment;
- Participating in Company transactions that could potentially benefit an employee, officer, director, agent, representative or their family;
- The hiring of family members; and
- Outside employment.

The section also addresses the treatment of inside information, the prohibition on speculative trading and insider trading, the protection of Company opportunities and the proper use of the Company name.

Handling Information

This section discusses the need to avoid inappropriate or otherwise unauthorized disclosure of Company information or information received by the Company to ensure that our interests and the privacy of our applicants, policyholders, claimants, borrowers, employees, contingent workers, representatives, investors and other relevant parties are protected. The section also addresses our duty to maintain accurate records and to comply with disclosure and intellectual property laws. Finally, there is a discussion on the use of Company communications systems, including email, telephone, and Internet access, as well as the prohibition on the unauthorized disclosure of Company information via social media, Internet chat rooms and other electronic means.

Ethics and The Law

The need to know and comply with all applicable laws, rules and regulations, including the obligation to fully and truthfully cooperate with internal and external investigations, as well as to follow internal controls, is discussed in this section. The duty to report fraud, theft and other dishonest conduct is also stressed.

A Final Word

This section reinforces the importance of appropriate conduct and good judgment in maintaining Manulife's good reputation. Company policies related to ethics are also listed here.



Why Ethics Matter

At Manulife, we value our good name and strive to maintain high standards of integrity in everything we do.

Why Ethics Matter to You and the Company

Acting Ethically is Always the Right Thing to Do. First and foremost, acting ethically is always the right thing to do. Second, operating in an ethical manner is essential to our success. Our customers, investors, employees, and other stakeholders rely on us to be honest and fair. We must behave ethically in the communities where we operate in order to maintain the confidence of all our stakeholders and ultimately to keep their business. It is in our best interest to set high standards for ourselves at all times and to align ourselves with agents, representatives, suppliers and business associates who have similar high standards of business conduct.

The Purpose of this Code

Standards for Ethical Behaviour. This Code provides standards for ethical behaviour when representing the Company and when dealing with customers, investors, employees, contingent workers, field representatives, external suppliers, competitors, government authorities and the public.

Application of the Code

Directors, Officers, Employees and Others Expected to Follow the Code. Manulife's Code of Business Conduct and Ethics applies to directors, officers and employees of Manulife and its subsidiaries. Sales representatives, third party business associates, contractors, agents and all individuals with certain duties and obligations to the Company are also expected to abide by all applicable provisions of the Code and adhere to the principles and values set out in the Code when representing Manulife to the public or performing services for, or on behalf of, Manulife. This Code is available on the Company's website, on MFCentral and is also available in print upon request.

Conflicts of Interest and Ethics

Actual Personal Conflicts of Interest Are Not Waived, Potential Conflicts May Be Managed. Manulife does not waive actual conflicts of interest under any circumstances. Any potential conflicts of interest, including but not limited to the appearance of a conflict of interest, must be managed to preclude the potential conflict of interest from becoming an actual conflict of interest. It is the duty of each of us – Officers, Directors, employees and contingent workers – to identify and avoid any conflicts of interest. Typical controls include clear and complete disclosure of the potential conflict of interest to Compliance and recusal from any decision-making relating to the situation giving rise to the potential conflict of interest. Failure to meet this standard may result in discipline up to and including termination of any relationship with the Company.

Other Policies to Consult and Follow. At the end of each section is a list of related Company policies you should refer to for more information. These Company policies should be consulted to determine their applicability to any given Segment, subsidiary, or affiliate.

Waivers for Some Very Limited Exceptional Circumstances Only. Like the prohibition on actual conflicts of interest, certain additional provisions of this Code may never be waived; for example, the duty to always act in an ethical manner. With the exception of actual conflicts of interest, waivers to any part of the Code, while unusual, may only be granted in exceptional circumstances. For employees below the level of Vice President, such waivers may only be granted with the explicit written approval of the Global Chief Compliance Officer. For directors and employees at the level of Vice President and above, any such waiver will be granted only upon approval by the Manulife Board of Directors or Board Committee and will be disclosed promptly as required by law or stock exchange regulation.

What if Someone Violates the Code?

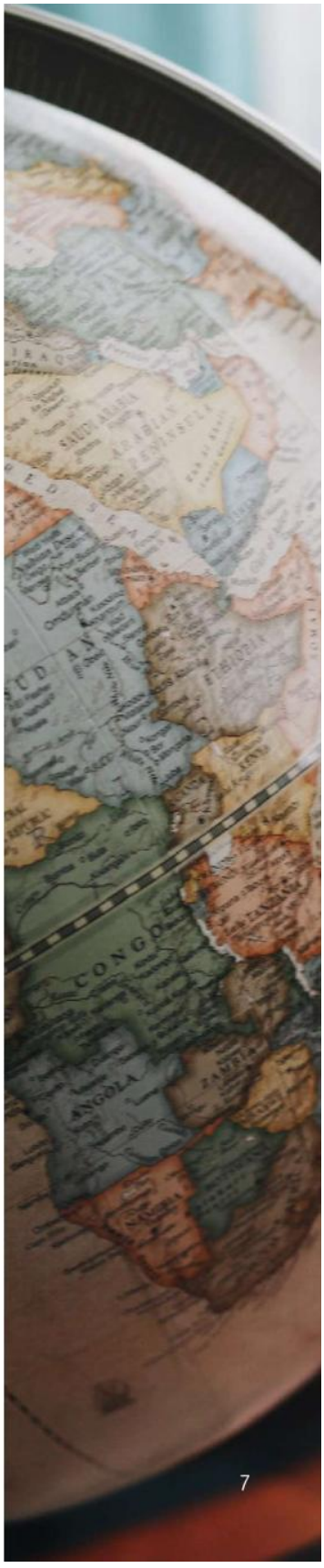
Consequences for Violating the Code. All our activities must be able to withstand close scrutiny. To protect Manulife's good name, the Company may discipline and/or terminate its relationship or affiliation with any director, officer, employee, contingent worker, representative, associate, or supplier who breaches this Code or any related Company policy. If violating the Code also violates the law, you may also be subject to prosecution.

Disciplinary Action Can Include Termination of Employment.
Failure to comply with the Code can result in disciplinary action up to and including termination of employment.

Referring Matters to Law Enforcement, Regulators or Others. Unless prohibited under local law, where the Company has reason to believe that an individual's violation of the Code constitutes criminal conduct, Manulife may, in addition to terminating the individual's relationship with Manulife (*e.g.*, an individual's employment or engagement with Manulife) without notice, refer the matter to law enforcement, disclose the matter to a regulator or self-regulatory organization and disclose (internally and/or externally) relevant facts underlying the conduct and the Company's remedial measures.

Where to Go for Help

Ask First, Act Later. It is critical that all of us who represent Manulife and its subsidiaries use good judgment and common sense. It is the best way to ensure that our Company continues to meet high standards of business conduct. Since we cannot anticipate every situation





that will arise, it is important that we have a way to approach questions and concerns. If you are unsure of what to do in any situation, seek guidance before you act. Always ask first, act later.

Retaliation for Good Faith Reports of Illegal or Unethical Behaviour Strictly Prohibited. You may report suspected or potential illegal or unethical behaviour without fear of retaliation. The Company absolutely prohibits retaliation of any kind for good faith reports of illegal or unethical behaviour.

Presumption of Good Faith Reporting. All reports are presumed to be made in good faith. No report will be found to have been made in bad faith without clear and convincing evidence of bad faith.

When to Speak Up and With Whom. Speak to your manager, your Segment Chief Compliance Officer, a member of the Law Department or a member of the Human Resources Department if you have:

- Doubts about a particular situation;
- Questions or concerns about a business practice;
- Questions about potential conflicts of interest or the appearance thereof; or
- Concerns about potential or suspected illegal, unprofessional, fraudulent or other unethical behaviour.
- Threats stemming from suspected undue influence, foreign interference and malicious activity, defined as:
  - **Undue influence** includes situations where a person or entity engages, with malicious intent, in actions, behaviours, deception or the use of power to impact actions, decisions, or behaviours in their own or another's interests. Undue influence can originate from foreign or domestic actors and may have national security implications.
  - **Foreign interference** includes activities that are within or relating to Canada, detrimental to the interests and security of Canada, and are clandestine or deceptive or involve a threat to any person, including attempts to covertly influence, intimidate, manipulate, interfere, corrupt, or discredit individuals, organizations, and governments to further the interests of a foreign state-or-non-state actor.
  - **Malicious activity** includes actions taken with the intent of causing harm including theft, coercion, fraud, manipulation of information or disruptions that are otherwise illegal, malicious, clandestine, or deceptive in nature. Malicious activity can originate from foreign or domestic actors and may have national security implications.

Reporting on the Ethics Hotline. Suspected unethical, unprofessional, illegal, fraudulent or other questionable behaviour, including any concern with respect to auditing and accounting matters, may also be reported by calling a confidential toll-free Ethics Hotline or at www.manulifeethics.com. Ethics Hotline telephone numbers can be found on the Manulife Ethics website. Suspected undue influence, foreign interference and malicious activity may also be reported via the Ethics Hotline by selecting the foreign interference reporting category. The Ethics Hotline system allows for two-way communication, and you may also use this process to pose questions to the Compliance Office. Ethics Hotline communications may be anonymous if the reporter chooses.

Escalation Point for Hotline Matters Not Addressed. If you feel that your questions or concerns have not been appropriately addressed, you should direct your complaint to the Manulife Global Chief Compliance Officer or the Manulife General Counsel, whose contact information is available on MFCentral.

Who Can Use the Hotline. While the Ethics Hotline is intended primarily for the use of employees, third parties (e.g., shareholders, vendors, suppliers, sub-advisers, etc.) may also report suspected unethical, unprofessional, illegal, or fraudulent activity. Concerns received via the Ethics Hotline related to auditing or accounting matters will be forwarded to Manulife's Audit Committee by the Global Chief Compliance Officer.

Board Governance and Independence. Members of Manulife's Board of Directors should direct any questions or concerns about the scope or applicability of this Code to the Manulife General Counsel. In addition, to maintain the independence of Manulife's Board of Directors, the Board and its committees may retain outside advisors as they deem necessary. Individual Manulife directors may also retain outside advisors, at the Company's expense, to provide advice on any matter before the Board or a Board Committee with prior approval from the Manulife Corporate Governance & Nominating Committee.

Guidance for Non-Management Directors of Manulife Subsidiaries. Non-management directors of Manulife subsidiaries should direct any questions or concerns regarding this Code, its scope or its applicability to the General Counsel, or to the person holding a similar position, for the entity on whose Board they serve.

Where to Go for Help with Human Resources Matters. The best avenue for a Human Resources matter is to speak with AskHR, your Human Resources Partner or Employee Relations.

Quick Ethics Check

While a code of conduct can provide principles of behaviour and some general rules, it cannot cover every situation. Ethics sometimes come down to a personal decision. To help you make the right choice, ask yourself the following questions:

- Is this legal?
- Is it fair?
- Would I want other people to know I did it?
- How would I feel if I read about it in the newspaper?
- How will I feel about myself if I do it?
- What would I tell a family member or a close friend to do in a similar situation?

Ethics in the Workplace

We cannot have a positive and productive workplace unless we treat each other with respect, trust and professionalism. Each of us must help create and maintain a healthy, secure environment that values contributions and encourages learning.

Our Values

Values are the guiding principles that represent how we operate and help us define how we work together. They inform our actions and how we interact with each other and our customers.

- Obsess about customers
- Do the right thing
- Think big
- Get it done together
- Own it
- Share your humanity

Promoting Equal Opportunity

Diversity, Equity, and Inclusion at Manulife. At Manulife, we embrace our diversity and treat all individuals with dignity. We strive to attract, develop, and retain a workforce that is as diverse as the customers we serve and to foster an inclusive work environment that embraces the strength of cultures and individuals. We are committed to fair recruitment, retention, advancement and compensation, and we administer all of our practices and programs without discrimination on the basis of race, ancestry, place of origin, colour, ethnic origin, citizenship, religion or religious beliefs, creed, sex (including pregnancy and pregnancy-related conditions), sexual orientation, genetic characteristics, veteran status, gender identity, gender expression, age, marital status, family status, disability, or any other ground protected by applicable law.

Treat Others with Respect and Exercise Professionalism

Respect and Professionalism in the Workplace. We must give co-workers the same respect and service we give customers, and the same respect we expect for ourselves. When we communicate with each other within the organization, we must be open, honest, respectful, and professional. It's one way to ensure quality in everything we do.

Behave Professionally. It is important to behave responsibly and professionally in the workplace at all times. It is also important to behave responsibly and professionally when representing Manulife or attending Company events, as well as when dealing with clients, potential clients and in all business activities.

Discrimination, Harassment, and Violence in the Workplace are Strictly Prohibited. The Company strictly prohibits discrimination, harassment and violence in the workplace. If you experience or observe this behaviour you should report it to your Human Resources Partner, Employee Relations, your manager, your Segment Compliance Officer, a member of the Law Department or the Ethics Hotline. In short, if you see something, report it. The Company absolutely prohibits retaliation of any kind for good faith reports of illegal or unethical behavior.

For more guidance refer to the Discrimination, Harassment and Workplace Violence Policy.

Quick Professionalism Check

Professionalism means conducting oneself with responsibility, integrity, accountability and excellence. Often, professionalism requires a level of judgement. If you're facing a situation where you're not sure what course of action professionalism requires, ask yourself the following questions:

- Could someone reasonably perceive this as being unprofessional?
- Will others be upset or offended by this conduct?
- Am I taking into consideration how others will respond?
- Would I want other people to know I did it?
- How would I feel if I told a family member that I did this?

Keep Your Workplace Safe

A Safe and Healthy Work Environment for All. Manulife provides a safe and healthy work environment for all employees.

Report Safety Concerns to Your Manager or Facilities Management. Protection of employees from injury or occupational illness is a significant ongoing commitment on the part of the Company. All employees have a responsibility to help ensure that the Company is complying with health, safety and environmental laws and regulations by reporting accidents, potential hazards and other concerns immediately to your manager or the facilities management in your area.
For more guidance refer to the Global Health and Safety Policy.

Keep Your Workplace Secure

Protecting Company Property and Assets. It is critical that we protect both individual and Company property and assets.

Report Loss, Misuse or Theft to a Manager or Security Personnel. While Manulife takes physical and cyber security measures, we must all be part of the security process. If you know of any situation or incident that could lead to the loss, misuse or theft of Company or individual property, report it immediately to a manager or to security personnel.

Freedom of Association

Employee Freedom of Association Protected. The Code of Conduct will not be interpreted or applied to interfere with employee rights to self-organize, form, join, or assist labour organizations, to bargain collectively through representatives of their choosing, or to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, or to refrain from engaging in such activities.

While the Company firmly believes work-related issues can be best resolved through internal channels rather than a social media outlet, nothing in this policy is designed to interfere with, restrain, or prevent employee communications regarding wages, hours or other terms and conditions of employment.

Human Rights

Respecting and Promoting Human Rights. Manulife is committed to respecting and promoting internationally proclaimed human rights. We work to respect and promote human rights in our business decisions, our operations, and our relationships with our customers, employees, shareholders and others. You can read more about our Human Rights statement on our website here.

Human Trafficking and Slavery

Helping to Eradicate Human Trafficking and Related Activities. Manulife is committed to doing its part to help eradicate human trafficking and strictly prohibits directors, officers, employees, subcontractors, subcontractor employees, and agents from engaging in human trafficking-related activities. Prohibited activities include, among others, engaging in sex trafficking, procuring commercial sex acts, using force, fraud, or coercion to subject a person to involuntary servitude, or obtaining labour from a person by threats of serious harm to that person or another person.

We are guided by standards such as those in the United Nations Guiding Principles on Business and Human Rights, the United Nations Universal Declaration of Human Rights, and the International Labour Organization's (ILO) Core Conventions regarding forms of child labor, forced labor, freedom of association, the right to organize and bargain collectively, and the elimination of discrimination with respect to employment and occupation.

Expectations Relating to Business Partners

Business Partners Expected to Adhere to our Ethical Standards. We expect our business partners to adhere to ethical business conduct consistent with our own and are committed to working with our partners to meet this common goal. These expectations include ethical behavior by our partners, a prohibition on bribery and corruption and a commitment to eradicate human trafficking.

For more guidance refer to the Manulife Vendor Code of Conduct.

Ethics in Your Business Relationships

Our business depends on sound relationships with customers, the community, other organizations, and our stakeholders.

We maintain these relationships by taking extra care when giving or receiving gifts, when producing materials for customers and others and when sharing information with outside individuals and organizations.

Protect and Enhance the Company's Reputation

Protecting the Company's Reputation. All individuals to whom this Code applies must conduct their business activities in a manner that protects and enhances the Company's reputation. The risk of damage to our reputation must be a key consideration in assessing and engaging in any business relationship, transaction or activity. Any incident with the potential to harm our reputation is of high priority and senior management is to be alerted.

Treat Others Honestly and Fairly

High Standards of Honesty, Fairness and Courtesy. We believe embedding a strong risk culture and fostering ethical conduct across Manulife is essential to uphold our reputation and the trust of our customers. Our commitment to treating customers fairly and ensuring good customer interactions and outcomes extends across the business lifecycle, including product development, distribution, claims, addressing complaints, investigating potential misconduct and assessing product performance. We must treat customers with high standards of honesty, fairness, and courtesy. Customers must be able to voice their concerns easily, and we must deal with complaints and disputes fairly and quickly. The materials we provide to customers, investors and other stakeholders must meet high standards of professionalism. Advertising and sales materials must be factual, easy to understand and based on the principles of fair dealing and good faith. All promotional efforts, illustrations of products and marketing concepts must be factual. We must provide accurate, factual, and clear information that is not misleading to customers, investors or other stakeholders.

Guidance on Conduct Risk. For more guidance, refer to Manulife's Conduct Risk Framework.

Guidance on Company Materials. We seek competitive advantage through superior performance, never through unethical or illegal business practices.

In short, we seek to outperform our competitors fairly and honestly. The materials we provide to customers, investors and other stakeholders must meet high standards of professionalism. Advertising and sales materials must be factual, easy to understand and based on the principles of fair dealing and good faith. All promotional efforts, illustrations of products and marketing concepts must be factual.

Additional Guidance. We must be careful not to mislead customers, investors or other stakeholders about the financial status, products or services of the Company or

its competitors. We must never make statements about competitors that are untrue. We must never make promises the Company cannot keep. No director, officer, employee, representative or other associate of the Company should take unfair advantage of anyone, including customers, investors, other stakeholders, suppliers, or competitors. Taking unfair advantage includes: manipulation, concealment, abuse of Confidential Information, misrepresentation of material facts and any other unfair dealing.

"Tie-In" Sales Not Allowed. Also, no officer, employee or temporary or contract worker may require the sale of a product or service as part of the purchase or sale of a separate product or service. These so-called "tie-in" sales are illegal in many jurisdictions and are best avoided by offering distinct products separately and marketing each on its own merits.

Comply with Local Laws, Rules and Regulations. To be professional, we must follow our corporate standards of ethical business conduct while appreciating the cultures and business customs of the countries and communities in which we operate. We must ensure compliance with applicable laws, rules and regulations in the jurisdictions where we do business.

Take Care in Government and Political Dealings

Guidance on Government and Political Dealings. We must take special care to use our corporate positions responsibly when dealing with government agencies and representatives. This is especially true in relation to the political process. It is important that we comply with all laws and regulations that apply when offering to provide entertainment, meals, nominal gifts, gratuities and other items of value to any employee or representative of federal, provincial, state or local governments or state-owned enterprises, or when accepting such items of value from any employee or representative of federal, provincial, state or local governments or state-owned enterprises.

Items of Value Defined.
Items of value include, but are not limited to, gifts, entertainment, tickets to sporting or entertainment events, charitable donations, offers of employment or other engagements or relationships with the Company (*e.g.*, offering a paid or even unpaid internship to a foreign official or a relative of a foreign official).

Gifts, Entertainment, Charitable Donations or Payment of Expenses. The giving of gifts, entertainment, charitable donations, or the payment of expenses for, or on behalf of, public officials or a public entity is governed by a complicated array of regulations, which vary from jurisdiction to jurisdiction. Before making any expenditure for, or on behalf of, public officials or public entity you must contact your Segment Chief Legal Officer or Segment Chief Compliance Officer for explicit approval. This includes, but is not limited to, expenditures for travel, sponsorships, and conferences. For Segments with a Government Relations function, you should also seek concurrence from Government Relations. Gifts of significant value to a government official, party official, or an employee of a state- owned enterprise are prohibited. After escalation to the Segment Chief Legal Officer or Segment Chief Compliance Officer, if there is any remaining concern about whether the gift or expenditure is allowed under the Code, the matter must be escalated to the Global Chief Compliance Officer.

Officers and Employees Cannot Represent Themselves as Company Spokespeople Without Proper Authorization. While the Company expresses views on local and national issues that affect its operations, officers and employees cannot represent themselves as Company spokespeople without proper authorization. Questions regarding whether authorization has been properly given must be referred to the Global Chief Compliance Officer.

Personal Political Contributions. The Company respects and supports the right of every individual to participate in the political process. However, the Company will not provide reimbursement for any political contributions made by any individual, including the purchase of tickets to political fundraising events such as dinners. These are to be handled personally by the employee. Similarly, if an individual chooses to volunteer in support of a political campaign, they must do so after work, on weekends or during vacation leaves and not during regular working hours.

Please also remember many jurisdictions have prohibitions such as the U.S. 'Pay to Play' rules that may require pre-clearance for political contributions and other activities. If you have any questions in this area, please consult your Segment Chief Compliance Officer.

The Company's general policy is that it will not make any political contributions.

Government Official Defined.
Government Official is defined very broadly and includes hospital doctors and administrators, journalists, employees of state-owned or state-controlled enterprises, including public hospitals, in certain jurisdictions.

Approval Required for Payment on Behalf of the Company. No director, officer, employee or Company representative may make or authorize any payment by or on behalf of the Company to any political party, organization, committee, candidate or public official, or in connection with any political caucus, convention or election, except as permitted by law and approved by the Segment Chief Legal Officer or Segment Chief Compliance Officer and, where the position exists, the Head of Government Relations. Under applicable laws, prohibited Company contributions and expenditures include the donation of Company funds, the use of Company facilities, including office space and equipment, as well as the donation of the services of Company employees to the campaign committee of a candidate.

Lobbying Activity on Behalf of the Company Not Permitted Without Specific Authorization. You must not engage in any lobbying activities on behalf of the Company unless you first obtain specific authorization from your Segment Chief Legal Officer and, where the position exists, Head of Government Relations.

Payment or Transfers of Anything of Value to Public Officials Without Approval Strictly Prohibited. In addition, no officer or employee may make or authorize any payment or transfer of anything of value to any foreign public official (including employees of state-owned enterprises or political parties) except as may be permitted by applicable law and approved by the Segment Chief Legal Officer or Segment Chief Compliance Officer and, where the position exists, Head of Government Relations. After escalation to the Segment Chief Legal Officer, Segment Chief Compliance Officer, or Head of Government Relations, if there is any remaining concern whether the expenditure is allowed under the Code, the matter must be escalated to the Global Chief Compliance Officer.

Working with Industry Groups and Others

Share Information Responsibly with Industry Groups and Others. Memberships in business organizations can increase the effectiveness of individuals, the Company, and our industry. The Company encourages membership in such organizations, especially those that strive to improve the industry.

It is a normal part of these memberships to share aggregated, statistical and policy information. However, we need to ensure that we do not exchange confidential corporate information that could jeopardize the Company's competitive position.

Seek Segment Law Department Advice When Interacting with Competitors. In addition, the Company is subject to antitrust and trade regulation laws in many jurisdictions. Generally, these laws prohibit discussions, agreements or understandings with any competitor that relate to pricing, customers, products, services, policies, underwriting standards, territory allocation or a boycott or refusal to deal with any third party. Company representatives whose duties bring them in contact with representatives of competing companies must be especially cautious. If sensitive information is raised by a competitor in the presence of a Company representative, every reasonable effort must be made to terminate the conversation and the Company representative must promptly report the incident to the Segment Law Department. When participating in any exchange of information with competitors, including any statistical survey, advice from the Segment Law Department should be sought.

Handling Media Questions

Refer Media Questions to Communications Departments. The media play an important role in helping inform the public about Manulife, its products, and services. Communications departments within each Segment or geographic location are responsible for communicating official Company positions to the media. You must direct all media inquiries to these departments.

Working with Suppliers

Choose Suppliers Through Fair Competition. Manulife is committed to fair competition in all its dealings with suppliers. It is important to communicate the Company's requirements clearly and uniformly to all potential suppliers. Choose suppliers on the basis of merit, competitiveness, price, reliability and reputation.

You must not suggest or imply to a supplier that the Company's patronage depends on the supplier becoming a customer or on the supplier continuing to make purchases from the Company.

Third-Party Requests for Endorsements

Senior Officer Approval Required for Third-Party Endorsement from Manulife. If a third-party (e.g., affiliated vendor, supplier, vendor sponsorship partner or any other entity or individual) asks you to endorse a product or service using the Company name or your position as a Company representative or asks to use any Company Brand or logo, you must obtain approval from the relevant senior officer at the Executive Leadership Team (ELT) level and engage Brand (Brand@manulife.com) to obtain all required approvals.

Conflicts of Interest

Conflicts of Interest Defined. A conflict of interest occurs when your individual or an organizational interest interferes in any way with the interests of the Company, its clients or its customers.



In addition to being the right thing to do, in certain business lines, such as Manulife's Global Wealth and Asset Management Segment, Manulife businesses may have an explicit fiduciary obligation (sometimes referred to as a "duty of care") to put their client's interests ahead of its own. A conflict situation can arise when you take actions, have interests, or are involved in outside activities that make it difficult to perform Company work objectively and effectively, or affect your judgment to act in the best interest of customers, investors and other stakeholders.

Organizational Conflicts May Be Managed; Personal Conflicts Are Prohibited. Conflicts can also take on different forms depending upon the context in which they arise. The two main forms we see in most contexts are: organizational conflicts of interest and personal conflicts of interest.

Actual Personal Conflicts of Interest are Prohibited. Manulife strictly prohibits actual personal conflicts of interest. Unlike actual personal conflicts of interest, organizational conflicts of interest can be addressed through a variety of means including full and proper disclosure, the implementation of mitigating controls or the avoidance of the conflict altogether.

Organizational conflicts of interest occur when Manulife (or an affiliated party), as an organization, has an interest that may cause a reasonable person to question the objectivity of a business decision and whether that decision is in the best interest of its clients and customers.

Personal conflicts of interest arise when an individual's personal interest (or his/her/their family members) could adversely affect that individual's objectivity and decision-making related to their work for the Company. For example: An individual would face a personal conflict of interest when a particular decision they have the control to make could directly or indirectly provide them (or someone close to them) with a personal financial gain.

Takeaway: Disclose. Disclose. Disclose. If you're facing a situation that may pose or appears to pose a conflict of interest, disclose the situation to Compliance and a compliance colleague will review your disclosure and make an assessment on next steps. Proper disclosure can be made in one of three ways:

- Update your Conflict of Interest Disclosure Questionnaire with Compliance
- Ask your Segment or Business Unit Chief Compliance Officer for guidance
- Send an email to GlobalComplianceOffice@manulife.com.

Conflicts of Interest have Damaging Consequences and Must Be Avoided. Conflicts of interest damage the trust between you, the public and the Company. We all must be vigilant in this regard, and must avoid all interactions, relationships or situations that could reasonably give rise to a conflict of interest or the appearance of a conflict of interest.

Situations that Create the Appearance of a Conflict Should be Handled as if an Actual Conflict Existed. The appearance of a conflict raises the same ethical concerns as an actual conflict of interest and should be treated with the same level of caution. The appearance of a conflict, like situations that give rise to the appearance of impropriety, has the potential to suggest that unethical conduct may be occurring and may impact Manulife's reputation with its customers and regulators. If you're not sure whether the situation you are facing gives rise to the appearance of a conflict or the appearance of impropriety, ask yourself, "What would someone outside of this situation think about it?" If the answer is that someone could reasonably think that something unethical may be occurring, or that a conflict exists, then you are facing a situation that gives rise to the appearance of impropriety or the appearance of a conflict.

Steps You Can Take to Help Prevent Conflicts or the Appearance of Conflicts of Interest

Always Disclose Potential Conflicts. Disclose. Disclose. Disclose. To help prevent conflicts or the appearance of conflicts, you must update your Code of Business Conduct and Ethics Certification and Conflict of Interest Disclosure Questionnaire annually. You are also responsible for updating the Questionnaire as your circumstances change during the year. In disclosing a potential conflict of interest, you are required to fully and truthfully provide all relevant details, including information that may not have been requested, but that may have an impact on the evaluation of the potential conflict of interest.

Report Potential Conflicts to Your Manager and Recuse Yourself from the Conflicted Situation. If an actual conflict, potential conflict or the appearance of a conflict of interest arises, in addition to updating your Conflict of Interest Disclosure Questionnaire, report it immediately to your manager. If an actual conflict of interest arises unexpectedly, in addition to reporting the matter to your manager, you must immediately recuse yourself from any decision-making relating to the situation giving rise to the conflict of interest.

Compliance and Legal Review Potential Conflicts and Help Determine Appropriate Action. Once a potential conflict of interest is disclosed, Legal and Compliance examine the facts and circumstances related to the disclosure to determine whether a potential or actual conflict of interest exists. As outlined above in the section "Why Ethics Matter," Manulife does not waive actual conflicts of interest under any circumstances. In some cases, potential conflicts of interest can be managed if the right controls are implemented, but only if also properly disclosed. Other controls include recusal from any decision-making relating to the situation giving rise to the potential conflict of interest.

If in Doubt, Consult the Compliance Office. If you need further advice, consult the procedures described in the section of this Code titled "Where to go for help." When in doubt about whether a situation poses a potential conflict of interest, consult the Compliance Office (GlobalComplianceOffice@manulife.com) or your Segment Chief Compliance Officer.

Quick Conflicts Check

Identifying potential conflicts of interest involves a level of judgement. To help you identify a conflict, ask yourself the following questions:

- Does the situation present competing interests?
- Could this be perceived as impacting my judgment in any way?
- Could this be perceived as trying to influence a certain outcome?
- Does this situation create a potential benefit for me (including people close to me) personally?
- Have I disclosed that potential benefit to the Company?
- Am I still able to act in the best interest of Manulife, customers, investors, and other stakeholders?
- Would I be comfortable with this situation if it happened to someone else?
- Would I be comfortable if the details of the situation were made public (i.e., in media outlets)?

The following are some of the most common areas of potential conflicts of interest, but the most reliable guideline is your own common sense.

Deal at Arm's Length with Suppliers and other Counterparties

Be Aware of Potential Conflicts of Interest with Supplier and Counterparty Relationships. You must not be associated in any way with agreements between the Company and suppliers in which you or a member of your immediate family have an interest, or which might result in any personal gain or benefit to you or to any member of your family. In addition, you must not engage in transactions or other business decision-making relating to suppliers, vendors, customers or other business relationships that may benefit you or a member of your immediate family, without seeking explicit written authorization from a supervisor in your reporting chain, who must be at least AVP level, and updating your Conflict of Interest Disclosure Questionnaire. A supervisor may only authorize such a relationship only after consulting with Compliance and determining that there is no actual conflict of interest.

Follow Company Policy about Family Members

Avoiding Conflicts of Interest with Hiring, Transferring or Managing Family Members. In some situations, hiring, transferring, or managing family members can lead to conflicts of interest, potential for collusion, unethical employment practices and the appearance of special treatment. Family members must not be in positions that give them direct or indirect supervisory authority over another family member in any context. Any potential conflicts must be avoided or managed in consultation with Compliance.

Business Areas Must be Aware of Family Member Relationships Internally. Family members in certain identified business units and job functions could create the appearance of and/or the potential for collusion and theoretical fraudulent activity. Business areas must be aware of these situations to ensure proper controls are in place to mitigate this risk.

Definition of Family Members. For purposes of the Code, family members include: spouse (as defined for benefit purposes), domestic partner, significant other, children, grandchildren, siblings, parents, grandparents, aunts, uncles, nieces, nephews, cousins, in-law relationships and step or common-law/ in-law relationships. For more guidance, refer to the Global Hiring Policy.

Disclosure Requirements for Intimate Personal Relationships that Create Conflicts of Interest. Intimate personal relationships between co-workers can also create conflicts of interest or the appearance of special treatment. Any intimate personal relationship that develops between an employee and their manager or any person who is in an actual or perceived position of power or influence or who could provide input on their performance or career should be immediately reported to Employee Relations or their HR Business Partner so that controls (including but not limited to changing the reporting lines) may be put in place to avoid an actual conflict of interest.

Bribery and Kickbacks are Prohibited

Bribery and Kickbacks Strictly Prohibited. Manulife does not allow unfair business practices such as bribery, kickbacks or illegal insurance rebating (while certain forms of special pricing and insurance rebating are permitted in some jurisdictions we operate in, generally illegal rebating may be a type of kickback defined under relevant local law as illegally returning a portion of the premium or the commission on the premium to the insured or other illegal inducements to place business with a specific insurer). These prohibited practices are against Company policy in all places where we conduct business.

Bribery is generally defined as: offering, giving, soliciting, or receiving anything of value to influence the actions of another person or entity.

A Kickback is generally defined as a negotiated form of bribery in which payment is made to someone who facilitated a transaction, situation, or outcome.

Be Careful about Gifts

Offers of gifts and entertainment are courtesies common among business partners. However, offering, soliciting, or accepting gifts, entertainment, gratuities or other benefits can be mistaken for improper payments. For this reason, the guidelines below must be followed.

Rules for Company Officers, Employees, and their Family Members. Officers and employees or their family

members must not receive money or any item of value, including the promise of employment or future business from any third party in connection with the officer's or employee's participation in any Company transaction. Officer compensation, other than Company wages, bonus, pension or benefits, may be regulated by law and requires approval by a Segment Head.

Additional Rules for Company Officers to Follow. Company officers may not have any interest in commissions or other compensation based on premiums or consideration payable to the Company on any policy or contract of insurance unless the policy or contract was written and effective prior to the officer's appointment. In addition to the rules noted below, a director, officer, or employee may not give or receive any gift or form of gift, gratuity, or entertainment to or from anyone with whom the Company has, or is likely to have, any business dealings, if the gift or entertainment could reasonably be perceived as an attempt to influence the recipient's judgment. For example, a director, officer, or employee should never solicit a gift, gratuity or shared business entertainment from a current or prospective business partner or client in exchange for a certain outcome or in circumstances where the director's, officer's or employee's judgment may appear to be influenced. This also applies to charitable donations of any kind. Any charitable donations made by current or prospective business partners or clients must be appropriate.

Suitability of Gifts, Gratuities, Charitable Contributions or Entertainment. If the suitability of a gift, gratuity, charitable contribution, or entertainment is questionable, employees must consult with their Segment Chief Compliance Officer and/or Legal Officer. After escalation to the Segment Chief Legal Officer, if there is any remaining concern about whether the gift or expenditure is allowed under the Code, the matter must be escalated to the Global Chief Compliance Officer. Additionally, Manulife directors should forward inquiries to the Manulife General Counsel. Non- management directors of Manulife's subsidiaries should consult with the entity's General Counsel or person holding a similar position.

Guidance on Shared Business Entertainment. Shared business entertainment in the form of attendance at ticketed sporting and entertainment events should be limited to one event per year, per business partner. Extra caution must be exercised for exclusive and premier entertainment events of any kind. In certain cases, attendance at high-value ticketed sporting and entertainment events for legitimate business purposes may be considered with reimbursement to the donor. For more guidance, please reach out to the Compliance Office.

Public Officials. Gifts, gratuities, or entertainment provided to public officials, including employees of state-owned enterprises and political parties, are covered in the section titled "Take Care in Government and Political Dealings."

Insurance Customers or Prospects. In many of the jurisdictions we operate in, gifts or entertainment, including promotional items, are subject to insurance anti-rebating and inducement laws governing the sale of insurance and annuity products. Questions regarding the application of these laws should be directed to your Segment Compliance Officer.

Sales and Related Activities. Specialized rules and regulations apply to sales activities in many of the jurisdictions we operate in. For example, in the U.S., FINRA rules govern the receipt and giving of gifts involving registered representatives or broker-dealers. Questions regarding the applicability of these sales-related rules and regulations should be directed to your Segment Compliance Officer.

Dealing with the External Auditor. No employee of Manulife should give to or receive from the External Auditors any gifts or things of value. Additional guidance is outlined in a memorandum from the Chief Financial Officer dated March 15, 2021.

Be Careful about Personal Benefits

Personal Benefits to You or Your Family Member Can Create a Conflict of Interest. Conflicts of interest may arise if you or your family member receive a personal benefit as a result of your position in the Company. All such personal benefits, including loans and guarantees of obligations from the Company, must be disclosed on the Company's Code of Business Conduct and Ethics Certification and Conflict of Interest Disclosure Questionnaire and approved by the Company. Personal loans to executive officers are prohibited unless specifically permitted by law.

Involvement in Investment Decisions Requiring Disclosure. Manulife directors, officers and employees shall not recommend or participate in any Company investment decision involving an entity in which they or any of their family members have a financial interest, unless the existence of such interest has been properly disclosed to a supervisor in their reporting chain, who must be at least AVP level, and to all those involved in all stages of the investment approval process. In addition, as with any other potential conflict of interest, the supervisor must consult with relevant compliance personnel in their Segment and determine that there is no actual conflict of interest. Manulife directors and corporate officers should also review Manulife's Conflict of Interest Rules for Directors and Officers.

Giving in an Ethical Manner

Charitable Contributions Evaluated under Community Investment Standard. Investing in the communities we serve is an important way we drive social impact. In addition to meeting the requirements outlined elsewhere in the Code, all Community Investment contributions to charitable, non-profit or similar organizations are reviewed to help ensure they align with our values.

Invest in an Ethical Manner

Trading Manulife Securities while in Possession of MNP Prohibited. Directors, officers and employees must strictly follow all laws and regulations affecting investments. It is unethical and illegal for directors, officers and employees to buy or sell Manulife securities while in possession of material information that has not been publicly disclosed about the Company or to inform another person, except as permitted by law, of material information that has not been publicly disclosed.
In addition, it is unethical and may be illegal to buy or sell securities of another company with the benefit of your knowledge of the Company's investment intentions or any material information that has not been publicly disclosed about that company.

Beware of Conflicts of Interest when Investing. Directors, officers and employees must also be cautious of potentially being in a conflict of interest where they wish to make an investment in a business entity which they know transacts business with Manulife or in which Manulife has made an investment.

Do Not Speculate in Manulife Securities. In order to comply with applicable laws and to ensure that perceptions of improper insider trading do not arise, Manulife prohibits its directors, officers and employees from speculating in Manulife securities. Speculation includes the purchase or sale of Manulife securities with the intent of reselling or buying back in a relatively short period of time, with the expectation of a rise or fall in the market price of such securities, the buying or selling of derivatives such as put or call options on Manulife securities and short selling Manulife securities.

Additional Guidance Related to the Insurance Companies Act (Canada). Furthermore, directors, officers and insiders of the Company who directly or indirectly short sell Manulife securities or buy or sell put or call options or other derivatives on Manulife securities may be liable, pursuant to the provisions of the Insurance Companies Act (Canada), to compensate persons who suffered a loss and to compensate the Company for any benefit or advantage received because of the transaction.

Monetization of Equity Awards Before Vesting and Payment is Prohibited. The monetization of equity awards before vesting and payment by the Company is prohibited.

Refer to Manulife's Insider Trading Policy for More Information. For further questions relating to the handling of inside information and/or the trading of Company securities or derivatives, you should refer to Manulife's Insider Trading and Reporting Policy.

Some Employees May Also Be Subject to Business-Level Code of Ethics. Additionally, as a global financial institution, government regulators, business partners and customers expect Manulife to adopt and enforce codes and standards to proactively address the conflicts between employee personal investing and the investment activities of our businesses. Thus, certain employees who are involved directly or indirectly in Manulife's investment businesses or have access to certain sensitive investment information are required to comply with certain business-level codes of ethics.

Business-Level Codes of Ethics Apply to Employee and Members of Their Household. These business-level codes of ethics impose disclosure obligations and limit personal investment activities in Manulife and non-Manulife securities by both the employee and members of the employee's household. These obligations and limitations include but are not limited to: obtaining Manulife approval for certain personal securities transactions, providing Manulife with access to personal securities holdings and transaction information, limitations on the use of certain brokerage firms and limitations on certain personal investment activities.

Working for Competitors May Jeopardize the Company

Working for a Competitor Prohibited. No Manulife officer or employee may work for any organization that competes with the Company or enter into a relationship that creates a conflict of interest with the Company. This includes serving as a director, officer, trustee, partner, employee, consultant, or agent.

Report All Outside Employment or Business Activity to the Compliance Office. Employees must report all outside employment or business activity to the Compliance Office by submitting a Conflict of Interest Disclosure Questionnaire. Employees have a continuing obligation to update their Conflict of Interest Disclosure Questionnaire and submit it to the Compliance Office whenever circumstances change.

Guidance for Directors of Manulife or its Subsidiaries. Directors of Manulife or its subsidiaries will follow their own policies relating to outside business relationships.

External Directorships

Report All Prospective External Directorships Prior to Accepting. Employees must report to the Compliance Office any external directorships they wish to accept. While many external directorships do not pose a conflict of interest and may not require approval, some external directorships could pose a potential conflict and/or will require approval. For that reason, before accepting an external directorship, employees must report a prospective directorship to the Compliance Office for review. The requirement to obtain prior approval before accepting any

external directorship includes directorships on charitable boards.

External Directorships Reviewed for Potential Conflicts of Interest. The Compliance function reviews all prospective directorships to confirm that the directorship does not pose a conflict of interest, and to confirm that appropriate approvals are obtained up to and including Executive Leadership Team approval.

Guidance on External Public Directorships. Because of the unique issues relating to serving on a publicly traded company, employees are generally not allowed to serve as directors on boards of publicly traded companies. For additional guidance, please refer to the External Directorships Standard.

Use Caution Regarding Outside Positions

Outside Positions Cannot Hamper Your Performance, Judgment or Create a Conflict of Interest. Outside work or financial involvement in external organizations can lead to conflicts of interest, which could interfere with your ability to give objective, full-time attention to your work with Manulife or could damage the Company's reputation. Subject to applicable law, you must not engage in any other employment or take any civic, charitable, government or political position that would hamper your performance or your judgment to act in the Company's best interest or that would create a conflict of interest. You have a continuing obligation to update your Conflict of Interest Disclosure Questionnaire and submit it to the Compliance Office whenever your circumstances change.

Protect Corporate Opportunities

Protecting Corporate Opportunities. Individuals to whom this Code applies are prohibited from: to whom this Code applies are prohibited from: (a) benefiting from opportunities that are discovered through the use of Company property, information or position; (b) using Company property, information or position for personal gain; and (c) competing with the Company during the term of their relationship with the Company. You owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

Protect the Company's Name, Reputation and Assets

Company Name Used for Authorized Company Business Only. The name "Manulife" must be used only for authorized Company business and never for personal activities. Do not identify yourself with the Company while pursuing personal, political, or not-for-profit activities, unless you obtain prior approval from the Chief Compliance Officer in your Segment.

Statements About the Company Must be Honest and Accurate. An important way to protect the Company's reputation is to always be honest and accurate when making statements when discussing the Company. False information or statements about the Company, its representatives, employees, products, or services can damage the Company's reputation. You must not make false written or oral statements about the Company, its employees or representatives or its products and services in print, via electronic media or in person.

Guidance for Those with Access or Control Over Company Transactions and Assets. Each director, officer, employee, representative or other associate entrusted with access to or control over Company transactions and assets



must ensure that each use, acquisition, or disposition of an asset by a person on behalf of the Company is undertaken with the general or specific authorization of management and is accurately and fairly recorded in reasonable detail in the Company's books of account and record.

Intellectual Property. During the course of, or related to, your employment or provision of services to the Company, as applicable, you may be involved in the creation, development, or invention of intellectual property. Intellectual property includes but is not limited to: ideas, concepts, methods, processes, inventions, Confidential Information, and trade secrets, works of authorship, trademarks, service marks, marketing materials and designs. All such intellectual property and associated worldwide intellectual property rights, such as copyrights and patents, will be owned by the Company (and to the extent not owned by the Company will be hereby assigned to the Company). You agree you are responsible for co-operating with the Company and providing all necessary assistance to ensure that all such intellectual property and related rights become (or remain) the exclusive property of Manulife, including by providing Manulife with such assignments, waivers and other documents as may be requested.

Protecting Company Assets. We all share a responsibility to protect Company assets. All documents, records, data, equipment, and other physical property provided to you by the Company, or otherwise obtained or produced in connection with your employment with the Company, shall be or remain at all times the property of the Company. Company time, property, and services, including assets such as stationery, computers and mail services, may not be used for personal activities, except as permitted by Company policies, unless you have your manager's specific approval. Personal activities include charitable causes. You may not remove or borrow Company property without permission. You should report any misuse of Company assets to your manager, Segment Compliance Officer, Segment Law Department, Segment Human Resources Department or via the Ethics Hotline.

Handling Information: Protect Personal and Confidential Information

Confidential Information Defined. Information is one of the Company's most vital assets. For purposes of this Code of Conduct, "Confidential Information" includes all non-public information that might be of use to competitors or harmful to the Company or our customers or other stakeholders if disclosed.

Confidential Information includes: (a) all proprietary and Confidential Information relating to the business and affairs of Manulife, whether in writing, oral, or some other format, including but not limited to, financial information, data, pricing, strategies, reports, forecasts, inventions, improvements and other intellectual property, trade secrets, know-how, designs, processes or formulae, software, market or sales information, customer information, client lists, business plans and prospects and opportunities that have been discussed or considered by Manulife (such as possible acquisitions or dispositions of businesses or facilities); (b) all information that is covered by protected categories such as Personally Identifiable Information, Protected Health Information and other specific regulations; and (c) all information that Manulife is obligated to maintain as confidential or that Manulife may receive or has received from others with any understanding, express or implied, that it will not be disclosed.

Handling Information Carefully. It is important that you understand how sensitive this information is and how significant it is for competitiveness and individual privacy. In the course of regular business, we collect a substantial amount of information about our applicants, customers, claimants, borrowers, employees, representatives, investors and business partners. We must handle this information with the greatest care to merit their confidence and protect their privacy.

Keep Information Secure, In Confidence and Use for Purposes Collected. Any Confidential Information acquired, or otherwise accessed in any way, by employees in the course of their employment must be kept secure, in confidence and used consistent with the purposes for which it was collected.

Use Discretion when Discussing Company Business in Public Places. It is important to use discretion when discussing Company business in public places such as elevators, restaurants, and airplanes, or when using public or cellular phones, the Internet and fax machines.

Laws or Company Policies Requiring Disclosure. Confidential Information may be disclosed to those who have a right to the information or when the law requires disclosure, or otherwise in accordance with applicable Company policies.

Obtain Authorization from Segment Chief Legal or Compliance Officer Before Disclosure. If you are required for legitimate business purposes to disclose Confidential Information to any person outside the Company, authorization must be obtained from your Segment Chief Legal Officer or Segment Chief Compliance Officer or their designee.

Communication with Regulators and Law Enforcement. Nothing in this Code of Conduct should be construed as prohibiting communication with any regulator or law enforcement, either voluntarily or in response to a regulatory or law enforcement inquiry. Please note that dissemination of certain information received from certain regulators may be restricted by the regulator providing the information. Any question in this area may be directed to the Global Chief Compliance Officer or through the Ethics Hotline. Reports to the Ethics Hotline may also be made anonymously.

When You Leave the Company, Confidential Information Stays with the Company. You have a duty to protect both personal and Confidential Information even after your employment with, provision or services to or placement with the Company, as applicable, ends. In this regard, you must not retain access to or take any Company files or Confidential Information in any form with you when you leave the Company.

Follow Disclosure Requirements

Manulife is required to make disclosures about its financial condition and business activity on a timely and broadly disseminated basis and without being unduly optimistic on prospects for future company performance. The Company makes such disclosures through authorized spokespersons or authorized filings. The key principles of disclosure are:

- All materials must be broadly disseminated in a timely manner.
- Disclosure must be full, fair, understandable and accurate and avoid any misrepresentation of the Company and its finances.
- Disclosure must be accomplished consistently during both good times and bad.
- All legitimate requests for information should be treated equally.

Employees must refer all inquiries from the financial community, shareholders, and media to an authorized spokesperson.

For more guidance refer to the Disclosure Policy and Disclosure Policy Guideline.

Respect Copyrighted Materials

Be Aware of Copyright Rules. Copyright laws protect many materials you use in the course of your work as an employee or representative of Manulife. A few examples are computer software, books, audio, video, music and multimedia recordings, trade journals, cartoons, newspapers and magazines, digital images, and photographs. There may also be copyrights on presentation slides, training materials, management models and problem-solving frameworks produced by outside consultants. It is illegal to copy, share, post, reproduce, distribute, or alter copyrighted material in either print or digital format without the permission of the copyright owner or authorized agent.

Comply with Copyrights and Comply with License Agreements. You must also comply with the copyrights on software installed on your office computer and on the network computer storage areas you control. You may not copy, install or otherwise use software in a manner that violates the license agreement for that software.

Keep Full and Accurate Records

Guidance on Keeping Full and Accurate Records. The Company requires full and accurate records to meet its legal and financial obligations and to manage its business properly. All Company books, financial reports, expense accounts, time sheets, administrative records and other similar documents must be completed accurately, honestly and in accordance with Company procedures. Making false, fictitious, misleading, or inappropriate entries with respect to any transaction of the Company or the disposition of any of the Company's assets is prohibited, and no director, officer, employee, representative or other associate may engage in any transaction that requires or contemplates the making of false, fictitious, misleading or inappropriate entries. You are responsible for the accuracy and completeness of any reports or records you create or maintain. Undisclosed or unrecorded assets, liabilities, revenues, or expenses are prohibited.

Comply with Company's Records Management Policies. Furthermore, all directors, officers, employees, representatives, and other associates must comply with the Company's records management policies. These policies describe how long documents and records (whether in print or electronic form) must be maintained in order to facilitate the Company's ongoing operations and to satisfy financial, legal and regulatory retention requirements.
These policies also provide directions for the proper disposal of records that have been kept for the required periods. In accordance with these policies, in the event of litigation or governmental investigation, please consult your Segment Law Department.

Use Communication Systems and Services for Business

Company Communications Systems Are for Business Use Only. Company communications systems, which include all computer and telecommunications equipment the Company owns or leases as well as all remote computing services used by the Company, including the Internet, as well as Company email and email addresses, are intended to be used for business purposes.

Employees Must Use Company-Approved Systems. Employees must use communication systems and devices in a professional manner and must not engage in any activity which does not comply with the Code. Company business must be conducted using Company-approved systems and networks and Company-approved remote access procedures.

Occasional Personal Use of Company Communications Systems Limited. Occasional personal use of Company communications systems is permitted when the use does not:

- interfere with the user's work performance;
- distract other individuals from their job responsibilities;

- unduly impact the operation of Company systems or processes; or
- violate any provisions of this Code or any other Company policy.

Rules on Using Company Communications Systems. All Company communications systems (including but not limited to email, instant messages, collaboration messages, voice mail, as well as data on these systems) are the Company's property. Authorized individuals may periodically check these systems to correct network problems, pursuant to regulatory requirements or otherwise and/or to ensure they are being properly used and secure. You cannot expect any personal privacy for communications that you send, receive or store on these systems.

Guidance on Using Emerging Technologies and Artificial Intelligence. Emerging technologies, such as new generative artificial intelligence (Gen AI) capabilities, present exciting opportunities and use cases across our businesses and functions. The Company remains committed to living our values in all that we do, and our AI Principles guide how we design, develop, and deploy AI solutions. While the usage of newly created technologies and services can be of great value, employees are responsible for maintaining the privacy and security of our confidential and proprietary information when using AI tools. Employees are also accountable for the outputs from their use of AI tools. Additionally, the Company manages access to other generative AI and Machine Learning (ML) tools through an access request process. Please speak with your manager and follow internal processes for any work with emerging technologies.

Solicitation or Distribution on Company Communications Systems of Non-Work-Related Materials Not Allowed. Company communications systems are for business use only and are not intended for employees to solicit or distribute information that is not work-related. In addition to creating potential conflicts of interest, distributing non-work-related materials during work time reduces productivity and may pose a security or fraud concern. Any exceptions to this must be approved by the Segment Chief Compliance Officer and/or Legal Officer.

Illegal Gambling in the Workplace Prohibited. Company communications systems should never be used for gambling. The Company prohibits illegal gambling in the workplace. This includes, but is not limited to, the wagering of money or other valuables on the outcome of events, such as sport pools, raffles, card, and dice games. Any drawings, contests, or similar activities must be approved by Human Resources, Legal and/or Compliance Office to ensure such activities do not constitute illegal gambling.

Social Media

Social Media Usage. Manulife and its subsidiaries recognize that social media is an important tool to use to connect with others in interactive discussions, share information, and advance business objectives using an ever-increasing number of platforms and applications, such as Facebook, WeChat, WhatsApp, LinkedIn and Twitter. At the same time, use of social media can pose risks to the Company's Confidential Information, reputation and brands, and can jeopardize the Company's compliance with applicable laws, regulations, and business rules.

Employees Are Accountable for What they Post Online. Postings/communications made through social media are or can become public and they may be difficult or impossible to rescind. Employees are accountable for what they post online and must follow the Company's Electronic Communications Standard, which provides guidance on authorized business and personal social media use. Note that paid sponsorships for social media are considered outside employment/business activity and must be reported to the Compliance Office by submitting a Conflict of Interest Disclosure Questionnaire and seek approval.

Social Media Monitoring. Please note the Company monitors social media sites for discussion of the Company, our business and our fellow employees.

Additional Guidance. For more guidance, refer to the Global Social Media Policy.

Ethics and the Law

Consequences for Potential Criminal Conduct. Manulife is committed to operating within the laws and regulations of every jurisdiction in which it operates. If an intentional violation of the Code also involves potential criminal conduct, unless prohibited under local law, Manulife may, in addition to terminating an individual's relationship with the Company without notice, refer the matter to law enforcement, disclose the matter to a regulator or self-regulatory organization and disclose (internal and/or external) relevant facts underlying the conduct and the Company's remedial measures.

Know and Comply with the Law

Know and Follow the Laws that Affect Your Work. You are required to understand the laws that affect your work and make sure your business conduct complies with those laws. You must promptly report violations and always act in accordance with this Code and other applicable Company policies.

Manulife's Compliance Management Program. A formal compliance management program is in place at Manulife. It is designed to promote consistent management and monitoring of compliance with laws and regulations in all Company operations. If you have questions or concerns relating to compliance, consult the procedures described in the section of this Code titled "Where to go for help."

Membership in a Professional Association. If you belong to a professional association, you are also expected to abide by that association's governing rules of professional responsibility and conduct in the performance of your job.

Manage Assets Properly

Customer Funds Handled in a Trustworthy Manner. Customers expect that the money they entrust to the Company will be handled responsibly. If you have access to customer funds, you must make sure customer funds are handled in a trustworthy manner. Every Segment has procedures and standards to help protect and account for all funds under management and to prevent carelessness, fraud, or dishonesty.

Identify and Report Fraud and Theft

Be Aware: Fraud Takes Many Forms. As a provider of financial services, Manulife is vulnerable to losses from dishonesty and fraud. Fraud can take many forms, such as mishandling of money, theft of cash or property, money laundering, corrupt payments of money and provision of things of value, terrorist financing, misrepresentation and falsification or forgery of documents.

Duty to Report Any Suspicious Activity. Dishonest activities, combining personal and business funds and fraud are all illegal. It is management's responsibility to ensure there are proper internal controls to deter and detect fraud and other dishonest activities, but everyone in the Company must help, including by following internal controls. If you are aware of any suspicious activity, you have a duty to report it immediately to the relevant immediate supervisor, Compliance, or via the Ethics Hotline. Furthermore, you have a duty to fully and truthfully cooperate with any investigations pertaining to Company matters.

Reminder: Reporting Any Illegal or Unethical Behaviour

Duty to Report. You have a duty to report suspected or potential illegal or unethical behaviour and to seek input when you are in doubt about the best course of action in a particular situation. Consult the procedures described in the section of this Code titled "Where to go for help" on reporting any suspected or potential illegal or unethical behaviour.

The Company Prohibits Retaliation for Good Faith Reports. As outlined above, you may report suspected or potential illegal or unethical behaviour without fear of retaliation. The Company absolutely prohibits retaliation of any kind for good faith reports of suspected or potential illegal or unethical behavior. In addition, directors, officers, employees, representatives, agents and other associates are expected to fully and truthfully cooperate in internal investigations of alleged misconduct.



A Final Word

Manulife's reputation is the result of more than 130 years of dedication, quality service and ethical dealings. Keeping our good reputation depends directly on the decisions you make every day.

This Code of Business Conduct and Ethics provides standards and sets high expectations for directors, officers, employees, representatives, suppliers and other associates, as well as those providing services to the Company. Subject to the approval of the MFC Audit Committee, the Company may modify the Code at any time, as appropriate.

However, as emphasized in the Code, your own good judgment is most important in ensuring that Manulife remains an ethical company.

Other Policies

The Company has related policies to help you deal with ethical issues, including on topics related to Anti-Fraud, Anti-Money Laundering and Anti-Terrorist Financing, Information Security, Privacy, Social Media, Reputation Risk, Conduct Risk, Insider Trading and Reporting, among others. Segments may also maintain Segment-level policies or standards.

Company policies can be found in the Company Global Policy Database.

Clawback Policy. Finally, please also note that all executives at the Vice President level and above are required to comply with the clawback policy, under which the Board has the discretion to cancel unvested incentive awards and/or clawback vested and/or paid incentive awards, as applicable, in the event of your fraud, theft, embezzlement or serious misconduct (which includes, but is not limited to, dishonesty or a breach of company policy to the material detriment of Manulife's or John Hancock's business or reputation and any conduct that would qualify as cause for termination of employment at common law) irrespective of whether there was a financial restatement. In this paragraph, "incentive awards" include vested, unvested and/or paid AIP payments, RSUs, PSUs, DSUs and/or Stock Options.

Further Helpful Information

If you wish to ask questions about the Code or report suspected misconduct, you may reach out or raise your concerns to your manager, Legal, Compliance, your Human Resources Partner or Employee Relations and for those seeking to remain anonymous, you may contact Manulife's Ethics Hotline. Manulife's Ethics Hotline is available 24-hours per day, seven days per week. You may report suspected or potential illegal or unethical behaviour without any fear of retaliation.

Contact the hotline at: www.manulifeethics.com or 866-294-9534.

If you have a question or concern, you may contact the Compliance Office at:
GlobalComplianceOffice@manulife.com
or the following Compliance Office staff:

Sören Seitz
Global Chief Compliance Officer
Soeren_Seitz@manulife.com

Kevin Askew
Global Chief Financial Crimes and Anti-Money Laundering Officer
KAskew@jhancock.com

Tiff Palmer
VP & Chief Ethics Officer
Tiffany_Palmer@manulife.com

Robin Pak
AVP & Senior Counsel
RobinPak@jhancock.com

Christine Au-Yeung
Director, Ethics Office
Christine_Au-Yeung@jhancock.com