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, 2025 **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)
Tracy Lannigan, John Hancock Life Insurance Company (U.S.A.), 197 Clarendon 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**

40-F 3

†The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Auditor Name: Ernst & Young LLP Auditor Location: Toronto, Ontario, Canada

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). ☐

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, 2025;
(b) Management's Discussion and Analysis for the fiscal year ended December 31, 2025; and
(c) Annual Information Form dated February 11, 2026 for the fiscal year ended December 31, 2025.

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, 2025 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, 2025, 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, 2025, 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, 2025, 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, 2025, 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 11, 2026 for the fiscal year ended December 31, 2025, 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 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.

There were no waivers, including implied waivers, from any provision of the Code during 2025.

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 11, 2026 for the fiscal year ended December 31, 2025, 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 11, 2026 for the fiscal year ended December 31, 2025, 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, 2025, 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, 2025, 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, 2025, 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 11, 2026 for the fiscal year ended December 31, 2025, 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, 2025 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, Phil Witherington 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 11, 2026.

Manulife Financial Corporation

By: */s/ Michael F. Coyne*

Name: Michael F. Coyne

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, 2025
99.2	Management's Discussion and Analysis for the fiscal year ended December 31, 2025
99.3	Annual Information Form dated February 11, 2026 for the fiscal year ended December 31, 2025
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
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, 2025

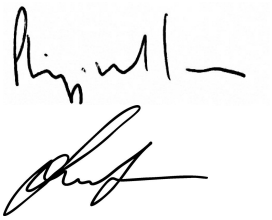
Responsibility for Financial Reporting

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.



Phil Witherington
President and Chief Executive Officer
Toronto, Canada
February 11, 2026

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, 2025 and 2024 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.



Stephanie Fadous
Appointed Actuary
Toronto, Canada
February 11, 2026

(This page intentionally left blank)

(This page intentionally left blank)

(This page intentionally left blank)

(This page intentionally left blank)

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, 2025 and 2024, 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, 2025 and 2024, 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, 2025, 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 11, 2026, 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 $541 billion at December 31, 2025 on its consolidated statement of financial position, of which $398 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 recalculation 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 with Significant Non-Observable Market Inputs
Description of the matter	The Company recorded invested assets of $95.3 billion, as disclosed in Note 3 'Invested Assets and Investment Income' at December 31, 2025 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. There is increased measurement uncertainty in determining the fair value of these invested assets 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, and transaction prices of comparable assets. Disclosures on this matter are found in Note 1 'Nature of Operations and Material Accounting Policy Information' and Note 3 'Invested Assets and Investment Income' of the consolidated financial statements. Auditing the valuation of these invested assets 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, completeness and accuracy of data used and 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.

	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 $338 million, and changes in value of hedged liabilities of $1,180 million, for the year ended December 31, 2025. 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 11, 2026

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, 2025, 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, 2025, 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, 2025 and 2024, 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 11, 2026, 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 11, 2026

Consolidated Statements of Financial Position

As at December 31, (Canadian $ in millions)	2025	2024
Assets		
Cash and short-term securities	**$ 26,703**	$ 25,789
Debt securities	**214,114**	210,621
Public equities	**40,971**	33,725
Mortgages	**57,119**	54,447
Private placements	**51,782**	49,668
Loans to Bank clients	**2,735**	2,310
Real estate	**12,682**	13,263
Other invested assets	**53,822**	52,674
Total invested assets (note 3)	**459,928**	442,497
Other assets		
Accrued investment income	**3,198**	2,969
Derivatives (note 4)	**9,628**	8,667
Insurance contract assets (note 6)	**194**	102
Reinsurance contract held assets (note 6)	**60,881**	59,015
Deferred tax assets	**5,741**	5,884
Goodwill and intangible assets (note 5)	**12,324**	11,052
Miscellaneous	**12,285**	12,644
Total other assets	**104,251**	100,333
Segregated funds net assets (note 22)	**461,254**	435,988
Total assets	**$1,025,433**	$ 978,818
Liabilities and Equity		
Liabilities		
Insurance contract liabilities, excluding those for account of segregated fund holders (note 6)	**$ 411,532**	$ 396,401
Reinsurance contract held liabilities (note 6)	**3,273**	2,669
Investment contract liabilities (note 7)	**14,137**	13,498
Deposits from Bank clients	**24,707**	22,063
Derivatives (note 4)	**14,351**	14,252
Deferred tax liabilities	**2,018**	1,890
Other liabilities	**26,998**	24,936
Long-term debt (note 9)	**7,685**	6,629
Capital instruments (note 10)	**6,990**	7,532
Total liabilities, excluding those for account of segregated fund holders	**511,691**	489,870
Insurance contract liabilities for account of segregated fund holders (note 6)	**129,006**	126,545
Investment contract liabilities for account of segregated fund holders	**332,248**	309,443
Insurance and investment contract liabilities for account of segregated fund holders (note 22)	**461,254**	435,988
Total liabilities	**972,945**	925,858

Consolidated Statements of Income

For the years ended December 31, (Canadian $ in millions except per share amounts)	2025	2024
Insurance service result		
Insurance revenue (note 6)	**$ 28,888**	$ 26,592
Insurance service expenses (note 6)	**(23,091)**	(21,822)
Net expenses from reinsurance contracts held (note 6)	**(1,271)**	(769)
Total insurance service result	**4,526**	4,001
Investment result		
Investment income (note 3)		
Investment income	**19,014**	18,249
Realized and unrealized gains (losses) on assets supporting insurance and investment contract liabilities	**6,275**	2,210
Investment expenses	**(1,342)**	(1,348)
Net investment income (loss)	**23,947**	19,111
Insurance finance income (expenses) and effect of movement in foreign exchange rates (note 6)	**(22,681)**	(16,219)
Reinsurance finance income (expenses) and effect of movement in foreign exchange rates (note 6)	**1,694**	1,133
Decrease (increase) in investment contract liabilities (note 6)	**(551)**	(504)
	2,409	3,521
Segregated funds investment result (note 22)		
Investment income related to segregated funds net assets	**57,909**	52,870
Financial changes related to insurance and investment contract liabilities for account of segregated fund holders	**(57,909)**	(52,870)
Net segregated funds investment result	**-**	-
Total investment result	**2,409**	3,521

Consolidated Statements of Comprehensive Income

For the years ended December 31, (Canadian $ in millions)	2025	2024
Net income (loss)	**$ 6,060**	$ 5,878
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	**(1,765)**	3,109
Net investment hedges	**323**	(583)
Insurance finance income (expenses)	**(2,531)**	6,462
Reinsurance finance income (expenses)	**599**	(2,280)
Fair value through OCI investments:		
Unrealized gains (losses) arising during the year on assets supporting insurance and investment contract liabilities	**1,994**	(3,573)
Reclassification of net realized gains (losses) and provision for credit losses recognized in income	**850**	1,314
Other	**(104)**	158
Total items that may be subsequently reclassified to net income	**(634)**	4,607
Items that will not be reclassified to net income	**21**	66
Other comprehensive income (loss), net of tax	**(613)**	4,673
Total comprehensive income (loss), net of tax	**$ 5,447**	$ 10,551
Total comprehensive income (loss) attributed to:		
Non-controlling interests	**$ 134**	$ 4
Participating policyholders	**269**	310
Shareholders and other equity holders	**5,044**	10,237

Income Taxes included in Other Comprehensive Income

For the years ended December 31, (Canadian $ in millions)	2025	2024
Income tax expenses (recoveries) on:		
Unrealized foreign exchange gains (losses) on translation of foreign operations	**$ (2)**	$ 1
Unrealized foreign exchange gains (losses) on net investment hedges	**38**	(37)
Insurance / reinsurance finance income (expenses)	**(77)**	1,207
Unrealized gains (losses) on fair value through OCI investments	**71**	(480)
Reclassification of net realized gains (losses) on fair value through OCI investments	**187**	300
Other	**(45)**	68
Total income tax expenses (recoveries)	**$ 172**	$ 1,059

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)	**2025**	2024
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	**20,681**	21,527
Repurchased (note 11)	**(651)**	(990)
Issued on exercise of stock options and deferred share units	**73**	144
Balance, end of year	**20,103**	20,681
Contributed surplus		
Balance, beginning of year	**204**	222
Exercise of stock options and deferred share units	**(5)**	(18)
Balance, end of year	**199**	204
Shareholders and other equity holders' retained earnings		
Balance, beginning of year	**4,764**	4,819
Net income (loss) attributed to shareholders and other equity holders	**5,572**	5,385
Common shares repurchased (note 11)	**(1,780)**	(2,282)
Preferred share dividends and other equity distributions	**(321)**	(311)
Common share dividends	**(2,984)**	(2,848)
Other (note 24)	**(227)**	1
Balance, end of year	**5,024**	4,764
Shareholders and other equity holders' accumulated other comprehensive income (loss) ("AOCI")		
Balance, beginning of year	**18,663**	13,811
Change in unrealized foreign exchange gains (losses) on net foreign operations	**(1,442)**	2,526
Changes in insurance / reinsurance finance income (expenses)	**(2,222)**	5,575
Change in unrealized gains (losses) on fair value through OCI investments	**3,220**	(3,471)
Other changes in OCI attributed to shareholders and other equity holders	**(84)**	222
Balance, end of year	**18,135**	18,663
Total shareholders and other equity holders' equity, end of year	**50,121**	50,972
Participating policyholders' equity		
Balance, beginning of year	**567**	257
Net income (loss) attributed to participating policyholders	**210**	246
Other comprehensive income (losses) attributed to policyholders	**59**	64
Balance, end of year	**836**	567
Non-controlling interests		
Balance, beginning of year	**1,421**	1,431
Net income (loss) attributed to non-controlling interests	**278**	247
Other comprehensive income (losses) attributed to non-controlling interests	**(144)**	(243)
Contributions (distributions and acquisitions), net	**(24)**	(14)
Balance, end of year	**1,531**	1,421
Total equity, end of year	**$ 52,488**	$ 52,960

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

Consolidated Statements of Cash Flows

For the years ended December 31,

(Canadian $ in millions)	2025	2024
Operating activities		
Net income (loss)	**$ 6,060**	$ 5,878
Adjustments:		
Increase (decrease) in insurance contract net liabilities (note 6)	**18,087**	9,435
Increase (decrease) in investment contract liabilities	**551**	504
(Increase) decrease in reinsurance contract assets, excluding reinsurance transactions noted below (note 6)	**(1,226)**	(613)
Amortization of (premium) discount on invested assets	**(344)**	(290)
Contractual service margin ("CSM") amortization	**(2,706)**	(2,376)
Other amortization	**877**	869
Net realized and unrealized (gains) losses and impairment of assets	**(6,120)**	(860)
Deferred income tax expenses (recoveries)	**(6)**	311
Net loss on reinsurance transactions (pre-tax) (note 6)	**(9)**	71
Cash provided by operating activities before undernoted items	**15,164**	12,929
Changes in policy related and operating receivables and payables	**16,941**	13,565
Cash provided by (used in) operating activities	**32,105**	26,494
Investing activities		
Purchases of invested assets and derivatives	**(135,470)**	(131,123)
Disposals and repayments	**108,592**	112,671
Changes in investment broker net receivables and payables	**(210)**	290
Net cash increase (decrease) from sale (purchase) of subsidiaries	**(1,277)**	(297)
Cash provided by (used in) investing activities	**(28,365)**	(18,459)
Financing activities		
Changes in repurchase agreements	**(473)**	460
Issue of long-term debt, net (note 9)	**1,385**	-
Issue of capital instruments, net (note 10)	**497**	2,591
Redemption of capital instruments (note 10)	**(1,000)**	(1,886)
Secured borrowing from securitization transactions	**676**	667
Changes in deposits from Bank clients, net	**2,661**	413
Lease payments	**(108)**	(118)
Shareholders' dividends and other equity distributions	**(3,305)**	(3,159)
Contributions from (distributions to) non-controlling interests, net	**(24)**	(14)
Common shares repurchased (note 11)	**(2,431)**	(3,272)
Common shares issued, net (note 11)	**73**	144
Cash provided by (used in) financing activities	**(2,049)**	(4,174)
Cash and short-term securities		
Increase (decrease) during the year	**1,691**	3,861
Effect of foreign exchange rate changes on cash and short-term securities	**(816)**	1,197
Balance, beginning of year	**24,942**	19,884
Balance, end of year	**25,817**	24,942
Cash and short-term securities		
Beginning 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, beginning of year	**24,942**	19,884
End of year		
Gross cash and short-term securities	**26,703**	25,789
Net payments in transit, included in other liabilities	**(886)**	(847)
Net cash and short-term securities, end of year	**$ 25,817**	$ 24,942
Supplemental disclosures on cash flow information		
Interest received	**$ 13,942**	$ 13,496
Interest paid	**1,515**	1,574
Income taxes paid	**756**	755

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
45	Note 4	Derivative and Hedging Instruments
55	Note 5	Goodwill and Intangible Assets
58	Note 6	Insurance and Reinsurance Contract Assets and Liabilities
83	Note 7	Investment Contract Liabilities
84	Note 8	Risk Management
101	Note 9	Long Term Debt
102	Note 10	Capital Instruments
103	Note 11	Equity Capital and Earnings Per Share
105	Note 12	Capital Management
106	Note 13	Revenue from Service Contracts
107	Note 14	Stock-Based Compensation
108	Note 15	Employee Future Benefits
113	Note 16	Income Taxes
116	Note 17	Interests in Structured Entities
118	Note 18	Commitments and Contingencies
120	Note 19	Segmented Information
123	Note 20	Related Parties
124	Note 21	Subsidiaries
125	Note 22	Segregated Funds
126	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.)
128	Note 24	Acquisitions

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 Canada and Asia, and primarily as John Hancock 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, 2025 were authorized for issue by MFC's Board of Directors on February 11, 2026.

(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 result, 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 unobservable 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 other invested assets, mortgages, real estate, timber investments held within segregated funds, certain private placements 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, with the possibility of 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 the Company's Consolidated Financial Statements from the date control is established and are excluded 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 when gaining control in a subsidiary.

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 the Company's subsidiaries and are presented within total equity, separate from the equity of participating policyholders and shareholders. Non-controlling interests in the net income and

other comprehensive income (“OCI”) of the Company’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 shares are presented as liabilities of the Company and other parties’ interests in the subsidiary’s net income and OCI are presented 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.
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 which are financial instruments are classified as fair value through other comprehensive income (“FVOCI”), FVTPL or as amortized cost. The Company determines the classification of its invested 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 public and private equities which are accounted for as financial instruments are not subject to the SPPI test and are classified 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 their 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 or at cost. Short-term securities comprise investments due to mature within one year of the date of purchase. Short-term securities 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 securities are generally valued by third-party 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 securities 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.
Mortgages are classified as Level 3 for fair value disclosure 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 properties. 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"). Other 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. All own use real estate property is classified as Level 3 for fair value disclosure purposes.

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 unobservable 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 property 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 property, 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 properties 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 primarily 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 entities' lease receivables 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 Standard and Poor's ("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 allowance 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. Amortization expense is recorded in General expenses. 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 company owned life insurance policies ("COLI") assets with respect to unfunded defined benefit obligations, defined benefit assets and capital assets. COLI assets are carried at their cash surrender 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.

These 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 them and 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 the 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 Insurance service 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 CSM, 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 Insurance service 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 Insurance service 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 and 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 Insurance service 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 Insurance service 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 Insurance service 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 ARC 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 model, 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 recovery 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 CSM.

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 fair value by election. The FVTPL 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 senior notes, subordinated notes and surplus notes. 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 period 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 miscellaneous 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. Adoption of these amendments is not expected to have a significant impact 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 Company expects to pay GMT of $222 for the year ended December 31, 2025 arising from its operations in Barbados and Hong Kong (2024 – $231).

The amendments also provide 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.

Note 3 Invested Assets and Investment Income

(a)Carrying Values and Fair Values of Invested Assets

As at December 31, 2025	FVTPL[1]	FVOCI[2]	Other[3]	Total carrying value	Total fair value[4]
Cash and short-term securities[5]	$ -	$ 20,827	$ 5,876	$ 26,703	$ 26,703
Debt securities[6]					
Canadian government and agency	966	17,708	-	18,674	18,674
U.S. government and agency	39	26,595	632	27,266	26,999
Other government and agency	63	37,419	-	37,482	37,482
Corporate	2,742	125,184	504	128,430	128,248
Mortgage / asset-backed securities	270	1,992	-	2,262	2,262
Public equities (FVTPL mandatory)	40,971	-	-	40,971	40,971
Mortgages	1,351	28,589	27,179	57,119	57,600
Private placements	953	50,829	-	51,782	51,782
Loans to Bank clients	-	-	2,735	2,735	2,699
Real estate					
Own use property[7],[8]	-	-	2,631	2,631	2,762
Investment property	-	-	10,051	10,051	10,051
Other invested assets					
Alternative long-duration assets[9]	35,101	383	13,545	49,029	50,132
Various other[10]	145	-	4,648	4,793	4,793
Total invested assets	**$ 82,601**	**$ 309,526**	**$ 67,801**	**$ 459,928**	**$ 461,158**

[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 $383 (2024 – $389) 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, 2025 include debt securities, private placements and other invested assets with fair values of $nil, $98 and $552, respectively (2024 – $nil, $132 and $547, respectively). The change in the fair value of these non-SPPI invested assets for the year ended December 31, 2025 was a decrease of $29 (2024 – an increase of $25). 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 $11,791 (2024 – $10,121), cash equivalents with maturities of less than 90 days at acquisition amounting to $9,135 (2024 – $9,813) and cash of $5,777 (2024 – $5,855).

[6]Debt securities include securities which were acquired with remaining maturities of less than one year and less than 90 days of $1,842 and $236, respectively (2024 – $1,266 and $145, respectively).

[7]Includes accumulated depreciation of $66 (2024 – $65).

[8]Own use property of $2,466 as at December 31, 2025 (December 31, 2024 – $2,500), 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 $165 (December 31, 2024 – $174) is carried at cost less accumulated depreciation and any accumulated impairment losses.

[9]ALDA include investments in private equity of $18,466, infrastructure of $18,629, timber and agriculture of $6,012, energy of $1,658 and various other ALDA of $4,264 (2024 – $18,343, $17,804, $5,917, $1,916 and $3,883, respectively).

[10]Includes $4,266 (2024 – $4,300) of leveraged leases. Refer to note 1 (e).

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

Note: For footnotes (1) to (10), refer to the “Carrying Values and Fair Values of Invested Assets” table for the year ended December 31, 2025 above.

(b)Investment Income

For the year ended December 31, 2025	FVTPL	FVOCI	Other[1]	Total
Cash and short-term securities				
Interest income	$ -	$ 896	$ -	$ 896
Gains (losses)[2]	-	(25)	-	(25)
Debt securities				
Interest income	165	8,160	28	8,353
Gains (losses)[2]	(12)	230	-	218
Impairment (loss) / recovery, net	-	(4)	-	(4)
Public equities				
Dividend income	853	-	-	853
Gains (losses)[2]	5,425	-	-	5,425
Mortgages				
Interest income	54	1,222	1,102	2,378
Gains (losses)[2]	24	30	7	61
Impairment (loss) / recovery, net	-	(1)	(1)	(2)
Private placements				
Interest income	40	2,575	-	2,615
Gains (losses)[2]	12	151	-	163
Impairment (loss) / recovery, net	-	(87)	-	(87)
Loans to Bank clients				
Interest income	-	-	141	141
Impairment (loss) / recovery, net	-	-	(2)	(2)
Real estate				
Rental income, net of depreciation[3]	-	-	471	471
Gains (losses)[2]	-	-	(38)	(38)
Impairment (loss) / recovery, net	-	-	-	-
Derivatives				
Interest income, net	(201)	-	-	(201)
Gains (losses)[2]	258	-	-	258
Other invested assets				
Interest income	21	7	-	28
Timber, agriculture and other income	2,538	-	1,008	3,546
Gains (losses)[2]	345	-	(92)	253
Impairment (loss) / recovery, net	-	1	(12)	(11)
Total investment income (loss)	**$ 9,522**	**$ 13,155**	**$ 2,612**	**$ 25,289**
Investment income				
Interest income	$ 79	$ 12,860	$ 1,271	$ 14,210
Dividends, rental income and other income	3,391	-	1,479	4,870
Impairment (loss) / recovery, net	-	(91)	(15)	(106)
Other	62	(16)	(6)	40
	3,532	12,753	2,729	19,014
Realized and unrealized gains (losses) on assets supporting insurance and investment contract liabilities				
Debt securities	(12)	238	-	226
Public equities	5,231	-	-	5,231
Mortgages	24	30	7	61
Private placements	12	149	-	161
Real estate	-	-	(29)	(29)
Other invested assets	365	(15)	(95)	255
Derivatives	370	-	-	370
	5,990	402	(117)	6,275
Total investment income (loss)	**$ 9,522**	**$ 13,155**	**$ 2,612**	**$ 25,289**
Investment expenses				(1,342)
Net investment income (loss)				**$ 23,947**

[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, 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

Note: For footnotes (1) to (3), refer to the "Investment Income" table for the year ended December 31, 2025 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,	2025 Carrying value	2025 % of total	2024 Carrying value	2024 % of total
Leveraged leases	**$ 4,266**	**33%**	$ 4,300	34%
Infrastructure	**5,132**	**39%**	4,848	38%
Timber and agriculture	**847**	**6%**	837	7%
Real estate	**2,168**	**17%**	2,098	16%
Other	**644**	**5%**	673	5%
Total	**$ 13,057**	**100%**	$ 12,756	100%

The Company recorded income of $738 (2024 – $398) for these equity method accounted invested assets for the year ended December 31, 2025.

(d)Investment Expenses

The following table presents total investment expenses.

For the years ended December 31,	2025	2024
Related to invested assets	**$ 841**	$ 731
Related to segregated, mutual and other funds	**501**	617
Total investment expenses	**$ 1,342**	$ 1,348

(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,	2025	2024
Rental income from investment properties	**$ 845**	$ 859
Direct operating expenses of rental investment properties	**(474)**	(483)
Total	**$ 371**	$ 376

(f)Mortgage Securitization

The Company securitizes uninsured Home Equity Lines of Credit ("HELOC") mortgages through the Platinum Canadian Mortgage Trust II ("PCMT") program and participates in two Canada Housing and Mortgage Corporation ("CMHC") residential mortgage securitization programs: the National Housing Act Mortgage-Backed Securities ("NHA MBS") program and the Canadian Mortgage Bond ("CMB") program.

HELOCs sold to Platinum Trust II, and securitized single family residential mortgages remain on the Company's balance sheet because prepayment and interest rate risk is retained, and notes payable are recognized, accounted for at amortized cost. 3rd party originated multi-unit residential mortgages transferred to the NHA MBS program remain on the Company's balance sheet onto to the extent of the retained interests with gains or losses recognized on transfer. NHA MBS are also sold directly to the market.

Benefits received from these securitizations include a source of fixed rate funding and 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.

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, 2025	Securitized assets				
Securitization program	Securitized mortgages	Restricted cash and short-term securities	Total	Secured borrowing liabilities(1)	Net
HELOC securitization(2)	**$ 3,664**	**$ 9**	**$ 3,673**	**$ 3,500**	**$ 173**
CMB securitization(3)	**3,358**	**-**	**3,358**	**3,366**	**(8)**
Total	**$ 7,022**	**$ 9**	**$ 7,031**	**$ 6,866**	**$ 165**

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

(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, $2,453 within 1-3 years, $1,047 within 3-5 years and $nil beyond 5 years (2024 – $nil, $1,036, $1,964 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 NHA MBS program sponsored by CMHC. Manulife Bank participates in CMB programs by selling NHA MBS securities to Canada Housing Trust ("CHT") as well as to market, as a source of fixed-rate funding. CMB securitization included sales to CHT of $2,984 in securitized assets and $2,989 in securitized borrowing liabilities (2024 – $3,274 and $3,217, respectively); and sales to the market of $374 in securitized assets and $377 in secured borrowing liabilities (2024 – $nil and $nil, respectively).

As at December 31, 2025, the fair values of securitized assets and related liabilities were $7,137 and $6,855, respectively (2024 – $6,521 and $6,182, 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, 2025	Total fair value	Level 1	Level 2	Level 3
Cash and short-term securities				
FVOCI	**$ 20,827**	**$ -**	**$ 20,827**	**$ -**
FVTPL	**-**	**-**	**-**	**-**
Other	**5,777**	**5,777**	**-**	**-**
Debt securities				
FVOCI				
Canadian government and agency	**17,708**	**-**	**17,708**	**-**
U.S. government and agency	**26,595**	**-**	**26,595**	**-**
Other government and agency	**37,419**	**-**	**37,405**	**14**
Corporate	**125,184**	**-**	**125,090**	**94**
Residential mortgage-backed securities	**1**	**-**	**1**	**-**
Commercial mortgage-backed securities	**781**	**-**	**781**	**-**
Other asset-backed securities	**1,210**	**-**	**1,210**	**-**
FVTPL				
Canadian government and agency	**966**	**-**	**966**	**-**
U.S. government and agency	**39**	**-**	**39**	**-**
Other government and agency	**63**	**-**	**63**	**-**
Corporate	**2,742**	**-**	**2,742**	**-**
Commercial mortgage-backed securities	**5**	**-**	**5**	**-**
Other asset-backed securities	**265**	**-**	**255**	**10**
Private placements(1)				
FVOCI	**50,829**	**-**	**40,502**	**10,327**
FVTPL	**953**	**-**	**799**	**154**
Mortgages				
FVOCI	**28,589**	**-**	**-**	**28,589**
FVTPL	**1,351**	**-**	**-**	**1,351**
Public equities				
FVTPL	**40,971**	**40,900**	**71**	**-**
Real estate(2)				
Investment property	**10,051**	**-**	**-**	**10,051**
Own use property	**2,466**	**-**	**-**	**2,466**
Other invested assets(3)	**39,405**	**70**	**-**	**39,335**
Segregated funds net assets(4)	**461,254**	**423,407**	**34,949**	**2,898**
Total	**$ 875,451**	**$ 470,154**	**$ 310,008**	**$ 95,289**

(1) Fair value of private placements is determined through an internal valuation methodology using both observable and unobservable inputs. Unobservable 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 unobservable inputs are capitalization rates ranging from 3.20% to 11.00% during the year ended December 31, 2025 (2024 – ranging from 3.10% to 9.50%), terminal capitalization rates ranging from 3.25% to 10.00% during the year ended December 31, 2025 (2024 – ranging from 3.10% to 10.00%) and discount rates ranging from 3.60% to 13.75% during the year ended December 31, 2025 (2024 – ranging from 3.60% to 13.75%). Holding other factors constant, a lower capitalization or terminal capitalization rate will tend to increase the fair value of an investment property. Changes in fair value based on variations in unobservable inputs generally cannot be extrapolated because the relationship between the directional changes of each input is not usually linear.

(3)Other invested assets measured at fair value are held in infrastructure and timberland sectors and include fund investments of $32,804 (2024 – $31,435) recorded at net asset value. The significant inputs used in the valuation of the Company's infrastructure investments are primarily future distributable cash flows, terminal values and discount rates. Holding other factors constant, an increase to future distributable cash flows or terminal values would tend to increase the fair value of an infrastructure investment, while an increase in the discount rate would have the opposite effect. Discount rates during the year ended December 31, 2025 ranged from 7.87% to 20.00% (2024 – ranged from 7.42% to 20.00%). Disclosure of distributable cash flow and terminal value ranges are not meaningful given the disparity in estimates by project. The significant inputs used in the valuation of the Company's investments in timberland properties are timber prices and discount rates. Holding other factors constant, an increase to timber prices would tend to increase the fair value of a timberland investment, while an increase in the discount rates would have the opposite effect. Discount rates during the year ended December 31, 2025 ranged from 3.25% to 6.25% (2024 – ranged from 3.25% to 6.25%). A range of prices for timber is not meaningful as the market price depends on factors such as property location and proximity to markets and export yards.

(4)Segregated funds net assets are measured at fair value. The Company's Level 3 segregated funds underlying assets are predominantly investment properties and timberland properties valued as described above.

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

Note: For footnotes (1) to (4), refer to the "Fair Value Measurement" table as at December 31, 2025 above.

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

As at December 31, 2025	Carrying value	Total fair value	Level 1	Level 2	Level 3
Short-term securities	**$ 99**	**$ 99**	**$ -**	**$ -**	**$ 99**
Mortgages[1]	**27,179**	**27,660**	**-**	**-**	**27,660**
Loans to Bank clients[2]	**2,735**	**2,699**	**-**	**2,699**	**-**
Real estate - own use property[3]	**165**	**296**	**-**	**-**	**296**
Public bonds held at amortized cost	**1,136**	**687**	**-**	**687**	**-**
Other invested assets[4]	**14,417**	**15,520**	**564**	**-**	**14,956**
Total invested assets disclosed at fair value	**$ 45,731**	**$ 46,961**	**$ 564**	**$ 3,386**	**$ 43,011**

As at December 31, 2024	Carrying value	Total fair value	Level 1	Level 2	Level 3
Short-term securities	$ -	$ -	$ -	$ -	$ -
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

[1] Fair value of commercial mortgages is determined through an internal valuation methodology using both observable and unobservable inputs. Unobservable 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 $4,266 (2024 – $4,300), other equity method accounted investments and other invested assets of $10,151 (2024 – $9,831). 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, 2025, the Company had $nil transfers between Level 1 and Level 2 (2024 – $nil).

For segregated funds net assets, during the year ended December 31, 2025, the Company had $nil transfers from Level 1 to Level 2 (2024 – $nil). During the year ended December 31, 2025, the Company had $nil transfers from Level 2 to Level 1 (2024 – $nil).

Invested assets and segregated funds net assets measured at fair value using significant unobservable 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 unobservable inputs are used to determine fair value. The Company prioritizes the use of market-based inputs over unobservable 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 unobservable factors.

The following tables present the movement in invested assets, net derivatives and segregated funds net assets measured at fair value using significant unobservable inputs (Level 3) for the years ended December 31, 2025 and 2024.

For the year ended December 31, 2025	Balance, January 1, 2025	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, 2025**	Change in unrealized gains (losses) on assets still held
Debt securities											
FVOCI											
Other government & agency	**$ 10**	**$ -**	**$ 5**	**$ 4**	**$ -**	**$ (4)**	**$ -**	**$ -**	**$ (1)**	**$ 14**	**$ -**
Corporate	**44**	**-**	**(1)**	**-**	**-**	**(3)**	**57**	**-**	**(3)**	**94**	**-**
FVTPL											
Other securitized assets	**-**	**-**	**-**	**10**	**-**	**-**	**-**	**-**	**-**	**10**	**-**
Private placements											
FVOCI	**8,764**	**(74)**	**(181)**	**3,405**	**(370)**	**(1,046)**	**382**	**(277)**	**(276)**	**10,327**	**-**
FVTPL	**136**	**-**	**-**	**74**	**-**	**(43)**	**74**	**(89)**	**2**	**154**	**-**
Mortgages											
FVOCI	**28,792**	**34**	**858**	**2,779**	**(2,187)**	**(776)**	**-**	**-**	**(911)**	**28,589**	**-**
FVTPL	**1,239**	**14**	**-**	**205**	**(54)**	**(51)**	**-**	**-**	**(2)**	**1,351**	**-**
Investment property	**10,589**	**(91)**	**-**	**140**	**(330)**	**-**	**-**	**-**	**(257)**	**10,051**	**(105)**
Own use property	**2,500**	**(25)**	**-**	**25**	**(3)**	**-**	**-**	**-**	**(31)**	**2,466**	**(25)**
Other invested assets	**38,466**	**619**	**16**	**5,143**	**(1,539)**	**(2,138)**	**-**	**-**	**(1,232)**	**39,335**	**376**
Total invested assets	**90,540**	**477**	**697**	**11,785**	**(4,483)**	**(4,061)**	**513**	**(366)**	**(2,711)**	**92,391**	**246**
Derivatives, net	**(3,235)**	**54**	**(2)**	**-**	**-**	**(105)**	**-**	**3,233**	**59**	**4**	**(30)**
Segregated funds net assets	**3,334**	**214**	**(292)**	**48**	**(381)**	**50**	**-**	**-**	**(75)**	**2,898**	**26**
Total	**$90,639**	**$ 745**	**$ 403**	**$ 11,833**	**$ (4,864)**	**$ (4,116)**	**$ 513**	**$ 2,867**	**$ (2,727)**	**$ 95,293**	**$ 242**

[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 note 1 (h).

[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] The derivatives transferred from Level 3 to Level 2 amounting to $3,233 in the current period are related to derivative contracts that no longer have unobservable inputs for determining fair values. Forward contracts and other derivatives which continue to have unobservable inputs are still classified as Level 3.

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 note 1 (h).

[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.

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, 2025	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	**$ 26,703**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 26,703**
Debt securities							
Canadian government and agency	**1,349**	**1,082**	**779**	**3,888**	**11,576**	**-**	**18,674**
U.S. government and agency	**160**	**798**	**1,619**	**2,625**	**22,064**	**-**	**27,266**
Other government and agency	**349**	**1,054**	**804**	**3,155**	**32,120**	**-**	**37,482**
Corporate	**8,522**	**15,619**	**16,387**	**36,055**	**51,847**	**-**	**128,430**
Mortgage / asset-backed securities	**121**	**212**	**215**	**388**	**1,326**	**-**	**2,262**
Public equities	**-**	**-**	**-**	**-**	**-**	**40,971**	**40,971**
Mortgages	**6,572**	**12,099**	**9,922**	**6,825**	**10,288**	**11,413**	**57,119**
Private placements	**2,030**	**6,001**	**5,197**	**10,796**	**27,718**	**40**	**51,782**
Loans to Bank clients	**46**	**9**	**4**	**-**	**-**	**2,676**	**2,735**
Real estate							
Own use property	**-**	**-**	**-**	**-**	**-**	**2,631**	**2,631**
Investment property	**-**	**-**	**-**	**-**	**-**	**10,051**	**10,051**
Other invested assets							
Alternative long-duration assets	**-**	**18**	**104**	**287**	**504**	**48,116**	**49,029**
Various other	**20**	**-**	**-**	**3,725**	**521**	**527**	**4,793**
Total invested assets	**$ 45,872**	**$ 36,892**	**$ 35,031**	**$ 67,744**	**$ 157,964**	**$ 116,425**	**$ 459,928**

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

[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.

(a)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. 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 unobservable inputs may involve significant management judgment or estimation. Even though these inputs are unobservable, 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,		**2025**			2024		
		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	**$ 196,158**	**$ 2,793**	**$ 3,826**	$ 206,181	$ 2,734	$ 3,533
	Foreign currency swaps	**16,383**	**71**	**2,385**	14,121	145	2,114
	Forward contracts	**25,324**	**30**	**2,730**	25,692	74	3,420
Cash flow hedges	Interest rate swaps	**10,946**	**31**	**63**	9,036	24	48
	Foreign currency swaps	**650**	**-**	**190**	650	-	216
	Forward contracts	**-**	**-**	**-**	-	-	-
	Equity contracts	**298**	**-**	**-**	324	6	-
Net investment hedges	Forward contracts	**587**	**3**	**6**	602	18	-
Total derivatives in qualifying hedge accounting relationships		**250,346**	**2,928**	**9,200**	256,606	3,001	9,331
Derivatives not designated in qualifying hedge accounting relationships							
	Interest rate swaps	**112,633**	**2,403**	**3,050**	110,114	2,188	2,906
	Interest rate futures	**21,483**	**-**	**-**	9,054	-	-
	Interest rate options	**4,876**	**8**	**-**	5,633	16	-
	Foreign currency swaps	**36,417**	**2,434**	**558**	33,924	1,854	272
	Currency rate futures	**2,242**	**-**	**-**	2,238	-	-
	Forward contracts	**55,555**	**848**	**1,511**	52,044	882	1,675
	Equity contracts	**23,995**	**1,006**	**28**	25,290	724	63
	Credit default swaps	**109**	**1**	**-**	114	2	-
	Equity futures	**5,354**	**-**	**-**	4,004	-	-
Total derivatives not designated in qualifying hedge accounting relationships		**262,664**	**6,700**	**5,147**	242,415	5,666	4,916
Total derivatives		**$ 513,010**	**$ 9,628**	**$ 14,347**	$ 499,021	$ 8,667	$ 14,247

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)).

As at December 31, 2025	Remaining term to maturity				
	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Derivative assets	**$ 970**	**$ 842**	**$ 809**	**$ 7,007**	**$ 9,628**
Derivative liabilities	**2,270**	**1,746**	**875**	**9,456**	**14,347**

As at December 31, 2024	Remaining term to maturity				
	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

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, 2025	Remaining term to maturity (notional amounts)				Fair value			Credit equivalent amount[1]	Capital requirement[2]
	Less than 1 year	1 to 5 years	Over 5 years	Total	Positive	Negative	Net		
Interest rate contracts									
OTC swap contracts	$ 5,558	$ 29,751	$ 115,594	$ 150,903	$ 5,336	$ (7,275)	$ (1,939)	$ 331	$ 9
Cleared swap contracts	9,337	29,166	130,331	168,834	251	(222)	29	-	-
Forward contracts	18,825	23,142	-	41,967	168	(3,427)	(3,259)	44	1
Futures	21,483	-	-	21,483	-	-	-	-	-
Options purchased	453	1,206	3,217	4,876	8	-	8	15	-
Subtotal	55,656	83,265	249,142	388,063	5,763	(10,924)	(5,161)	390	10
Foreign exchange									
Swap contracts	2,554	14,023	36,873	53,450	2,473	(3,253)	(780)	1,172	19
Forward contracts	32,894	1,051	5,554	39,499	713	(819)	(106)	821	20
Futures	2,242	-	-	2,242	-	-	-	-	-
Subtotal	37,690	15,074	42,427	95,191	3,186	(4,072)	(886)	1,993	39
Credit derivatives	17	92	-	109	1	-	1	-	-
Equity contracts									
Swap contracts	1,435	704	-	2,139	5	(15)	(10)	19	-

The total notional amount of $513 billion (2024 – $499 billion) includes $94 billion (2024 – $90 billion) related to derivatives utilized in the Company's variable annuity guarantee dynamic hedging. Due to the Company's variable annuity hedging practices, many trades are in offsetting positions, resulting in materially lower net fair value exposure for the Company than what the gross notional amount would suggest.

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

As at December 31, 2025			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: 297.02	$ 107	$ 606	$10,233	$10,946	$ 31	$ (63)	$ (32)
Foreign exchange risk									
Foreign currency assets	Foreign currency swaps	CAD/EUR: 0.66285	-	213	1,463	1,676	-	(80)	(80)
Foreign currency assets	Foreign currency swaps	CAD/GBP: 0.55972	-	115	515	630	-	(14)	(14)
Foreign currency assets	Foreign currency swaps	CAD/USD: 0.72856	20	352	1,100	1,472	14	(4)	10
Foreign currency assets	Foreign currency swaps	JPY/EUR: 0.00603	-	281	481	762	-	(100)	(100)
Foreign exchange and interest rate risk									
Floating rate foreign currency liabilities	Foreign currency swaps	CAD/USD: 0.86655	-	-	650	650	-	(190)	(190)
Debt securities at fair value through OCI	Foreign currency swaps	CAD/USD: 1.23451	8	-	-	8	1	-	1
Equity risk									
Stock-based compensation	Equity contracts	MFC price: $38.39	26	272	-	298	-	-	-
Total			$ 161	$ 1,839	$14,442	$16,442	$ 46	$ (451)	$ (405)

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)

Fair value and the fair value hierarchy of derivative instruments

As at December 31, 2025	Fair value	Level 1	Level 2	Level 3
Derivative assets				
Interest rate contracts	**$ 5,403**	**$ -**	**$ 5,380**	**$ 23**
Foreign exchange contracts	**3,218**	**-**	**3,218**	**-**
Equity contracts	**1,006**	**-**	**956**	**50**
Credit default swaps	**1**	**-**	**1**	**-**
Total derivative assets	**$ 9,628**	**$ -**	**$ 9,555**	**$ 73**
Derivative liabilities				
Interest rate contracts	**$ 10,367**	**$ -**	**$ 10,307**	**$ 60**
Foreign exchange contracts	**3,952**	**-**	**3,949**	**3**
Equity contracts	**28**	**-**	**22**	**6**
Total derivative liabilities	**$ 14,347**	**$ -**	**$ 14,278**	**$ 69**

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

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

(b)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, 2025	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 and others[2] at FVOCI	**$ 269**	**$ 917**	**$ 1,186**	**$ 51,430**	**$ (405)**	**$ 174**
Foreign currency risk						
Debt securities and others at FVOCI	**(321)**	**321**	**-**	**6,370**	**-**	**-**
Foreign currency and interest rate risk						
Debt securities and others at FVOCI	**390**	**(483)**	**(93)**	**10,715**	**(106)**	**(109)**
Total assets	**$ 338**	**$ 755**	**$ 1,093**	**$ 68,515**	**$ (511)**	**$ 65**
Liabilities						
Interest rate risk						
Insurance contract liabilities and others[3]	**$ 1,304**	**$ (2,392)**	**$ (1,088)**	**$ 51,642**	**$ 1,025**	**$ 3,591**
Foreign currency and interest rate risk						
Insurance contract liabilities and others	**(124)**	**298**	**174**	**4,580**	**29**	**51**
Total liabilities	**$ 1,180**	**$ (2,094)**	**$ (914)**	**$ 56,222**	**$ 1,054**	**$ 3,642**

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

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

[2] Includes hedge accounting results for a new hedge strategy designated in 2025 for hedging interest rate risk related to fixed rate residential mortgage with carrying amount of $386 as at the reporting date with ineffectiveness during the year ended December 31, 2025 of $1.

[3] Includes hedge accounting results for a new hedge strategy designated in 2025 for hedging interest rate risk related to fixed rate term deposits with carrying amount of $100 as at the reporting date with no ineffectiveness during the year ended December 31, 2025.

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 $(54) as at December 31, 2025 (2024 – $10) were all related to continuing cash flow hedges, of which $(60) (December 31, 2024 – $(42) related to CPI cash flow hedges that were reported in AOCI – Insurance finance income (expenses). There was $nil balance in AOCI related to de-designated hedges as at December 31, 2025 (2024 – $nil).

For the year ended December 31, 2025	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	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Foreign exchange risk						
Foreign currency swaps	Fixed rate liabilities	**-**	**-**	**-**	**-**	**-**
Interest and foreign exchange risk						
Foreign currency swaps	Floating rate liabilities	**(8)**	**8**	**8**	**17**	**-**
Equity price risk						
Equity contracts	Stock-based compensation	**(50)**	**50**	**50**	**87**	**-**
CPI risk						
Interest rate swaps(1)	Inflation linked insurance liabilities	**(5)**	**5**	**5**	**23**	**-**
Total		**$ (63)**	**$ 63**	**$ 63**	**$ 127**	**$ -**

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	$ -

(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 $11 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 11 years with exception to CPI hedge relationships where the maximum time frame for which variable cash flows are hedged is 30 years.

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

As at December 31,	2025	2024
Balances in the cash flow hedge reserve for continuing hedges	**$ (54)**	$ 10
Balances remaining in the cash flow hedge reserve on de-designated hedges	**-**	-

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, 2025	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	**$ (368)**	**$ 368**	**$ 368**	**$ -**	**$ -**
Forward currency contracts	**7**	**(7)**	**(7)**	**-**	**-**
Total	**$ (361)**	**$ 361**	**$ 361**	**$ -**	**$ -**

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)	$ -	$ -

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

As at December 31,	2025	2024
Balances in the foreign currency translation reserve for continuing hedges	**$ (200)**	$ (561)
Balances remaining in the net investment hedge reserve on de-designated hedges	**-**	-
Total	**$ (200)**	$ (561)

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

For the year ended December 31, 2025	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	**$ (2)**	**$ -**	**$ -**	**$ (2)**	**$ -**	**$ -**
Interest rate and foreign exchange risk	**(64)**	**8**	**17**	**(73)**	**-**	**-**
Foreign exchange translation risk	**-**	**-**	**-**	**-**	**-**	**-**
CPI risk	**(42)**	**5**	**23**	**(60)**	**-**	**-**
Equity price risk	**118**	**50**	**87**	**81**	**-**	**-**
Total	**$ 10**	**$ 63**	**$ 127**	**$ (54)**	**$ -**	**$ -**

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	$ -	$ -

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

For the year ended December 31, 2025	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	**$ (561)**	**$ 361**	**$ -**	**$ (200)**	**$ -**	**$ -**

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)	$ -	$ -

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,	**2025**	2024
Foreign exchange risk		
Balance, beginning of year	**$ 111**	$ -
Changes in fair value	**(143)**	111
Amount reclassified to profit or loss	**(37)**	-
Balance, end of year	**$ 5**	$ 111
Foreign exchange and interest rate risk		
Balance, beginning of year	**$ 8**	$ 18
Changes in fair value	**(3)**	(10)
Amount reclassified to profit or loss	**-**	-
Balance, end of year	**$ 5**	$ 8

(c)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,	**2025**	2024
Interest rate swaps	**$ 4**	$ (116)
Interest rate futures	**114**	52
Interest rate options	**(9)**	(20)
Foreign currency swaps	**144**	108
Currency rate futures	**15**	(137)
Forward contracts	**(423)**	(626)
Equity futures	**(477)**	(423)
Equity contracts	**766**	437
Credit default swaps	**(1)**	(1)
Total	**$ 133**	$ (726)

(d)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 $221 (2024 – $281) and reinsurance assumed with guaranteed minimum income benefits had a fair value of $nil (2024 – $nil).

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, 2025, these embedded derivative liabilities had a fair value of $277 (2024 – $265).

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, 2025	Balance, January 1, 2025	Net additions/ (disposals)[1],[3]	Amortization expense	Effect of changes in foreign exchange rates	**Balance, December 31, 2025**
Goodwill	**$ 6,275**	**$ 739**	**$ n/a**	**$ (137)**	**$ 6,877**
Indefinite life intangible assets					
Brand	**866**	**21**	**n/a**	**(43)**	**844**
Fund management contracts and other[4]	**1,258**	**175**	**n/a**	**(34)**	**1,399**
	2,124	**196**	**n/a**	**(77)**	**2,243**
Finite life intangible assets[5]					
Distribution networks	**840**	**59**	**(69)**	**(38)**	**792**
Customer relationships	**542**	**280**	**(34)**	**(14)**	**774**
Software	**1,212**	**385**	**(254)**	**(32)**	**1,311**
Fund management contracts and other	**59**	**277**	**(7)**	**(2)**	**327**
	2,653	**1,001**	**(364)**	**(86)**	**3,204**
Total intangible assets	**4,777**	**1,197**	**(364)**	**(163)**	**5,447**
Total goodwill and intangible assets	**$ 11,052**	**$ 1,936**	**$ (364)**	**$ (300)**	**$ 12,324**

For the year ended December 31, 2024	Balance, January 1, 2024	Net additions/ (disposals)[2]	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[4]	1,034	156	n/a	68	1,258
	1,825	159	n/a	140	2,124
Finite life intangible assets[5]					
Distribution networks	834	13	(56)	49	840
Customer relationships	582	-	(52)	12	542
Software	1,102	329	(257)	38	1,212
Fund management contracts and 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

[1] In November 2025, the Company completed the acquisition of a 75% interest in Comvest Credit Partners. Goodwill, brand, indefinite life fund management contracts, finite lived customer relationships and finite life fund management contracts and other of $739, $21, $144, $280 and $290, respectively, were recognized. Refer to note 24.

[2] 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.

[3] In August 2025, the Company acquired $15 of insurance licenses to operate across multiple U.S. states.

[4] Fund management contracts are primarily allocated to Canada WAM and U.S. WAM CGUs with carrying values of $273 (2024 – $273) and $545 (2024 – $421), respectively.

[5] Gross carrying amount of finite life intangible assets was $3,703 for software, $1,611 for distribution networks, $1,417 for customer relationships and $434 for fund management contracts and other (2024 – $3,408, $1,617, $1,156 and $156), respectively.

(b)Goodwill Impairment Testing

The Company completed its annual goodwill impairment testing in the fourth quarter of 2025 by determining the recoverable amounts of its CGUs using valuation techniques discussed below (refer to notes 1 (f) and 5 (c)). The testing resulted in $nil impairment of goodwill in 2025 (2024 – $nil).

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

For the year ended December 31, 2025 CGU or group of CGUs	Balance, January 1, 2025	Net additions/ (disposals)	Effect of changes in foreign exchange rates	**Balance, December 31, 2025**	Test method
Asia					
Asia Insurance (excluding Japan)	**$ 170**	**$ -**	**$ (4)**	**$ 166**	**FVLCS**
Japan Insurance	**321**	**-**	**(14)**	**307**	**VIU**
Canada Insurance	**1,966**	**-**	**(5)**	**1,961**	**FVLCS**
U.S. Insurance	**382**	**-**	**(18)**	**364**	**FVLCS**
Global Wealth and Asset Management					
Asia WAM	**479**	**-**	**(23)**	**456**	**FVLCS, VIU**
Canada WAM	**1,436**	**-**	**-**	**1,436**	**VIU**
U.S. WAM	**1,521**	**739**	**(73)**	**2,187**	**VIU**
Total	**$ 6,275**	**$ 739**	**$ (137)**	**$ 6,877**	

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	Test method
Asia					
Asia Insurance (excluding Japan)	$ 159	$ -	$ 11	$ 170	FVLCS
Japan Insurance	328	-	(7)	321	VIU
Canada Insurance	1,958	-	8	1,966	VIU
U.S. Insurance	350	-	32	382	VIU
Global Wealth and Asset Management					
Asia WAM	438	-	41	479	FVLCS, VIU
Canada WAM	1,436	-	-	1,436	VIU
U.S. WAM	1,250	150	121	1,521	VIU
Total	$ 5,919	$ 150	$ 206	$ 6,275	

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 determines whether its recoverable amount is greater than its carrying value. Capital levels used are aligned with the Company's internal reporting practices.

Fair value less costs to sell (FVLCS)

Under the FVLCS approach, the Company determines the fair value of the CGU or group of CGUs using an 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.

Value-in-use (VIU)

VIU recoverable value for insurance CGUs is determined with a projection of future distributable earnings derived from both the in-force business and future business, reflecting the economic value for the CGUs' profit potential. This approach uses assumptions including sales and revenue growth rates, capital requirements, interest rates, equity returns, mortality, morbidity, policyholder behaviour, tax rates and discount rates.

For other CGUs, VIU recoverable value is determined based on discounted cash flow analysis which incorporates relevant aspects of the embedded appraisal value approach.

(d)Significant Assumptions

For FVLCS valuations, earnings multiples ranged from 5.9 to 16.7 (2024 – 6.7 to 13.6). The resulting valuations are categorized

as Level 3 of the fair value hierarchy (2024 – Level 3).
For VIU valuations based on future distributable earnings, projections are based on discounted projected earnings from in-force contracts and the value of 80 years of new business, reflecting the long-duration nature of insurance businesses (2024 – Japan Insurance, Canada Insurance and U.S. Insurance, 80 years). 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. For VIU valuations based on discounted cash flow analysis, cash flow projections are based on the most recent budgets and forecasts and generally cover a period of five years; a long-term growth rate is applied to project cash flows beyond the forecast period. Long-term growth rates used for these extrapolations ranged from approximately 1.7 per cent to 4.5 per cent (2024 – approximately 1.7 per cent to 8.0 per cent).
Interest rate assumptions are based on prevailing market rates at the valuation date. These interest rate assumptions are used to estimate items such as investment yields and reinvestment returns within the cash flow projections. Discount rates assumed were 9.8 per cent on an after-tax basis or 10.1 per cent on a pre-tax basis (2024 – 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).
Tax rates applied to the projections include the impact of internal reinsurance treaties where applicable and were 28.0 per cent, 27.8 per cent and 21.0 per cent for the Japan, Canada and U.S. jurisdictions, respectively (2024 – 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.
Key assumptions may change as economic and market conditions change, which could result in future impairment charges. These changes could include adverse changes in discount rates (for example, due to changes in interest rates), changes in growth-rate assumptions used in cash flow projections, or reductions in market-based earnings multiples.

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,	2025 Insurance contract assets	2025 Insurance contract liabilities	2025 Insurance contract liabilities for account of segregated fund holders	2025 Net insurance contract liabilities	2024 Insurance contract assets	2024 Insurance contract liabilities	2024 Insurance contract liabilities for account of segregated fund holders	2024 Net insurance contract liabilities
Asia	**$ (161)**	**$ 170,754**	**$ 29,895**	**$ 200,488**	$ (53)	$ 154,222	$ 26,367	$ 180,536
Canada	**(33)**	**84,517**	**38,218**	**122,702**	(32)	82,459	38,099	120,526
U.S.	**-**	**157,867**	**60,893**	**218,760**	-	161,484	62,079	223,563
Corporate and Other	**-**	**(908)**	**-**	**(908)**	(6)	(897)	-	(903)
Insurance contract balances	**(194)**	**412,230**	**129,006**	**541,042**	(91)	397,268	126,545	523,722
Assets for insurance acquisition cash flows	**-**	**(698)**	**-**	**(698)**	(11)	(867)	-	(878)
Total	**$ (194)**	**$ 411,532**	**$ 129,006**	**$ 540,344**	$ (102)	$ 396,401	$ 126,545	$ 522,844

Reinsurance contract held assets and liabilities

As at December 31,	2025 Assets	2025 Liabilities	2025 Net reinsurance contract held assets	2024 Assets	2024 Liabilities	2024 Net reinsurance contract held assets
Asia	**$ 8,959**	**$ (2,986)**	**$ 5,973**	$ 9,204	$ (2,394)	$ 6,810
Canada	**6,626**	**(263)**	**6,363**	7,021	(262)	6,759
U.S.	**45,559**	**(25)**	**45,534**	43,043	(13)	43,030
Corporate and Other	**(263)**	**1**	**(262)**	(253)	-	(253)
Total	**$ 60,881**	**$ (3,273)**	**$ 57,608**	$ 59,015	$ (2,669)	$ 56,346

As at December 31,	2025	2024
Net insurance contract held liabilities	**$ 540,344**	$ 522,844
Net reinsurance contract held assets	**(57,608)**	(56,346)
Net insurance and reinsurance contract held liabilities	**$ 482,736**	$ 466,498

(b)Movements in Carrying Amounts of Insurance and Reinsurance Contracts

The following tables present the movements 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 movements 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, 2025 and 2024.

	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	$ (153)	$ 5	$ 56	$ 1	$ -	$ (11)	$ (102)
Opening insurance contract liabilities	377,600	2,023	5,698	11,256	691	(867)	396,401
Opening insurance contract liabilities for account of segregated fund holders	126,545	-	-	-	-	-	126,545
Net opening balance, January 1, 2025	503,992	2,028	5,754	11,257	691	(878)	522,844
Insurance revenue							
Expected incurred claims and other insurance service expenses	(15,284)	-	-	-	-	-	(15,284)
Change in risk adjustment for non-financial risk expired	(1,401)	-	-	-	-	-	(1,401)
CSM recognized for services provided	(3,130)	-	-	-	-	-	(3,130)
Recovery of insurance acquisition cash flows	(1,907)	-	-	-	-	-	(1,907)
Contracts under PAA	(7,166)	-	-	-	-	-	(7,166)
	(28,888)	-	-	-	-	-	(28,888)
Insurance service expense							
Incurred claims and other insurance service expenses	-	(137)	14,823	7,565	227	-	22,478
Losses and reversal of losses on onerous contracts (future service)	-	393	-	-	-	-	393
Changes to liabilities for incurred claims (past service)	-	-	67	(2,595)	(155)	-	(2,683)
Amortization of insurance acquisition cash flows	2,903	-	-	-	-	-	2,903
Net impairment of assets for insurance acquisition cash flows	-	-	-	-	-	-	-
	2,903	256	14,890	4,970	72	-	23,091
Investment components and premium refunds	(20,812)	-	18,071	2,741	-	-	-
Insurance service result	(46,797)	256	32,961	7,711	72	-	(5,797)
Insurance finance (income) expenses	22,608	58	176	546	24	-	23,412
Effects of movements in foreign exchange rates	(13,914)	(85)	(185)	(32)	-	14	(14,202)
Total changes in income and OCI	(38,103)	229	32,952	8,225	96	14	3,413
Cash flows							
Premiums and premium tax received	61,722	-	-	-	-	-	61,722
Claims and other insurance service expenses paid, including investment components	-	-	(32,582)	(7,794)	-	-	(40,376)
Insurance acquisition cash flows	(9,749)	-	-	-	-	-	(9,749)
Total cash flows	51,973	-	(32,582)	(7,794)	-	-	11,597
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	(137)	-	-	-	-	137	-
Acquisition cash flows incurred in the year	-	-	-	-	-	29	29
Movements related to insurance contract liabilities for account of segregated fund holders	2,461	-	-	-	-	-	2,461
Net closing balance	520,186	2,257	6,124	11,688	787	(698)	540,344
Closing insurance contract assets	(259)	9	56	-	-	-	(194)

Insurance contracts – Analysis by remaining coverage and incurred claims (continued)

	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							

Insurance contracts – Analysis by measurement components

The following tables present the movements 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, 2025 and 2024.

			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	**$ (490)**	**$ 144**	**$ 100**	**$ 148**	**$ -**	**$ (98)**
Opening GMM and VFA insurance contract liabilities	**334,706**	**22,160**	**18,907**	**7,610**	**(61)**	**383,322**
Opening PAA insurance contract net liabilities	**13,201**	**691**	**-**	**-**	**(817)**	**13,075**
Opening insurance contract liabilities for account of segregated fund holders	**126,545**	**-**	**-**	**-**	**-**	**126,545**
Net opening balance, January 1, 2025	**473,962**	**22,995**	**19,007**	**7,758**	**(878)**	**522,844**
CSM recognized for services provided	**-**	**-**	**(2,175)**	**(955)**	**-**	**(3,130)**
Change in risk adjustment for non-financial risk for risk expired	**-**	**(1,418)**	**-**	**-**	**-**	**(1,418)**
Experience adjustments	**(551)**	**-**	**-**	**-**	**-**	**(551)**
Changes that relate to current services	**(551)**	**(1,418)**	**(2,175)**	**(955)**	**-**	**(5,099)**
Contracts initially recognized during the year	**(5,322)**	**1,102**	**3**	**4,298**	**-**	**81**
Changes in estimates that adjust the CSM	**(3,412)**	**867**	**1,432**	**1,113**	**-**	**-**
Changes in estimates that relate to losses and reversal of losses on onerous contracts	**329**	**3**	**-**	**-**	**-**	**332**
Changes that relate to future services	**(8,405)**	**1,972**	**1,435**	**5,411**	**-**	**413**
Adjustments to liabilities for incurred claims	**81**	**(15)**	**-**	**-**	**-**	**66**
Changes that relate to past services	**81**	**(15)**	**-**	**-**	**-**	**66**
Insurance service result	**(8,875)**	**539**	**(740)**	**4,456**	**-**	**(4,620)**
Insurance finance (income) expenses	**21,158**	**1,238**	**241**	**193**	**-**	**22,830**
Effects of movements in foreign exchange rates	**(12,220)**	**(1,054)**	**(579)**	**(274)**	**-**	**(14,127)**
Total changes in income and OCI	**63**	**723**	**(1,078)**	**4,375**	**-**	**4,083**
Total cash flows	**10,436**	**-**	**-**	**-**	**-**	**10,436**
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	**(6)**	**-**	**-**	**-**	**6**	**-**
Acquisition cash flows incurred in the year	**-**	**-**	**-**	**-**	**(5)**	**(5)**
Change in PAA balance	**245**	**101**	**-**	**-**	**179**	**525**
Movements related to insurance contract liabilities for account of segregated fund holders	**2,461**	**-**	**-**	**-**	**-**	**2,461**
Net closing balance	**487,161**	**23,819**	**17,929**	**12,133**	**(698)**	**540,344**
Closing GMM and VFA insurance contract assets	**(474)**	**92**	**87**	**100**	**1**	**(194)**
Closing GMM and VFA insurance contract liabilities	**345,183**	**22,935**	**17,842**	**12,033**	**(61)**	**397,932**
Closing PAA insurance contract net liabilities	**13,446**	**792**	**-**	**-**	**(638)**	**13,600**
Closing insurance contract liabilities for account of segregated fund insurance holders	**129,006**	**-**	**-**	**-**	**-**	**129,006**
Net closing balance, December 31, 2025	**$ 487,161**	**$ 23,819**	**$ 17,929**	**$ 12,133**	**$ (698)**	**$ 540,344**

Insurance finance (income) expenses

Insurance finance (income) expenses, per disclosure above	**$ 22,830**
Reclassification of derivative OCI to IFIE – cash flow hedges	**(9)**
Reclassification of derivative (income) loss changes to IFIE – fair value hedge	**1,908**
PAA items:	
PAA IFIE	**582**
PAA Reclassification of derivative OCI to IFIE – cash flow hedges	**-**
PAA Reclassification of derivative (income) loss changes to IFIE – fair value hedge	**185**
Insurance finance (income) expenses, per disclosure in note 6 (f)	**$ 25,496**

Insurance contracts – Analysis by measurement components (continued)

	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
PAA items:	
PAA IFIE	725
PAA Reclassification of derivative OCI to IFIE – cash flow hedges	-
PAA Reclassification of derivative (income) loss changes to IFIE – fair value hedge	13
Insurance finance (income) expenses, per disclosure in note 6 (f)	$ 6,631

Reinsurance contracts held – Analysis by remaining coverage and incurred claims

The following tables present the movements 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, 2025 and 2024.

	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	$ 50,723	$ 631	$ 7,395	$ 252	$ 14	$ 59,015
Opening reinsurance contract held liabilities	(2,692)	5	44	(26)	-	(2,669)
Net opening balance, January 1, 2025	48,031	636	7,439	226	14	56,346
Changes in income and OCI						
Allocation of reinsurance premium paid	(8,451)	-	-	-	-	(8,451)
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	-	(41)	6,397	623	-	6,979
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	187	-	-	-	187
Adjustments to assets for incurred claims	-	-	31	(16)	(1)	14
Insurance service result	(8,451)	146	6,428	607	(1)	(1,271)
Investment components and premium refunds	(1,815)	-	1,815	-	-	-
Net expenses from reinsurance contracts	(10,266)	146	8,243	607	(1)	(1,271)
Net finance (income) expenses from reinsurance contracts	2,912	22	(183)	3	1	2,755
Effect of changes in non-performance risk of reinsurers	12	-	-	-	-	12
Effects of movements in foreign exchange rates	(2,650)	(31)	(312)	-	-	(2,993)
Contracts measured under PAA	-	-	-	-	-	-
Total changes in income and OCI	(9,992)	137	7,748	610	-	(1,497)
Cash flows						
Premiums paid[1]	11,915	-	-	-	-	11,915
Amounts received	-	-	(8,538)	(618)	-	(9,156)
Total cash flows	11,915	-	(8,538)	(618)	-	2,759
Net closing balance	49,954	773	6,649	218	14	57,608
Closing reinsurance contract held assets	53,327	765	6,522	253	14	60,881
Closing reinsurance contract held liabilities	(3,373)	8	127	(35)	-	(3,273)
Net closing balance, December 31, 2025	$ 49,954	$ 773	$ 6,649	$ 218	$ 14	$ 57,608

[1] The Company recorded $5.2 billion (2024 – $18.6 billion) 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	$ 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 $5.2 billion (2024 – $18.6 billion) reinsurance contract held assets from reinsurance transactions which closed during the year. Refer to note 6 (m).

Reinsurance contracts held – Analysis by measurement components

The following tables present the movements 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, 2025 and 2024.

	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	CSM		Total
			Fair value	Other	
Opening reinsurance contract held assets	$ 50,275	$ 5,442	$ 2,619	$ 389	$ 58,725
Opening reinsurance contract held liabilities	(3,308)	333	(112)	445	(2,642)
Opening PAA reinsurance contract net assets	249	14	-	-	263
Net opening balance, January 1, 2025	47,216	5,789	2,507	834	56,346
CSM recognized for services received	-	-	(216)	(208)	(424)
Change in risk adjustment for non-financial risk for risk expired	-	(515)	-	-	(515)
Experience adjustments	(497)	-	-	-	(497)
Changes that relate to current services	(497)	(515)	(216)	(208)	(1,436)
Contracts initially recognized during the year	(1,080)	825	(2)	305	48
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(9)	(19)	(28)
Changes in estimates that adjust the CSM	(253)	(26)	(201)	480	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	166	-	-	-	166
Changes that relate to future services	(1,167)	799	(212)	766	186
Adjustments to liabilities for incurred claims	31	-	-	-	31
Changes that relate to past services	31	-	-	-	31
Insurance service result	(1,633)	284	(428)	558	(1,219)
Insurance finance (income) expenses from reinsurance contracts	2,176	447	69	59	2,751
Effects of changes in non-performance risk of reinsurers	11	-	-	-	11
Effects of movements in foreign exchange rates	(2,630)	(257)	(85)	(20)	(2,992)
Total changes in income and OCI	(2,076)	474	(444)	597	(1,449)
Total cash flows	2,732	-	-	-	2,732
Change in PAA balance	(21)	-	-	-	(21)
Net closing balance	47,851	6,263	2,063	1,431	57,608
Closing reinsurance contract held assets	51,618	5,902	2,223	863	60,606
Closing reinsurance contract held liabilities	(3,995)	347	(160)	568	(3,240)
Closing PAA reinsurance contract net assets	228	14	-	-	242
Net closing balance, December 31, 2025	$ 47,851	$ 6,263	$ 2,063	$ 1,431	$ 57,608

	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	CSM		Total
			Fair value	Other	
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

(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, 2025 and 2024.

Insurance contracts issued

	Excluding contracts applying the PAA		Contracts applying the PAA		CSM			
As at December 31, 2025	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	**$ 169,388**	**$ 9,352**	**$ 1,295**	**$ 4**	**$ 10,892**	**$ 9,557**	**$ (71)**	**$ 200,417**
Canada	**102,070**	**3,425**	**11,951**	**788**	**3,306**	**1,162**	**(627)**	**122,075**
U.S.	**203,209**	**10,263**	**-**	**-**	**3,874**	**1,414**	**-**	**218,760**
Corporate and Other	**(952)**	**(13)**	**200**	**-**	**(143)**	**-**	**-**	**(908)**
	$ 473,715	**$ 23,027**	**$ 13,446**	**$ 792**	**$ 17,929**	**$ 12,133**	**$ (698)**	**$ 540,344**

	Excluding contracts applying the PAA		Contracts applying the PAA		CSM			
As at December 31, 2024	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	3,351	11,452	688	3,986	753	(588)	119,938
U.S.	207,665	11,337	-	-	3,823	738	-	223,563
Corporate and Other	(1,001)	(14)	252	-	(140)	-	-	(903)
	$ 460,761	$ 22,304	$ 13,201	$ 691	$ 19,007	$ 7,758	$ (878)	$ 522,844

Reinsurance contracts held

As at December 31, 2025	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	**$ 3,282**	**$ 1,598**	**$ (8)**	**$ -**	**$ 687**	**$ 414**	**$ 5,973**
Canada	**4,471**	**1,635**	**236**	**14**	**(193)**	**200**	**6,363**
U.S.	**39,983**	**3,023**	**-**	**-**	**1,711**	**817**	**45,534**
Corporate and Other	**(113)**	**(7)**	**-**	**-**	**(142)**	**-**	**(262)**
	$ 47,623	**$ 6,249**	**$ 228**	**$ 14**	**$ 2,063**	**$ 1,431**	**$ 57,608**

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

(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, 2025	Asia	Canada	U.S.	Other	Total
Contracts under the fair value method	**$ 2,666**	**$ 3,343**	**$ 11,424**	**$ (14)**	**$ 17,419**
Contracts under the full retrospective method	**490**	**62**	**158**	**-**	**710**
Other contracts	**3,809**	**6,420**	**430**	**100**	**10,759**
Total	**$ 6,965**	**$ 9,825**	**$ 12,012**	**$ 86**	**$ 28,888**

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

(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, 2025	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	**$ 32,414**	**$ 554**	**$ 7,075**	**$ 86**	**$ 5,181**	**$ 569**	**$ 44,670**	**$ 1,209**
Insurance acquisition cash flows	***5,951***	***117***	***1,080***	***20***	***1,018***	***121***	***8,049***	***258***
Claims and other insurance service expenses payable	***26,463***	***437***	***5,995***	***66***	***4,163***	***448***	***36,621***	***951***
Estimates of present value of cash inflows	**(36,561)**	**(540)**	**(7,675)**	**(88)**	**(5,769)**	**(568)**	**(50,005)**	**(1,196)**
Risk adjustment for non-financial risk	**741**	**26**	**147**	**14**	**146**	**28**	**1,034**	**68**
Contractual service margin	**3,406**	**-**	**453**	**-**	**442**	**-**	**4,301**	**-**
Amount included in insurance contract liabilities for the year	**$ -**	**$ 40**	**$ -**	**$ 12**	**$ -**	**$ 29**	**$ -**	**$ 81**

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

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

As at December 31, 2025	Asia	Canada	U.S.	Total
New business reinsurance contracts				
Estimates of present value of cash outflows	**$ (2,316)**	**$ (713)**	**$ (6,373)**	**$ (9,402)**
Estimates of present value of cash inflows	**2,032**	**626**	**5,664**	**8,322**
Risk adjustment for non-financial risk	**140**	**79**	**606**	**825**
Contractual service margin	**164**	**15**	**124**	**303**
Amount included in reinsurance assets for the year	**$ 20**	**$ 7**	**$ 21**	**$ 48**

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

(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, 2025	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	**$ 414**	**$ 1,301**	**$ 1,061**	**$ 1,031**	**$ 661**	**$ 4,468**
Reinsurance contracts held	**11**	**39**	**23**	**3**	**(83)**	**(7)**
	425	**1,340**	**1,084**	**1,034**	**578**	**4,461**
U.S.						
Insurance contracts issued	**548**	**1,736**	**1,370**	**1,180**	**454**	**5,288**
Reinsurance contracts held	**(315)**	**(961)**	**(708)**	**(533)**	**(11)**	**(2,528)**
	233	**775**	**662**	**647**	**443**	**2,760**
Asia						
Insurance contracts issued	**1,978**	**6,370**	**4,944**	**4,592**	**2,565**	**20,449**
Reinsurance contracts held	**(101)**	**(416)**	**(305)**	**(166)**	**(113)**	**(1,101)**
	1,877	**5,954**	**4,639**	**4,426**	**2,452**	**19,348**
Corporate						
Insurance contracts issued	**(11)**	**(38)**	**(37)**	**(43)**	**(14)**	**(143)**
Reinsurance contracts held	**12**	**60**	**48**	**19**	**3**	**142**
	1	**22**	**11**	**(24)**	**(11)**	**(1)**
Total	**$ 2,536**	**$ 8,091**	**$ 6,396**	**$ 6,083**	**$ 3,462**	**$ 26,568**

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

(f)Investment Income and Insurance Finance Income and Expenses

For the year ended December 31, 2025

	Insurance contracts	Non-insurance[1]	Total
Investment return			
Investment-related income	$ 15,938	$ 3,134	$ 19,072
Net gains (losses) on financial assets at FVTPL	7,044	145	7,189
Unrealized gains (losses) on FVOCI assets	1,561	521	2,082
Impairment and recovery (loss) on financial assets	(80)	(26)	(106)
Investment expenses	(633)	(709)	(1,342)
Interest on required surplus	670	(670)	-
Total investment return	24,500	2,395	26,895
Portion recognized in income (expenses)	22,113	1,834	23,947
Portion recognized in OCI	2,387	561	2,948
Insurance finance income (expenses) from insurance contracts issued and effect of movement in exchange rates			
Interest accreted to insurance contracts	(11,309)	31	(11,278)
Due to changes in interest rates and other financial assumptions	(3,596)	20	(3,576)
Changes in fair value of underlying items of direct participation contracts	(9,875)	-	(9,875)
Effects of risk mitigation option	1,199	-	1,199
Net foreign exchange income (expenses)	(147)	-	(147)
Hedge accounting offset from insurance contracts issued	149	-	149
Reclassification of derivative OCI to IFIE – cash flow hedges	9	-	9
Reclassification of derivative income (loss) changes to IFIE – fair value hedge	(2,093)	-	(2,093)
Other	116	-	116
Total insurance finance income (expenses) from insurance contracts issued	(25,547)	51	(25,496)
Effect of movements in foreign exchange rates	156	-	156
Total insurance finance income (expenses) from insurance contracts issued and effect of movement in foreign exchange rates	(25,391)	51	(25,340)
Portion recognized in income (expenses), including effects of exchange rates	(22,710)	29	(22,681)
Portion recognized in OCI, including effects of exchange rates	(2,681)	22	(2,659)
Reinsurance finance income (expenses) from reinsurance contracts held and effect of movement in foreign exchange rates			
Interest accreted to insurance contracts	2,370	-	2,370
Due to changes in interest rates and other financial assumptions	620	(2)	618
Changes in risk of non-performance of reinsurers	12	-	12
Other	(234)	-	(234)
Total reinsurance finance income (expenses) from reinsurance contracts held	2,768	(2)	2,766
Effect of movements in foreign exchange rates	(422)	-	(422)
Total reinsurance finance income (expenses) from reinsurance contracts held and effect of movement in foreign exchange rates	2,346	(2)	2,344
Portion recognized in income (expenses), including effects of foreign exchange rates	1,694	-	1,694
Portion recognized in OCI, including effects of exchange rates	652	(2)	650
Decrease (increase) in investment contract liabilities	(2)	(549)	(551)
Total net investment income (loss), insurance finance income (expenses) and reinsurance finance income (expenses)	1,453	1,895	3,348
Amounts recognized in income (expenses)	1,095	1,314	2,409
Amounts recognized in OCI	358	581	939

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

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
Reclassification of derivative income (loss) changes to IFIE – fair value hedge	(3,346)	-	(3,346)
Other	394	-	394
Total insurance finance income (expenses) from insurance contracts issued	(6,590)	(41)	(6,631)
Effect of movements in foreign exchange rates	(1,417)	-	(1,417)
Total insurance finance income (expenses) from insurance contracts issued and effect of movement in foreign exchange rates	(8,007)	(41)	(8,048)
Portion recognized in income (expenses), including effects of exchange rates	(16,252)	33	(16,219)
Portion recognized in OCI, including effects of exchange rates	8,245	(74)	8,171
Reinsurance finance income (expenses) from reinsurance contracts held and effect of movement in foreign exchange rates			
Interest accreted to insurance contracts	2,135	-	2,135
Due to changes in interest rates and other financial assumptions	(3,886)	4	(3,882)
Changes in risk of non-performance of reinsurers	(57)	-	(57)
Other	(88)	-	(88)
Total reinsurance finance income (expenses) from reinsurance contracts held	(1,896)	4	(1,892)
Effect of movements in foreign exchange rates	243	-	243
Total reinsurance finance income (expenses) from reinsurance contracts held and effect of movement in foreign exchange rates	(1,653)	4	(1,649)
Portion recognized in income (expenses), including effects of foreign exchange rates	1,133	-	1,133
Portion recognized in OCI, including effects of exchange rates	(2,786)	4	(2,782)
Decrease (increase) in investment contract liabilities	(6)	(498)	(504)
Total net investment income (loss), insurance finance income (expenses) and reinsurance finance income (expenses)	12,091	(5,411)	6,680
Amounts recognized in income (expenses)	1,364	2,157	3,521
Amounts recognized in OCI	10,727	(7,568)	3,159

[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, 2025 and December 31, 2024.

For the year ended December 31, 2025	Insurance and reinsurance contracts					
	Asia	Canada	U.S.	Corporate	Non-insurance[1]	Total
Total investment return						
Portion recognized in income (expenses)	**$ 11,551**	**$ 4,216**	**$ 6,319**	**$ 27**	**$ 1,834**	**$ 23,947**
Portion recognized in OCI	**(21)**	**(52)**	**2,461**	**(1)**	**561**	**2,948**
	11,530	**4,164**	**8,780**	**26**	**2,395**	**26,895**
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	**(9,458)**	**(4,354)**	**(8,894)**	**(4)**	**29**	**(22,681)**
Portion recognized in OCI, including effects of exchange rates	**(168)**	**1,009**	**(3,522)**	**-**	**22**	**(2,659)**
	(9,626)	**(3,345)**	**(12,416)**	**(4)**	**51**	**(25,340)**
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	**(104)**	**251**	**1,542**	**5**	**-**	**1,694**
Portion recognized in OCI, including effects of exchange rates	**(305)**	**(463)**	**1,420**	**-**	**(2)**	**650**
	(409)	**(212)**	**2,962**	**5**	**(2)**	**2,344**

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

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.

(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

Nature of factors and assumption methodology		Risk management

Tax

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.

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

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.

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.

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 if there is any remaining CSM for the group of policies where the change was made. 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.

(III)Discount Rates

Insurance contract cash flows for non-participating business are discounted using risk-free yield curves adjusted by an illiquidity premium to reflect the liquidity characteristics of the liabilities. Cash flows that vary based on returns of underlying items are adjusted to reflect their variability under these adjusted yield curves. Each yield curve is interpolated between the spot rate at the last observable market data point and an ultimate spot rate, which reflects the long-term real interest rate plus inflation expectations.

For participating business, insurance contract cash flows that vary based on the return of underlying items are discounted at rates reflecting that variability.

For insurance contracts with cash flows that vary with the return of underlying items and where the present value is measured by stochastic modelling, cash flows are both projected and discounted at scenario-specific rates, calibrated on average to be the risk-free yield curves adjusted for liquidity.

The spot rates used for discounting liability cash flows are presented in the following tables and include illiquidity premiums determined with reference to net asset spreads indicative of the liquidity characteristics of the liabilities by geography.

					December 31, 2025					
	Currency	**Liquidity category**	**Observable years**	**Ultimate year**	1 year	5 years	10 years	20 years	30 years	Ultimate
Canada	CAD	Illiquid	30	70	**2.89%**	**3.85%**	**4.94%**	**5.36%**	**6.10%**	**4.40%**
		Somewhat liquid(1)	30	70	**2.87%**	**3.82%**	**4.85%**	**5.39%**	**6.05%**	**4.40%**
U.S.	USD	Illiquid	30	70	**3.74%**	**4.37%**	**5.65%**	**6.47%**	**6.41%**	**5.15%**
		Somewhat liquid(1)	30	70	**3.85%**	**4.42%**	**5.55%**	**6.47%**	**6.40%**	**5.03%**
Japan	JPY	Somewhat liquid(1)	30	70	**1.18%**	**1.93%**	**2.60%**	**3.59%**	**4.38%**	**1.60%**
Hong Kong	HKD	Illiquid	15	55	**2.39%**	**3.48%**	**4.57%**	**4.38%**	**4.02%**	**3.70%**

					December 31, 2024					
	Currency	**Liquidity category**	**Observable years**	**Ultimate year**	1 year	5 years	10 years	20 years	30 years	Ultimate
Canada	CAD	Illiquid	30	70	3.46%	3.93%	4.86%	5.00%	5.32%	4.40%
		Somewhat liquid(1)	30	70	3.44%	3.89%	4.76%	4.98%	5.21%	4.40%
U.S.	USD	Illiquid	30	70	4.48%	5.05%	6.01%	6.33%	6.15%	5.15%
		Somewhat liquid(1)	30	70	4.56%	5.09%	5.91%	6.33%	6.14%	5.03%
Japan	JPY	Somewhat liquid(1)	30	70	0.82%	1.17%	1.55%	2.33%	2.97%	1.60%
Hong Kong	HKD	Illiquid	15	55	3.73%	4.36%	5.23%	4.70%	4.17%	3.70%

(1)Somewhat liquid refers to liquidity level that is between liquid and illiquid. It is higher liquidity than illiquid and lower liquidity than liquid.

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, 2025	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)**	**$ (200)**	**$ 100**	**$ -**	**$ (600)**	**$ (200)**
Portfolios where a decrease in rates increases insurance contract liabilities	**(300)**	**(400)**	**200**	**(100)**	**100**	**100**	**300**	**-**
5% adverse change in future morbidity rates[4],[5],[6] (incidence and termination)	**(2,200)**	**(1,800)**	**(3,000)**	**(2,500)**	**600**	**500**	**(2,400)**	**(2,000)**
10% change in future policy termination rates[3],[5]								
Portfolios where an increase in rates increases insurance contract liabilities	**(900)**	**(800)**	**(100)**	**(100)**	**(200)**	**(200)**	**(300)**	**(300)**
Portfolios where a decrease in rates increases insurance contract liabilities	**(800)**	**(600)**	**(700)**	**(400)**	**500**	**300**	**(200)**	**(100)**
5% increase in future expense levels	**(600)**	**(600)**	**(100)**	**(100)**	**100**	**100**	**-**	**-**

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	-	-

[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, 2025	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]	**(1,500)**	**(1,300)**	**(400)**	**(300)**	**200**	**200**	**(200)**	**(100)**
5% adverse change in future morbidity claims termination rates[2],[3]	**(1,500)**	**(1,300)**	**(1,200)**	**(1,000)**	**400**	**400**	**(800)**	**(600)**
10% adverse change in future policy termination rates[2],[3]	**(400)**	**(300)**	**-**	**-**	**-**	**-**	**-**	**-**
5% increase in future expense levels[3]	**(100)**	**(100)**	**-**	**-**	**-**	**-**	**-**	**-**

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)	-	-	-	-	-	-

[1] The potential impacts on CSM were translated from US$ at 1.3707 (2024 – 1.4382) 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 1.3939 (2024 – 1.3987).

[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, 2025 (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, 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)	-	-	-

[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)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 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 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.

2025 Review of Actuarial Methods and Assumptions

The completion of the 2025 annual review of actuarial methods and assumptions resulted in a decrease in pre-tax fulfilment cash flows of $605, excluding the portion related to non-controlling interests. These updates resulted in a decrease in pre-tax net income attributed to shareholders of $244 ($216 post-tax), a decrease in pre-tax net income attributed to participating policyholders of $88 ($67 post-tax), an increase in CSM of $1,080, a decrease in pre-tax other comprehensive income attributed to shareholders of $52 ($73 post-tax), and a decrease in pre-tax other comprehensive income attributed to participating policyholders of $91 ($70 post-tax).

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

For the year ended December 31, 2025	Total
Hong Kong health insurance product reserving approach	$ (463)
Methodology and other updates	(207)
Lapse and policyholder behaviour updates	181
Long-term care triennial review	(77)
Mortality and morbidity updates	(39)
Impact of updates to actuarial methods and assumptions, on pre-tax fulfilment cash flows	**$ (605)**

[1]Excludes the portion related to non-controlling interests of $116. The impact of updates to actuarial methods and assumptions on pre-tax fulfilment cash flows, including the portion related to non-controlling interests, would be $(489).

Impact of updates to 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, 2025	Total
Portion recognized in pre-tax net income (loss) attributed to:	
Participating policyholders	$ (88)
Shareholders	(244)
	(332)
Portion increasing (decreasing) CSM	1,080
Portion recognized in pre-tax OCI attributed to:	
Participating policyholders	(91)
Shareholders	(52)
	(143)
Impact of updates to actuarial methods and assumptions, pre-tax	**$ 605**

[1]Excludes the portion related to non-controlling interests of $(116). The impact of updates to actuarial methods and assumptions on pre-tax fulfilment cash flows, including the portion related to non-controlling interests, would be $489.

Hong Kong health insurance product reserving approach

An update to the pricing philosophy on certain health insurance products in Hong Kong led to a change in the IFRS 17 measurement model from the Premium Allocation Approach to the General Measurement Model, which requires all future cash flows to be included in the fulfilment cash flows, amounting to a decrease in pre-tax fulfilment cash flows of $463.

Methodology and other updates

Methodology and other updates resulted in a decrease in pre-tax fulfilment cash flows of $207.

The decrease was mainly driven by annual yield and parameter updates to the Company's valuation models for participating products in Asia and Canada. This was partially offset by various other valuation models updates in the U.S. to non-participating products that netted to a residual increase in fulfilment cash flows.

Lapse and policyholder behaviour updates

Updates to lapses and policyholder behaviour assumptions resulted in an increase in pre-tax fulfilment cash flows of $181.

The increase was mainly driven by the review of lapse assumptions in Singapore as well as other smaller updates. The Singapore update reflected higher lapse experience on the Company's index-linked and universal life products. This was partially offset by the impact of the lapse review on term insurance products in Canada.

Long-term care triennial review

U.S. Insurance completed a comprehensive long-term care ("LTC") experience study. The review included all aspects of claim assumptions, as well as the progress on future premium increases and approved premium increases in excess of prior assumptions. The impact of the LTC review was a decrease in pre-tax fulfilment cash flows of $77.

Impact of updates to 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 updates to actuarial methods and assumptions, on pre-tax fulfilment cash flows	$ (174)

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

Impact of updates to 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 increasing (decreasing) CSM	(421)
Portion recognized in OCI attributed to:	
Participating policyholders	45
Shareholders	771
	816
Impact of updates to actuarial methods and assumptions, pre-tax	$ 174

[(1)]Excludes the portion related to non-controlling interests of $215. The impact of updates to 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 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 of $273.

The decrease was driven by morbidity updates to health insurance products in Hong Kong to reflect lower hospital claims on certain business that the Company accounts for under the general measurement model, partially offset by updates to mortality and morbidity assumptions on critical illness products in Hong Kong to reflect emerging experience.

Methodology and other updates

Methodology and other updates resulted in a decrease in pre-tax fulfilment cash flows of $156.

The decrease was driven by the impact of annual updates to the Company's 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 an increase in fulfilment cash flows.

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

The impact of updates to actuarial methods and assumptions in Canada resulted in a decrease in pre-tax fulfilment cash flows of $266. 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 updates resulted in an increase in pre-tax net income attributed to shareholders of $3 ($2 post-tax), an increase in CSM of $222, and a decrease in pre-tax other comprehensive income attributed to shareholders of $15 ($10 post-tax).

The impact of updates to actuarial methods and assumptions in the U.S. resulted in an increase in pre-tax fulfilment cash flows of $895. The increase was primarily driven by the net impact of updates to the Company's reinsurance contract fulfilment cash flows and risk adjustment methodology related to non-financial risks, a detailed review of the lapse assumptions in its life insurance business, and refinements to its 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 updates resulted in a decrease in pre-tax net income attributed to shareholders of $256 ($202 post-tax), a decrease in CSM of $1,228, and an increase in pre-tax other comprehensive income attributed to shareholders of $589 ($466 post-tax).

The impact of updates to actuarial methods and assumptions in Asia resulted in a decrease in pre-tax fulfilment cash flows of $818. 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 the Company's detailed review of global expenses, including investment expenses,

as well as the impact of annual updates to its valuation models for participating products, partially offset by a review of lapse assumptions for the International High Net Worth business. These updates resulted in a decrease in pre-tax net income attributed to shareholders of $4 ($5 post-tax), an increase in CSM of $591, and an increase in pre-tax other comprehensive income attributed to shareholders of $213 ($190 post-tax).
The impact of updates to 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 an increase in pre-tax fulfilment cash flows of $15. These updates resulted in an increase in pre-tax net income attributed to shareholders of $7 ($6 post-tax), a decrease in CSM of $6, and a decrease in pre-tax other comprehensive income attributed to shareholders of $16 ($14 post-tax).

(j)Composition of Underlying Items

The following 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.

Participating Policies

As at December 31,	2025	2024
Underlying assets		
Debt securities	**$ 60,128**	$ 54,238
Public equities	**26,460**	19,846
Mortgages	**4,934**	4,535
Private placements	**9,699**	8,398
Real estate	**5,179**	4,525
Other(1)	**33,070**	31,952
Total	**$ 139,470**	$ 123,494

(1)Other for participating life insurance contracts include derivatives, reinsurance contract held assets, and other invested assets.

Variable Annuities and Unit-Linked

The Company also issues variable annuities and unit-linked contracts that are accounted for as insurance contracts with direct participating features. The fair value of underlying assets is reported in insurance contract liabilities for the account of segregated fund holders and includes investments in segregated funds of $69,473, and $25,264 (2024 – $72,061, and $18,771) for variable annuities and unit-linked, respectively.

(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.

	2025				2024			
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	**$ 18**	**$ 36**	**$ 17**	**$ 71**	$ 65	$ 168	$ 57	$ 290
Canada	**73**	**223**	**331**	**627**	72	213	303	588
Total	**$ 91**	**$ 259**	**$ 348**	**$ 698**	$ 137	$ 381	$ 360	$ 878

(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, 2025 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)	**$ 3,783**	**$ 4,167**	**$ 8,129**	**$ 11,588**	**$ 14,676**	**$1,396,865**	**$1,439,208**
Reinsurance contract held liabilities(1)	**254**	**535**	**460**	**429**	**386**	**(11,008)**	**(8,944)**
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)

(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.

	2025		2024	
As at December 31,	Amounts payable on demand	Carrying amount	Amounts payable on demand	Carrying amount
Asia	**$ 133,552**	**$ 163,678**	$ 121,197	$ 131,829
Canada	**34,530**	**55,492**	31,100	53,224
U.S.	**46,824**	**66,328**	48,918	66,524
Total	**$ 214,906**	**$ 285,498**	$ 201,215	$ 251,577

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 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 $5.2 billion. The Company recognized a reinsurance contractual service margin of $201.

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 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.

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,	2025	2024
Balance, excluding those for account of segregated fund holders, January 1	**$ 808**	$ 749
New contracts	**125**	70
Changes in market conditions	**177**	67
Redemptions, surrenders and maturities	**(159)**	(154)
Impact of changes in foreign exchange rates	**(43)**	76
Balance, excluding those for account of segregated fund holders, December 31	**908**	808
Investment contract liabilities for account of segregated fund holders	**332,248**	309,443
Balance, December 31	**$ 333,156**	$ 310,251

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.

	2025		2024	
As at December 31,	Amortized cost	Fair value	Amortized cost	Fair value
Asia	**$ 229**	**$ 222**	$ 325	$ 315
Canada	**7,320**	**7,287**	7,571	7,548
U.S.	**1,240**	**1,235**	1,406	1,375
GWAM	**4,440**	**4,807**	3,388	3,557
Investment contract liabilities	**$ 13,229**	**$ 13,551**	$ 12,690	$ 12,795

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

For the years ended December 31,	2025	2024
Balance, January 1	**$ 12,690**	$ 11,067
Policy deposits	**2,887**	3,218
Interest	**337**	316
Withdrawals	**(2,443)**	(2,240)
Fees	**(1)**	-
Impact of changes in foreign exchange rates	**(246)**	351
Other	**5**	(22)
Balance, December 31	**$ 13,229**	$ 12,690

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, 2025 and 2024, 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 investment contract liabilities including those for account of segregated fund holders as at December 31, 2025 and 2024.

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
2025	**$ 340,567**	**$ 2,372**	**$ 1,183**	**$ 3,375**	**$347,497**
2024	316,119	2,766	1,170	2,738	322,793

[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, 2025 and 2024, the fair value of all reinsurance contract assets backing investment contract liabilities was determined using Level 2 valuation techniques.

As at December 31, 2025, the fair value of reinsurance contract assets measured at FVOCI was $620 (2024 – $669). The fair value and carrying value of reinsurance contract assets measured at amortized cost were $934 and $889, respectively (2024 – $978 and $1,052, respectively).

For contracts measured at FVOCI, interest income of $28 was recorded in the Consolidated Statements of Income and changes in fair value of $12 was recorded in OCI for the year ended December 31, 2025 (2024 – $29 and $24, 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 $40 was recorded in the Consolidated Statements of Income for the year ended December 31, 2025 (2024 – $41).

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. The following disclosures are in accordance with IFRS 7 "Financial Instruments: Disclosures".

(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 and liquidity 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 and liquidity risks incorporates several component strategies, each targeted to manage one or more of the market and 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 and 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
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.

Hedging Strategies for Public 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.

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

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, 2025 (2024 – $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, 2025, JHUSA had an estimated maximum borrowing capacity of US$3.8 billion (2024 – US$3.8 billion) based on regulatory limitations with an outstanding balance of US$500 (2024 – US$500) under the FHLBI facility.
The following table outlines the maturity of the Company's significant financial liabilities.

Maturity of financial liabilities

As at December 31, 2025	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Long-term debt[1]	**$ 1,741**	**$ 958**	**$ -**	**$ 4,986**	**$ 7,685**
Capital instruments[1]	**-**	**-**	**-**	**6,990**	**6,990**
Derivatives	**2,270**	**1,746**	**875**	**9,456**	**14,347**
Deposits from Bank clients[2]	**17,462**	**4,441**	**2,804**	**-**	**24,707**
Lease liabilities	**101**	**138**	**49**	**46**	**334**

[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, 2025 were $24,707 and $24,945, respectively (2024 – $22,063 and $22,270, 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 (2024 – 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 $537.4 billion as at December 31, 2025 (2024 – $516.6 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 are to expected to be recognized primarily within the next 20 years.
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

As at December 31,	2025 Guarantee value[1]	2025 Fund value	2025 Net amount at risk[1],[2],[3]	2024 Guarantee value[1]	2024 Fund value	2024 Net amount at risk[1],[2],[3]
Guaranteed minimum income benefit	**$ 3,142**	**$ 2,534**	**$ 708**	$ 3,628	$ 2,780	$ 918
Guaranteed minimum withdrawal benefit	**29,664**	**31,071**	**2,643**	33,473	33,539	3,339
Guaranteed minimum accumulation benefit	**18,908**	**19,208**	**55**	18,987	19,097	70
Gross living benefits[4]	**51,714**	**52,813**	**3,406**	56,088	55,416	4,327
Gross death benefits[5]	**7,892**	**19,924**	**486**	8,612	19,851	644
Total gross of reinsurance	**59,606**	**72,737**	**3,892**	64,700	75,267	4,971
Living benefits reinsured	**20,518**	**21,932**	**2,351**	23,768	23,965	3,016
Death benefits reinsured	**3,058**	**2,620**	**195**	3,430	2,776	289
Total reinsured	**23,576**	**24,552**	**2,546**	27,198	26,741	3,305
Total, net of reinsurance	**$ 36,030**	**$ 48,185**	**$ 1,346**	$ 37,502	$ 48,526	$ 1,666

[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, 2025 was $1,346 (December 31, 2024 – $1,666) of which: US$244 (December 31, 2024 – US$293) was on the Company's U.S. business, $835 (December 31, 2024 – $1,021) was on the Company's Canadian business, US$80 (December 31, 2024 – US$100) was on the Company's Japan business, and US$49 (December 31, 2024 – US$56) 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,	2025	2024
Investment category		
Equity funds	**$ 51,919**	$ 51,457
Balanced funds	**36,889**	37,381
Bond funds	**8,528**	9,017
Money market funds	**1,794**	1,712
Other debt investments	**2,074**	2,082
Total	**$ 101,204**	$ 101,649

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 materially 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 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)

As at December 31, 2025	Net income attributed to shareholders -30%	-20%	-10%	+10%	+20%	+30%
Underlying sensitivity						
Variable annuity and segregated fund guarantees[2]	**$ (1,790)**	**$ (1,070)**	**$ (490)**	**$ 400**	**$ 750**	**$ 1,050**
General fund equity investments[3]	**(1,320)**	**(880)**	**(440)**	**440**	**870**	**1,310**
Total underlying sensitivity before hedging	**(3,110)**	**(1,950)**	**(930)**	**840**	**1,620**	**2,360**
Impact of macro and dynamic hedge assets[4]	**650**	**390**	**170**	**(130)**	**(240)**	**(330)**
Net potential impact on net income attributed to shareholders after impact of hedging and before impact of reinsurance	**(2,460)**	**(1,560)**	**(760)**	**710**	**1,380**	**2,030**
Impact of reinsurance	**1,110**	**670**	**310**	**(270)**	**(490)**	**(700)**
Net potential impact on net income attributed to shareholders after impact of hedging and reinsurance	**$ (1,350)**	**$ (890)**	**$ (450)**	**$ 440**	**$ 890**	**$ 1,330**

As at December 31, 2024	Net income attributed to shareholders -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

[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.

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]

As at December 31, 2025	-30%	-20%	-10%	+10%	+20%	+30%
Variable annuity and segregated fund guarantees reported in CSM	**$ (2,970)**	**$ (1,820)**	**$ (840)**	**$ 730**	**$ 1,390**	**$ 1,980**
Impact of risk mitigation - hedging[3]	**870**	**510**	**220**	**(180)**	**(320)**	**(430)**
Impact of risk mitigation - reinsurance[3]	**1,400**	**850**	**390**	**(330)**	**(630)**	**(890)**
VA net of risk mitigation	**(700)**	**(460)**	**(230)**	**220**	**440**	**660**
General fund equity	**(1,410)**	**(910)**	**(440)**	**440**	**880**	**1,300**
Contractual service margin (pre-tax)	**$ (2,110)**	**$ (1,370)**	**$ (670)**	**$ 660**	**$ 1,320**	**$ 1,960**
Other comprehensive income attributed to shareholders (post-tax)[4]	**$ (920)**	**$ (620)**	**$ (300)**	**$ 300**	**$ 580**	**$ 860**
Total comprehensive income attributed to shareholders (post-tax)	**$ (2,270)**	**$ (1,510)**	**$ (750)**	**$ 740**	**$ 1,470**	**$ 2,190**

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[3]	940	560	250	(190)	(350)	(470)
Impact of risk mitigation - reinsurance[3]	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)[4]	$ (840)	$ (560)	$ (280)	$ 270	$ 530	$ 790
Total comprehensive income attributed to shareholders (post-tax)	$ (2,090)	$ (1,380)	$ (680)	$ 660	$ 1,320	$ 1,970

[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 occurs as a result of market changes.

[3] 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.

[4] 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, 2025, 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 materially impact net income attributed to shareholders.

The Company's sensitivities vary across all regions in which the Company operates, 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.

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, 2025, the Company did not have a material currency mismatch between assets and liabilities.
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).

(l)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, 2025	Stage 1	Stage 2	Stage 3	Total
Debt securities, measured at FVOCI				
Investment grade	$ 203,241	$ 1,187	$ -	$ 204,428
Non-investment grade	3,993	477	-	4,470
Total carrying value	207,234	1,664	-	208,898
Allowance for credit losses	221	43	-	264
Debt securities, measured at amortized cost				
Investment grade	1,137	-	-	1,137
Non-investment grade	-	-	-	-
Total	1,137	-	-	1,137
Allowance for credit losses	1	-	-	1
Total carrying value, net of allowance	1,136	-	-	1,136
Private placements, measured at FVOCI				
Investment grade	43,803	309	-	44,112
Non-investment grade	5,527	979	211	6,717
Total carrying value	49,330	1,288	211	50,829
Allowance for credit losses	108	82	194	384
Commercial mortgages, measured at FVOCI				
AAA	244	-	-	244
AA	7,961	-	-	7,961
A	13,720	-	-	13,720
BBB	5,106	645	-	5,751
BB	63	730	-	793
B and lower	-	20	100	120
Total carrying value	27,094	1,395	100	28,589
Allowance for credit losses	42	38	34	114
Commercial mortgages, measured at amortized cost				
AAA	-	-	-	-
AA	-	-	-	-
A	223	-	-	223
BBB	-	-	-	-
BB	-	-	-	-
B and lower	166	8	1	175
Total	389	8	1	398
Allowance for credit losses	1	-	1	2
Total carrying value, net of allowance	388	8	-	396
Residential mortgages, measured at amortized cost				
Performing	25,361	1,379	-	26,740
Non-performing	-	-	50	50
Total	25,361	1,379	50	26,790
Allowance for credit losses	4	2	1	7
Total carrying value, net of allowance	25,357	1,377	49	26,783
Loans to Bank clients, measured at amortized cost				
Performing	2,629	105	-	2,734
Non-performing	-	-	4	4
Total	2,629	105	4	2,738
Allowance for credit losses	1	1	1	3

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

(II)Allowance for Credit Losses

The following tables provide details on the allowance for credit losses by stage as at and for the years ended December 31, 2025 and 2024.

As at December 31, 2025	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of year	**$ 434**	**$ 213**	**$ 181**	**$ 828**
Net re-measurement due to transfers	**4**	**(31)**	**27**	**-**
Transfer to stage 1	***11***	***(11)***	***-***	***-***
Transfer to stage 2	***(7)***	***7***	***-***	***-***
Transfer to stage 3	***-***	***(27)***	***27***	***-***
Net originations, purchases, disposals and repayments	**59**	**(11)**	**(97)**	**(49)**
Changes to risk, parameters, and models	**(72)**	**(1)**	**117**	**44**
Foreign exchange and other adjustments	**(15)**	**(3)**	**4**	**(14)**
Balance, end of year	**$ 410**	**$ 167**	**$ 232**	**$ 809**

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

(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.

As at December 31, 2025	Current quarter	Base case scenario		Upside scenario		Downside scenario 1		Downside scenario 2	
		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	**$ 2,020**	**0.6 %**	**1.9 %**	**2.6 %**	**1.9 %**	**(4.1)%**	**2.2 %**	**(7.2)%**	**2.2 %**
Unemployment rate	**7.2 %**	**7.1 %**	**6.3 %**	**6.5 %**	**5.6 %**	**8.5 %**	**8.0 %**	**9.5 %**	**9.7 %**
NYMEX Light Sweet Crude Oil, in U.S. dollars, per barrel	**$ 61**	**$ 62**	**$ 66**	**$ 67**	**$ 67**	**$ 47**	**$ 60**	**$ 39**	**$ 54**
U.S.									
Gross Domestic Product (GDP), in U.S. $ billions	**$ 23,998**	**2.1 %**	**2.4 %**	**3.8 %**	**2.4 %**	**(2.2)%**	**2.7 %**	**(4.1)%**	**2.6 %**
Unemployment rate	**4.4 %**	**4.6 %**	**4.3 %**	**3.9 %**	**3.6 %**	**7.2 %**	**6.1 %**	**7.7 %**	**8.2 %**
7-10 Year BBB U.S. Corporate Index	**5.3 %**	**5.9 %**	**6.1 %**	**5.7 %**	**6.0 %**	**6.4 %**	**5.8 %**	**7.0 %**	**5.7 %**
Japan									
Gross Domestic Product (GDP), in JPY billions	**¥ 564,072**	**0.2 %**	**0.8 %**	**2.2 %**	**1.0 %**	**(4.1)%**	**1.1 %**	**(7.4)%**	**1.7 %**
Unemployment rate	**2.5 %**	**2.5 %**	**2.2 %**	**2.4 %**	**2.1 %**	**3.0 %**	**2.9 %**	**3.2 %**	**3.5 %**
Hong Kong									
Unemployment rate	**4.1 %**	**4.0 %**	**3.2 %**	**3.6 %**	**2.9 %**	**5.1 %**	**4.1 %**	**5.5 %**	**4.8 %**
Hang Seng Index	**26,454**	**(1.3)%**	**1.0 %**	**8.9 %**	**0.7 %**	**(26.0)%**	**6.7 %**	**(41.9)%**	**10.2 %**
China									
Gross Domestic Product (GDP), in CNY billions	**¥ 119,732**	**4.7 %**	**4.1 %**	**7.2 %**	**4.3 %**	**(2.3)%**	**4.6 %**	**(5.1)%**	**3.9 %**
FTSE Xinhua A200 Index	**11,186**	**3.7 %**	**3.6 %**	**18.6 %**	**1.6 %**	**(28.0)%**	**10.3 %**	**(37.8)%**	**12.1 %**

As at December 31, 2024	Current quarter	Base case scenario		Upside scenario		Downside scenario 1		Downside scenario 2	
		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	$ 75	$ 72	$ 79	$ 74	$ 59	$ 66	$ 50	$ 61
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 base case scenario, one upside and two downside scenarios) weighted by probability of occurrence and shows an ECL allowance resulting from only the base case scenario.

As at December 31,	2025	2024
Probability-weighted ECL	**$ 809**	$ 828
Baseline ECL	**$ 611**	$ 629
Difference – in amount	**$ 198**	$ 199
Difference – in percentage	**24.47 %**	24.03 %

The Company's probability-weighted ECL allowance balance which resulted from all four macroeconomic scenarios as at December 31, 2025 was $809 (2024 – $828). ECL allowance balances indicated by the base case scenario, the upside scenario, the downside scenario 1 and the downside scenario 2, as at December 31, 2025 were $611, $522, $1,434 and $1,798 respectively (2024 – $629, $536, $1,590 and $2,104, respectively).

(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, 2025, the Company had loaned securities (which are included in invested assets) with a market value of $1,800 (2024 – $1,021). 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, 2025, the Company had outstanding reverse repurchase transactions of $957 (2024 – $1,594) which are recorded as short-term receivables. In addition, the Company had outstanding repurchase transactions of $193 as at December 31, 2025 (2024 – $668) 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, 2025	Notional amount[1]	Fair value	Weighted average maturity (in years)[2]
Single name CDS[3],[4] – Corporate debt			
AA	**$ 22**	**$ -**	**2**
A	**65**	**1**	**2**
BBB	**22**	**-**	**1**
Total single name CDS	**$ 109**	**$ 1**	**2**
Total CDS protection sold	**$ 109**	**$ 1**	**2**

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

[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, 2025 and 2024.

(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, 2025, the percentage of the Company's derivative exposure with counterparties rated AA- or higher was 29 per cent (2024 – 30 per cent). As at December 31, 2025, the largest single counterparty exposure, without taking into consideration the impact of master netting agreements or the benefit of collateral held, was $1,386 (2024 – $1,319). The net exposure to this counterparty, after taking into consideration master netting agreements and the fair value of collateral held, was $nil (2024 – $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 present 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, 2025	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	**$ 9,955**	**$ (6,700)**	**$ (2,694)**	**$ 561**	**$ 561**
Securities lending	**1,800**	**-**	**(1,800)**	**-**	**-**
Reverse repurchase agreements	**957**	**-**	**(957)**	**-**	**-**
Total financial assets	**$ 12,712**	**$ (6,700)**	**$ (5,451)**	**$ 561**	**$ 561**
Financial liabilities					
Derivative liabilities	**$ (15,024)**	**$ 6,700**	**$ 8,228**	**$ (96)**	**$ (39)**
Repurchase agreements	**(193)**	**-**	**193**	**-**	**-**
Total financial liabilities	**$ (15,217)**	**$ 6,700**	**$ 8,421**	**$ (96)**	**$ (39)**

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)

[1] Financial assets and liabilities include accrued interest of $334 and $677 respectively (2024 – $388 and $779 respectively).

[2] Financial and cash collateral exclude over-collateralization. As at December 31, 2025, 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 $403, $1,699, $154 and $nil respectively (2024 – $641, $2,472, $35 and $nil respectively). As at December 31, 2025, 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, 2025	Gross amounts of financial instruments	Amounts subject to an enforceable netting arrangement	Net amounts of financial instruments
Credit linked note[1]	**$ 1,349**	**$ (1,349)**	**$ -**
Variable surplus note	**(1,349)**	**1,349**	**-**

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	-

[1] As at December 31, 2025 and 2024, 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,	2025	2024
Debt securities and private placements rated as investment grade BBB or higher[1]	**96 %**	96 %
Government debt securities as a per cent of total debt securities	**39 %**	40 %
Government private placements as a per cent of total private placements	**8 %**	9 %
Highest exposure to a single non-government debt security or private placement issuer	**$ 1,033**	$ 1,121
Largest single issuer as a per cent of the total equity portfolio	**2 %**	2 %
Income producing commercial office properties (2025 – 34% of real estate, 2024 – 35%)	**$ 4,312**	$ 4,696
Largest concentration of mortgages and real estate[2] – Ontario, Canada (2025 – 29%, 2024 – 28%)	**$20,199**	$ 19,052

[1]Investment grade debt securities and private placements include 39% rated A, 24% rated AA and 7% rated AAA (2024 – 37%, 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 the Company's debt securities and private placements portfolio by sector and industry.

As at December 31,	2025 Carrying value	2025 % of total	2024 Carrying value	2024 % of total
Government and agency	**$ 87,734**	**34 %**	$ 88,376	34 %
Utilities	**45,795**	**17 %**	45,812	18 %
Financial	**39,342**	**15 %**	38,656	15 %
Consumer	**34,815**	**13 %**	31,529	12 %
Energy	**16,932**	**6 %**	15,840	6 %
Industrial	**24,840**	**9 %**	24,233	9 %
Other	**16,438**	**6 %**	15,843	6 %
Total	**$ 265,896**	**100 %**	$ 260,289	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 activities 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$40 for individual policies (US$45 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, 2025	Insurance contract liabilities	Investment contract liabilities	Reinsurance assets	Net liabilities
U.S. and Canada	**$ 339,534**	**$ 327,754**	**$ (53,885)**	**$ 613,403**
Asia and Other	**200,810**	**18,631**	**(5,497)**	**213,944**
Total	**$ 540,344**	**$ 346,385**	**$ (59,382)**	**$ 827,347**

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

(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, 2025, the Company had $59,382 (2024 – $58,349) of reinsurance assets. Of this, 94 per cent (2024 – 93 per cent) were ceded to reinsurers with S&P ratings of A- or above. The Company's exposure to credit risk was mitigated by $43,193 fair value of collateral held as security as at December 31, 2025 (2024 – $40,753). Net exposure after considering offsetting agreements and the benefit of the fair value of collateral held was $16,189 as at December 31, 2025 (2024 – $17,595).

Note 9 Long-Term Debt

(a)Carrying Value of Long-Term Debt Instruments

				As at December 31,	
	Issue date	Maturity date	Par value	**2025**	2024
3.050% Senior notes[1],[2]	August 27, 2020	August 27, 2060	US$ 1,155	**$ 1,583**	$ 1,659
5.375% Senior notes[1],[3]	March 4, 2016	March 4, 2046	US$ 750	**1,017**	1,067
4.986% Senior notes[1],[4]	December 11, 2025	December 11, 2035	US$ 1,000	**1,362**	-
3.703% Senior notes[1],[4]	March 16, 2022	March 16, 2032	US$ 750	**1,024**	1,074
2.396% Senior notes[1],[5]	June 1, 2020	June 1, 2027	US$ 200	**274**	287
2.484% Senior notes[1],[5]	May 19, 2020	May 19, 2027	US$ 500	**684**	717
3.527% Senior notes[1],[3]	December 2, 2016	December 2, 2026	US$ 270	**370**	388
4.150% Senior notes[1],[3]	March 4, 2016	March 4, 2026	US$ 1,000	**1,371**	1,437
Total				**$ 7,685**	$ 6,629

[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 three 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: 3.703% notes – 25 bps, and 4.986% notes – 15 bps. For the period from three 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.

[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, 2025 was $241 (2024 – $233).

(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, 2025, the fair value of long-term debt was $6,962 (2024 – $5,741). The fair value of long-term debt was determined using Level 2 valuation techniques (2024 – 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
2025	**$ 1,741**	**$ 958**	**$ -**	**$ 4,986**	**$ 7,685**
2024	-	2,829	-	3,800	6,629

Note 10 Capital Instruments

(a)Carrying Value of Capital Instruments

	Issuance date	Earliest par redemption date	Maturity date	Par value	As at December 31, 2025	2024
JHFC Subordinated notes[1]	December 14, 2006	December 15, 2036	December 15, 2036	$ 650	**$ 648**	$ 648
3.983% MFC Subordinated debentures[2]	May 23, 2025	May 23, 2030	May 23, 2035	$ 500	**497**	-
2.818% MFC Subordinated debentures[3],[4]	May 12, 2020	May 13, 2030	May 13, 2035	$ 1,000	**997**	997
4.064% MFC Subordinated debentures[5]	December 6, 2024	December 6, 2029	December 6, 2034	$ 1,000	**996**	995
4.275% MFC Subordinated notes[6],[7]	June 19, 2024	June 19, 2029	June 19, 2034	S$ 500	**531**	524
5.054% MFC Subordinated debentures[8]	February 23, 2024	February 23, 2029	February 23, 2034	$ 1,100	**1,096**	1,095
5.409% MFC Subordinated debentures[9]	March 10, 2023	March 10, 2028	March 10, 2033	$ 1,200	**1,197**	1,196
4.061% MFC Subordinated notes[3],[10],[11]	February 24, 2017	February 24, 2027	February 24, 2032	US$ 750	**1,028**	1,077
2.237% MFC Subordinated debentures[12]	May 12, 2020	May 12, 2025	May 12, 2030	$ 1,000	**-**	1,000
Total					**$ 6,990**	$ 7,532

[1] 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 Canadian Overnight Repo Rate Average ("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.

[2] Issued by MFC, interest is payable semi-annually. After May 23, 2030, the interest rate will reset to equal the Daily Compounded CORRA plus 1.32%. With regulatory approval, MFC may redeem the notes, in whole or in part, on or after May 23, 2030, at a redemption price equal to par, together with accrued and unpaid interest to, but excluding, the date fixed for redemption.

[3] Capital instruments with interest rates resetting in the future that reference Canadian Dollar Offered Rate ("CDOR") and the U.S. Dollar Mid-Swap rate (based on London Interbank Offered Rate (LIBOR)) include the 2.818% subordinated debentures and 4.061% subordinated debentures, 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, 2025, the interest rate benchmark reform has not resulted in material changes in the Company's risk management strategy.

[4] 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.

[5] Issued by MFC, 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.

[6] 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.

[7] Issued by MFC, 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.

[8] Issued by MFC, 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.

[9] 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.

[10] 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.

[11] 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.

[12] The 2.237% MFC Subordinated notes were redeemed at par on May 12, 2025.

(b)Fair Value Measurement

The Company measures capital instruments at amortized cost in the Consolidated Statements of Financial Position. As at

December 31, 2025, the fair value of capital instruments was $7,121 (2024 – $7,575). The fair value of capital instruments was determined using Level 2 valuation techniques (2024 – Level 2).

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, 2025 and December 31, 2024.

	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, 2025	Net amount[4] as at December 31, 2024
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]	February 25, 2014	5.775 %	June 19, 2029	8	200	**195**	195
Series 17[5],[6]	August 15, 2014	5.542 %	December 19, 2029	14	350	**343**	343
Series 19[5],[6],[8]	December 3, 2014	5.169 %	March 19, 2030	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)[9]							
Series 1[10]	February 19, 2021	3.375 %	May 19, 2026	n/a	2,000	**1,982**	1,982
Series 2[10]	November 12, 2021	4.100 %	February 19, 2027	n/a	1,200	**1,189**	1,189
Series 3[10]	June 16, 2022	7.117 %	June 19, 2027	n/a	1,000	**990**	990
Total					$ 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 to 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 19 on March 19, 2025, which was the earliest redemption date. The dividend rate was reset as specified in footnote 5 above to an annual fixed rate of 5.169%, for a 5-year period commencing on March 20, 2025.

[9] 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.

[10] 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, 2025, there were 9 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 (2024 – 12 million).

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

For the years ended December 31,	2025		2024	
	Number of shares (in millions)	Amount	Number of shares (in millions)	Amount
Balance, beginning of year	**1,729**	**$ 20,681**	1,806	$ 21,527
Repurchased for cancellation	**(54)**	**(651)**	(83)	(990)
Issued on exercise of stock options and deferred share units	**2**	**73**	6	144
Balance, end of year	**1,677**	**$ 20,103**	1,729	$ 20,681

Normal course issuer bid

On February 19, 2025, the Company received approval from the Toronto Stock Exchange ("TSX") to launch a normal course issuer bid (the "2025 NCIB"), permitting the purchase for cancellation of up to 51.5 million of its common shares, representing approximately 3.0% of its common shares outstanding as at February 12, 2025. Purchases under the 2025 NCIB commenced on February 24, 2025, and may continue until February 23, 2026, when the 2025 NCIB expires, or such earlier date as the Company completes its purchases.

The Company's 2024 NCIB was announced on February 20, 2024 and subsequently amended on May 7, 2024. The Company received approval from the TSX to purchase for cancellation up to 90 million of its common shares, representing approximately 5% of its common shares outstanding as at February 12, 2024. The 2024 NCIB expired on February 22, 2025.

During the year ended December 31, 2025, the Company purchased for cancellation 54.4 million common shares (2024 – 82.8 million common shares) for a total cost of $2,386 pre-tax (2024 – $3,212 pre-tax), including 48.7 million common shares for $2,138 pre-tax under the 2025 NCIB, and 5.7 million common shares for $248 pre-tax under the 2024 NCIB, and incurred $45 (2024 – $60) tax on net repurchases of equity. Of this, $651 was recorded in common shares and $1,780 was recorded in retained earnings in the Consolidated Statements of Changes in Equity (2024 – $990 and $2,282, respectively).

On February 11, 2026, the Company announced that it is launching a normal course issuer bid (the "2026 NCIB") permitting the purchase for cancellation of up to 42 million common shares, representing approximately 2.5% of its common shares outstanding as at January 31, 2026. The Company has received approval from OSFI for the 2026 NCIB on January 19, 2026. Purchases under the 2026 NCIB are expected to commence in late February, subject to approval from the TSX.

(c)Earnings Per Share

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

For the years ended December 31,	2025	2024
Basic earnings per common share	**$ 3.08**	$ 2.85
Diluted earnings per common share	**3.07**	2.84

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,	2025	2024
Weighted average number of common shares (in millions)	**1,703**	1,779
Dilutive stock-based awards[1] (in millions)	**5**	6
Weighted average number of diluted common shares (in millions)	**1,708**	1,785

[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 (2024 – nil) anti-dilutive stock-based awards.

(d)Quarterly Dividend Declaration Subsequent to Year End

On February 11, 2026, the Company's Board of Directors approved a quarterly dividend of $0.485 per share on the common shares of MFC, payable on or after March 19, 2026 to shareholders of record at the close of business on February 25, 2026. The Board also declared dividends on the following non-cumulative preferred shares, payable on or after March 19, 2026 to shareholders of record at the close of business on February 25, 2026.

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 – $0.223645 per share	Class 1 Shares Series 19 – $0.323063 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 a base solvency buffer, which is a risk based capital requirement determined in accordance with the guideline.

The Company's operating activities are primarily conducted by 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 regulatory requirements, and considers 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 regulatory reporting purposes, under the LICAT framework, these items are adjusted for various additions or deductions to capital as mandated by the OSFI guidelines.

Consolidated capital

As at December 31,	**2025**	2024
Total equity	**$ 52,488**	$ 52,960
Exclude AOCI gain / (loss) on cash flow hedges	**87**	119
Total equity excluding AOCI on cash flow hedges	**52,401**	52,841
Post-tax CSM	**22,165**	19,497
Qualifying capital instruments	**6,990**	7,532
Consolidated capital	**$ 81,556**	$ 79,870

(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 of 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, 2025	Global WAM	Asia, Canada, U.S., and Corporate and Other	Total
Investment management and other related fees	**$ 3,940**	**$ (442)**	**$ 3,498**
Transaction processing, administration and service fees	**3,166**	**302**	**3,468**
Distribution fees and other	**906**	**59**	**965**
Total included in other revenue	**8,012**	**(81)**	**7,931**
Revenue from non-service lines	**8**	**190**	**198**
Total other revenue	**$ 8,020**	**$ 109**	**$ 8,129**
Real estate management services included in net investment income	**$ -**	**$ 276**	**$ 276**

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

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 MFC common 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,	**2025**		2024	
	Number of options (in millions)	Weighted average exercise price	Number of options (in millions)	Weighted average exercise price
Outstanding, January 1	**11**	**$ 23.35**	16	$ 22.73
Exercised	**(3)**	**22.86**	(5)	21.56
Outstanding, December 31	**8**	**$ 23.51**	11	$ 23.35
Exercisable, December 31	**8**	**$ 23.51**	6	$ 22.66

For the year ended December 31, 2025	Options outstanding			Options exercisable		
	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**	**0.15**	**1**	**$ 17.59**	**0.15**
$21.00 - $24.73	**7**	**$ 23.94**	**3.16**	**7**	**$ 23.94**	**3.16**
Total	**8**	**$ 23.51**	**2.96**	**8**	**$ 23.51**	**2.96**

No stock options were granted in 2025 or 2024.
Compensation expense related to stock options was $nil for the year ended December 31, 2025 (2024 – $nil).

(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 45,000 as at December 31, 2025 (2024 – 149,000).
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 2025, the Company granted 22,000 DSUs (2024 – 45,000) to certain employees which vest after 36 months. In 2025, 77,000 DSUs (2024 – 44,000) were granted to certain employees who elected to defer receipt of all or part of their annual bonus, and these DSUs vested immediately. In 2025, 16,000 DSUs (2024 – 19,000) 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 2025, 72,000 DSUs (2024 – 85,000) 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 187,000 DSUs issued during the year was $49.84 per unit as at December 31, 2025 (2024 – 193,000 at $44.16 per unit).

For the years ended December 31,		
Number of DSUs (in thousands)	**2025**	2024
Outstanding, January 1	**2,050**	1,963
Issued	**187**	193
Reinvested	**71**	86
Redeemed	**(634)**	(191)
Forfeitures and cancellations	**(3)**	(1)
Outstanding, December 31	**1,671**	2,050

Of the DSUs outstanding as at December 31, 2025, 45,000 (2024 – 149,000) entitle the holder to receive common shares, 957,000 (2024 – 867,000) entitle the holder to receive payment in cash and 669,000 (2024 – 1,034,000) 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, 2025 (2024 – $10).
The carrying and fair value of the DSUs liability as at December 31, 2025 was $83 (2024 – $84) and was included in other liabilities.

(c)Restricted Share Units and Performance Share Units

For the year ended December 31, 2025, 5.7 million RSUs (2024 – 6.7 million) and 1.2 million Performance Share Units ("PSUs") (2024 – 1.5 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 $49.84 per unit as at December 31, 2025 (2024 – $44.16 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 2025 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 $229 and $65, respectively, for the year ended December 31, 2025 (2024 – $215 and $96, respectively).
The carrying and fair value of the RSUs and PSUs liability as at December 31, 2025 was $932 (2024 – $910) 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 Management Resources and Compensation Committee.

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 and Japan. 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 2026. 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 2026, 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 Management Resources and Compensation Committee. The retiree welfare plan is governed by management.

(b)Risks

In the 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, 2025, the target asset allocation for the plan was 30% return-seeking assets and 70% liability-hedging assets (2024 – 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, 2025, the target asset allocation for the plans was 17% return-seeking assets and 83% liability-hedging assets (2024 – 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.

	Pension plans		Retiree welfare plans	
For the years ended December 31,	**2025**	2024	**2025**	2024
Changes in defined benefit obligation:				
Opening balance, January 1	**$ 3,826**	$ 3,789	**$ 428**	$ 450
Current service cost	**44**	44	**-**	-
Past service cost – amendment	**-**	-	**-**	-
Interest cost	**184**	176	**21**	21
Plan participants' contributions	**-**	-	**2**	2
Actuarial losses (gains) due to:				
Experience	**(17)**	2	**(10)**	(16)
Demographic assumption changes	**(24)**	-	**(6)**	-
Economic assumption changes	**19**	(101)	**(3)**	(19)
Benefits paid	**(314)**	(303)	**(37)**	(40)
Impact of changes in foreign exchange rates	**(116)**	219	**(16)**	30
Defined benefit obligation, December 31	**$ 3,602**	$ 3,826	**$ 379**	$ 428

	Pension plans		Retiree welfare plans	
For the years ended December 31,	**2025**	2024	**2025**	2024
Changes in plan assets:				
Fair value of plan assets, opening balance, January 1	**$ 3,820**	$ 3,706	**$ 553**	$ 526
Interest income	**188**	174	**29**	26
Return on plan assets (excluding interest income)	**27**	(31)	**13**	(19)
Employer contributions	**55**	57	**13**	12
Plan participants' contributions	**-**	-	**2**	2
Benefits paid	**(314)**	(303)	**(37)**	(40)
Administration costs	**(10)**	(8)	**(2)**	(2)
Impact of changes in foreign exchange rates	**(123)**	225	**(26)**	48
Fair value of plan assets, December 31	**$ 3,643**	$ 3,820	**$ 545**	$ 553

(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.

	Pension plans		Retiree welfare plans	
As at December 31,	**2025**	2024	**2025**	2024
Development of net defined benefit liability				
Defined benefit obligation	**$ 3,602**	$ 3,826	**$ 379**	$ 428
Fair value of plan assets	**3,643**	3,820	**545**	553
Deficit (surplus)	**(41)**	6	**(166)**	(125)
Effect of asset limit[(1)]	**46**	44	**-**	-
Deficit (surplus) and net defined benefit liability (asset)	**5**	50	**(166)**	(125)
Deficit (surplus) is comprised of:				
Funded or partially funded plans	**(488)**	(483)	**(259)**	(221)
Unfunded plans	**493**	533	**93**	96
Deficit (surplus) and net defined benefit liability (asset)	**$ 5**	$ 50	**$ (166)**	$ (125)

[(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,	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Active members	**$ 573**	$ 578	**$ 7**	$ 8	**$ 100**	$ 106	**$ -**	$ -
Inactive and retired members	**1,765**	1,922	**279**	324	**1,164**	1,220	**93**	96
Total	**$ 2,338**	$ 2,500	**$ 286**	$ 332	**$ 1,264**	$ 1,326	**$ 93**	$ 96

(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, 2025	Fair value	% of total	Fair value	% of total	Fair value	% of total	Fair value	% of total
Cash and cash equivalents	**$ 33**	**1%**	**$ 13**	**2%**	**$ 11**	**1%**	**$ -**	**-%**
Public equity securities[3]	**326**	**14%**	**48**	**9%**	**200**	**17%**	**-**	**-%**
Public debt securities	**1,423**	**57%**	**472**	**87%**	**954**	**82%**	**-**	**-%**
Other investments[4]	**696**	**28%**	**12**	**2%**	**1**	**-%**	**-**	**-%**
Total	**$ 2,478**	**100%**	**$ 545**	**100%**	**$ 1,166**	**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, 2025 (2024 – 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% (approximately $1 (2024 – $1)) of all Canadian pension plan assets as at December 31, 2025 (2024 – 0.1%).

[3]Equity securities include direct investments in Manulife common shares of $2.4 (2024 – $2.1) 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, 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%	$ -	-%

Note: For footnotes (1) to (4), refer to the "Fair value measurements" table as at December 31, 2025 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,	**2025**	2024	**2025**	2024
Defined benefit current service cost[1]	**$ 44**	$ 44	**$ -**	$ -
Defined benefit administrative expenses	**10**	8	**2**	2
Past service cost – plan amendments and curtailments	**-**	-	**-**	-
Service cost	**54**	52	**2**	2
Interest on net defined benefit (asset) liability	**(1)**	4	**(8)**	(5)
Defined benefit cost	**53**	56	**(6)**	(3)
Defined contribution cost	**101**	97	**-**	-
Net benefit cost	**$ 154**	$ 153	**$ (6)**	$ (3)

[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 Gain/Loss Recorded in Other Comprehensive Income

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

	Pension plans		Retiree welfare plans	
For the years ended December 31,	**2025**	2024	**2025**	2024
Actuarial gains (losses) on defined benefit obligations due to:				
Experience	**$ 17**	$ (2)	**$ 10**	$ 16
Demographic assumption changes	**24**	-	**6**	-
Economic assumption changes	**(19)**	101	**3**	19
Return on plan assets (excluding interest income)	**27**	(31)	**13**	(19)
Change in effect of asset limit (excluding interest)	**-**	(1)	**-**	-
Total re-measurement gains (losses) recorded in OCI, net of tax	**$ 49**	$ 67	**$ 32**	$ 16

(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,	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
To determine the defined benefit obligation at end of year[1]:								
Discount rate	**5.2 %**	5.5 %	**5.1 %**	5.4 %	**4.8 %**	4.6 %	**4.9 %**	4.7 %
Initial health care cost trend rate[2]	**n/a**	n/a	**8.5 %**	8.8 %	**n/a**	n/a	**3.9 %**	3.9 %
To determine the net defined benefit cost for the 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 %

[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 8.5% grading to 4.8% for 2041 and years thereafter (2024 – 8.8% grading to 4.8% for 2041 and years thereafter) and to measure the net benefit cost was 8.8% grading to 4.8% for 2041 and years thereafter (2024 – 9.0% grading to 4.8% for 2041 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 (2024 – 3.9% grading to 4.0% for 2029 and years thereafter) and to measure the net benefit cost was 3.9% grading to 4.0% for 2029 and years thereafter (2024 – 5.1% in 2023 and 3.9% in 2024, grading to 4.0% for 2029 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,	**2025**	2024	**2025**	2024
Life expectancy (in years) for those currently age 65				
Males	**22.2**	22.2	**24.4**	24.4
Females	**23.6**	23.7	**26.3**	26.2
Life expectancy (in years) at age 65 for those currently age 45				
Males	**23.6**	23.6	**25.3**	25.3
Females	**25.0**	25.1	**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.

As at December 31,	Pension plans 2025	Pension plans 2024	Retiree welfare plans 2025	Retiree welfare plans 2024
Discount rate:				
Impact of a 1% increase	**$ (238)**	$ (260)	**$ (30)**	$ (34)
Impact of a 1% decrease	**279**	305	**35**	40
Health care cost trend rate:				
Impact of a 1% increase	**n/a**	n/a	**8**	9
Impact of a 1% decrease	**n/a**	n/a	**(7)**	(8)
Mortality rates[1]**:**				
Impact of a 10% decrease	**88**	89	**6**	9

[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.

As at December 31,	Pension plans 2025	Pension plans 2024	Retiree welfare plans 2025	Retiree welfare plans 2024
U.S. plans	**8.0**	8.0	**7.5**	7.7
Canadian plans	**9.9**	10.1	**10.5**	10.9

(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.

For the years ended December 31,	Pension plans 2025	Pension plans 2024	Retiree welfare plans 2025	Retiree welfare plans 2024
Defined benefit plans	**$ 55**	$ 57	**$ 13**	$ 12
Defined contribution plans	**101**	97	**-**	-
Total	**$ 156**	$ 154	**$ 13**	$ 12

The Company's best estimate of expected cash payments for employee future benefits for the year ending December 31, 2026 is $57 for defined benefit pension plans, $117 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,	2025	2024
Current tax		
Current year	**$ 773**	$ 655
Global Minimum Taxes	**222**	231
Adjustments related to prior years	**45**	15
Total current tax	**1,040**	901
Deferred tax		
Origination and reversal of temporary differences	**(43)**	424
Adjustments related to prior years	**29**	(113)
Effects of change in tax rates	**8**	-
Total deferred tax	**(6)**	311
Income tax expenses (recoveries)	**$ 1,034**	$ 1,212

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

For the years ended December 31,	2025	2024
Recognized in other comprehensive income		
Current income tax expenses (recoveries)	**$ (11)**	$ 174
Deferred income tax expenses (recoveries)	**183**	885
Total recognized in other comprehensive income	**$ 172**	$ 1,059
Recognized in equity, other than other comprehensive income		
Current income tax expenses (recoveries)	**$ 4**	$ 4
Deferred income tax expenses (recoveries)	**(4)**	(5)
Total income tax recognized directly in equity	**$ -**	$ (1)

(b)Current Income Tax Receivable and Payable

As at December 31, 2025, the Company had approximately $999 of current income tax receivable included in other assets (2024 – $1,070) and a current income tax payable of $619 included in other liabilities (2024 – $453).

(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, 2025 (2024 – 27.80%) for the items outlined in the following table.

For the years ended December 31,	2025	2024
Net income (loss) before income taxes	**$ 7,094**	$ 7,090
Income tax expenses (recoveries) at Canadian statutory tax rate	**$ 1,972**	$ 1,971
Increase (decrease) in income taxes due to:		
Tax-exempt investment income	**(291)**	(306)
Differences in tax rate on income not subject to tax in Canada	**(948)**	(938)
Adjustments to taxes related to prior years	**74**	(98)
Tax losses and temporary differences not recognized as deferred taxes	**-**	94
Tax rate change	**8**	-
Global Minimum Taxes	**222**	231
Other differences	**(3)**	258
Income tax expenses (recoveries)	**$ 1,034**	$ 1,212

(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,	2025	2024
Deferred tax assets	**$ 5,741**	$ 5,884
Deferred tax liabilities	**(2,018)**	(1,890)
Net deferred tax assets (liabilities)	**$ 3,723**	$ 3,994

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

For the year ended December 31, 2025	Balance, January 1, 2025	Acquired in business combination	Disposals	Recognized in income	Recognized in other comprehensive income	Recognized in equity	Translation and other	Balance, December 31, 2025
Loss carryforwards	**$ 851**	**$ -**	**$ -**	**$ 525**	**$ (1)**	**$ (11)**	**$ (11)**	**$ 1,353**
Actuarial liabilities	**4,164**	**-**	**-**	**(422)**	**229**	**-**	**(194)**	**3,777**
Pensions and post-employment benefits	**153**	**-**	**-**	**3**	**(5)**	**-**	**(1)**	**150**
Tax credits	**238**	**-**	**-**	**80**	**-**	**-**	**(8)**	**310**
Accrued interest	**5**	**-**	**-**	**(15)**	**-**	**-**	**-**	**(10)**
Real estate	**(970)**	**-**	**-**	**(5)**	**-**	**-**	**29**	**(946)**
Lease liability	**45**	**-**	**-**	**-**	**-**	**-**	**-**	**45**
Right of use asset and sublease receivable	**(43)**	**-**	**-**	**-**	**-**	**-**	**-**	**(43)**
Securities and other investments	**390**	**-**	**-**	**(150)**	**(397)**	**-**	**22**	**(135)**
Sale of investments	**(8)**	**-**	**-**	**6**	**-**	**-**	**-**	**(2)**
Goodwill and intangible assets	**(829)**	**-**	**-**	**(5)**	**-**	**-**	**21**	**(813)**
Other	**(2)**	**-**	**-**	**(11)**	**(9)**	**15**	**44**	**37**
Total	**$ 3,994**	**$ -**	**$ -**	**$ 6**	**$ (183)**	**$ 4**	**$ (98)**	**$ 3,723**

For the year ended December 31, 2024,	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

The total deferred tax assets as at December 31, 2025 of $5,741 (2024 – $5,884) includes $173 (2024 – $27) 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, 2025, tax loss carryforwards available were approximately $8,152 (2024 – $4,837), of which $5,342 expire between the years 2026 and 2045 while $2,810 have no expiry date, and capital loss carryforwards available were approximately $16 (2024 – $27) and have no expiry date. A $1,353 (2024 – $851) tax benefit related to these tax loss carryforwards has been recognized as a deferred tax asset as at December 31, 2025, and a benefit of $472 (2024 – $356) has not been recognized. The Company has approximately $476 (2024 – $412) of tax credit carryforwards which will expire between the years 2026 and 2045 of which a benefit of $166 (2024 – $174) has not been recognized. In addition, the Company has not recognized a deferred tax asset of $908 (2024 – $1,152) on other temporary differences of $4,116 (2024 – $5,341).
The total deferred tax liability as at December 31, 2025 was $2,018 (2024 – $1,890). 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 $11,709 (2024 – $14,955).

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 Structured Entities

(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, 2025, the Company's consolidated timber assets owned by HVPH were $1,509 (2024 – $1,273). 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 mortgages which are collateralized by residential properties. 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 Structured Entities

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,	**2025**	2024	**2025**	2024
Leveraged leases[3]	**$ 4,266**	$ 4,300	**$ 4,266**	$ 4,300
Infrastructure entities[4]	**3,477**	3,282	**4,471**	4,174
Timberland entities[5]	**716**	759	**716**	759
Real estate entities[6]	**609**	601	**609**	601
Total	**$ 9,068**	$ 8,942	**$ 10,062**	$ 9,834

[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.

	Company's interests[1]	
As at December 31,	**2025**	2024
Manulife Finance (Delaware), L.P.[2]	**$ 681**	$ 710
Total	**$ 681**	$ 710

[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 (a) and 18 (d).

(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.

	2025				2024
As at December 31,	CMBS	RMBS	ABS	Total	Total
AAA	**$ 787**	**$ 1**	**$ 820**	**$ 1,608**	$ 1,181
AA	**-**	**-**	**433**	**433**	319
A	**-**	**-**	**154**	**154**	378
BBB	**-**	**-**	**50**	**50**	41
BB and below	**-**	**-**	**128**	**128**	53
Total exposure	**$ 787**	**$ 1**	**$ 1,585**	**$ 2,373**	$ 1,972

(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, 2025 was $1,239 (2024 – $1,149). The Company's retail mutual fund assets under management as at December 31, 2025 were $338,443 (2024 – $333,598).

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 $16,879 (2024 – $15,367) of outstanding investment commitments as at December 31, 2025, of which $1,619 (2024 – $1,143) mature in 30 days, $3,334 (2024 – $3,217) mature in 31 to 365 days and $11,926 (2024 – $11,007) 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, 2025, letters of credit for which third parties are beneficiaries, in the amount of $251 (2024 – $271), were outstanding.

(d)Guarantees

(I)Guarantee 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, 2025	MFC (Guarantor)	Subsidiaries on a combined basis	Consolidation adjustments	Total consolidated amounts	MFLP
Insurance service result	**$ -**	**$ 4,526**	**$ -**	**$ 4,526**	**$ -**
Investment result	**757**	**3,206**	**(1,554)**	**2,409**	**50**
Other revenue	**24**	**8,116**	**(11)**	**8,129**	**(12)**
Net income (loss) attributed to shareholders and other equity holders	**5,572**	**5,172**	**(5,172)**	**5,572**	**(1)**

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

Condensed Consolidated Statements of Financial Position

As at December 31, 2025	MFC (Guarantor)	Subsidiaries on a combined basis	Consolidation adjustments	Total consolidated amounts	MFLP
Invested assets	**$ 1,399**	**$ 458,529**	**$ -**	**$ 459,928**	**$ 20**
Insurance contract assets	**-**	**194**	**-**	**194**	**-**
Reinsurance contract held assets	**-**	**60,881**	**-**	**60,881**	**-**
Total other assets	**63,341**	**47,566**	**(67,731)**	**43,176**	**965**
Segregated funds net assets	**-**	**461,254**	**-**	**461,254**	**-**
Insurance contract liabilities, excluding those for account of segregated fund holders	**-**	**411,532**	**-**	**411,532**	**-**
Reinsurance contract held liabilities	**-**	**3,273**	**-**	**3,273**	**-**
Investment contract liabilities	**-**	**14,137**	**-**	**14,137**	**-**
Total other liabilities	**14,618**	**68,845**	**(714)**	**82,749**	**701**
Insurance contract liabilities for account of segregated fund holders	**-**	**129,006**	**-**	**129,006**	**-**
Investment contract liabilities for account of segregated fund holders	**-**	**332,248**	**-**	**332,248**	**-**

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	-

(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.

As at December 31,	2025 Debt securities	2025 Other	2024 Debt securities	2024 Other
In respect of:				
Derivatives	**$ 14,360**	**$ 129**	$ 14,517	$ 25
Secured borrowings[1]	**786**	**331**	-	2,216
Regulatory requirements	**1,771**	**93**	303	91
Repurchase agreements	**193**	**-**	658	-
Mortgages on ALDA properties	**-**	**351**	-	284
Manulife Bank securitized mortgages[2]	**-**	**8,193**	-	7,603
Non-registered retirement plans in trust	**-**	**276**	-	286
Other	**-**	**262**	-	289
Total	**$ 17,110**	**$ 9,635**	$ 15,478	$ 10,794

[1]During the year, the Company pledged debt securities of $786 (2024 – $nil) and mortgage loans of $331 (2024 – $2,216) to FHLBI totalling $1,117 (2024 – $2,216). Of this amount, $788 (2024 – $1,098) is required collateral for the US$500 (2024 – US$500) outstanding borrowing to JHUSA under the FHLBI facility; and $329 (2024 – $1,118) is excess collateral that can be called back by JHUSA at any time.

[2]Pledged assets under the Manulife Bank mortgage securitization program totaled $8,193 (2024 – $7,603), comprising CMB securitization of $2,984 (2024 – $3,274), HELOC securitization of $3,673 (2024 – $3,163), additional encumbrances of mortgages and cash required by the securitization program's operations of $1,162 (2024 – $1,166) and encumbrances on mortgages from mortgage backed securities sold to third parties of $374 (2024 – $nil).

(f)Participating Business

In some markets where the Company maintains participating accounts, there are regulatory restrictions on the amount 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, 2025 and 2024, 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, 2025	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Insurance service result						
Life, health and property and casualty insurance	$ 2,482	$ 1,284	$ 302	$ -	$ 100	$ 4,168
Annuities and pensions	36	230	92	-	-	358
Total insurance service result	2,518	1,514	394	-	100	4,526
Net investment income (loss)	11,571	5,637	6,297	(541)	983	23,947
Insurance finance income (expenses)						
Life, health and property and casualty insurance	(8,703)	(4,617)	(8,337)	-	26	(21,631)
Annuities and pensions	(756)	262	(558)	2	-	(1,050)
Total insurance finance income (expenses)	(9,459)	(4,355)	(8,895)	2	26	(22,681)
Reinsurance finance income (expenses)						
Life, health and property and casualty insurance	(294)	251	1,454	-	5	1,416
Annuities and pensions	191	(1)	88	-	-	278
Total reinsurance finance income (expenses)	(103)	250	1,542	-	5	1,694
Decrease (increase) in investment contract liabilities	(5)	(83)	(27)	(438)	2	(551)
Net segregated fund investment result	-	-	-	-	-	-
Total investment result	2,004	1,449	(1,083)	(977)	1,016	2,409
Other revenue	13	301	160	8,020	(365)	8,129
Other expenses	(363)	(686)	(165)	(4,788)	(438)	(6,440)
Interest expenses	(43)	(842)	(14)	(4)	(627)	(1,530)
Net income (loss) before income taxes	4,129	1,736	(708)	2,251	(314)	7,094
Income tax (expenses) recoveries	(716)	(384)	181	(341)	226	(1,034)
Net income (loss)	3,413	1,352	(527)	1,910	(88)	6,060
Less net income (loss) attributed to:						
Non-controlling interests	270	-	-	10	(2)	278
Participating policyholders	171	39	-	-	-	210
Net income (loss) attributed to shareholders and other equity holders	$ 2,972	$ 1,313	$ (527)	$ 1,900	$ (86)	$ 5,572
Total assets	$ 233,076	$ 165,905	$ 250,984	$ 329,407	$ 46,061	$1,025,433

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

(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, 2025	Asia	Canada	U.S.	Other	Total
Insurance service result					
Life, health and property and casualty insurance	**$ 2,484**	**$ 1,273**	**$ 283**	**$ 128**	**$ 4,168**
Annuities and pensions	**36**	**230**	**92**	**-**	**358**
Total insurance service result	**2,520**	**1,503**	**375**	**128**	**4,526**
Net investment income (loss)	**11,623**	**5,970**	**6,307**	**47**	**23,947**

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

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,	**2025**	2024
Short-term employee benefits	**$ 101**	$ 99
Post-employment benefits	**8**	7
Share-based payments	**86**	79
Termination benefits	**1**	2
Other long-term benefits	**3**	3
Total	**$ 199**	$ 190

Note 21 Subsidiaries

The following is a list of Manulife's directly and indirectly held major operating subsidiaries.

As at December 31, 2025 (100% owned unless otherwise noted in brackets beside company name)	Equity interest	Address	Description
The Manufacturers Life Insurance Company	$ 62,796	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	$ 21,794	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
Comvest Group Holdings LP (75%)		Boston, U.S.A.	Investment advisor
John Hancock Financial Network, Inc.		Boston, U.S.A.	Financial services distribution organization
John Hancock Investment Management LLC		Boston, U.S.A.	Investment advisor

As at December 31, 2025 (100% owned unless otherwise noted in brackets beside company name)	Equity interest	Address	Description
Manulife (International) Limited		Hong Kong, China	Life insurance company
Manulife-Sinochem Life Insurance Co. Ltd. (51%)		Shanghai, China	Life insurance company
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 (63.3%)		Kuala Lumpur, Malaysia	Holding company
Manulife Insurance Berhad (63.3%)		Kuala Lumpur, Malaysia	Life insurance company
Manulife Investment Management (Malaysia) Berhad (63.3%)		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	$ 507	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
Berkshire Insurance Services Inc.	$ 2,818	Toronto, Canada	Investment holding company
JH Investments (Delaware) LLC		Boston, U.S.A.	Investment holding company
Manulife Wealth Inc.	$ 379	Oakville, Canada	Investment dealer

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 $1,266 (2024 – $1,886), of which $423 are reinsured (2024 – $530). 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 summarized financial information, presented in accordance with IFRS, and the related disclosure have been included in these Consolidated Financial Statements with respect to JHUSA pursuant to Rule 13-01 of 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 issued or 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 SignatureNotes 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 SignatureNotes issued by the Life Company.

MFC fully and unconditionally guaranteed the payment of JHUSA's obligations under the MVAs and under the SignatureNotes (including the MVAs and SignatureNotes assumed by JHUSA in the merger), and such MVAs and the SignatureNotes were registered with the Commission. The SignatureNotes 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 SignatureNotes 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 SignatureNotes 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.

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 or make other upstream distributions or loans 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 tables present summarized financial information for JHUSA (Subsidiary Issuer) and MFC (Parent) on a combined basis after elimination of (i) intercompany transactions and balances between JHUSA and MFC; (ii) equity in earnings among JHUSA and MFC; (iii) intercompany dividend income among JHUSA and MFC; and (iv) investments in MFC's subsidiaries other than JHUSA ("non-guarantor subsidiaries").

As at	December 31, 2025	December 31, 2024
Assets		
Total invested assets[1]	**$ 107,703**	$ 112,570
Reinsurance contract held assets[2]	**49,463**	46,811
Other assets[3]	**11,995**	11,712
Segregated funds net assets	**224,457**	218,909
Liabilities		
Insurance contract liabilities, excluding those for account of segregated fund holders[4]	**$ 146,300**	$ 148,828
Investment contract liabilities[5]	**6,131**	5,260
Other liabilities[6]	**7,471**	9,953
Long-term debt	**7,685**	6,629
Capital instruments	**6,342**	6,884
Insurance contract liabilities for account of segregated fund holders	**57,115**	58,137
Investment contract liabilities for account of segregated fund holders	**167,341**	160,772

[1] Includes $(908) (2024 – $(2,422)) cash loaned to (borrowed from) non-guarantor subsidiaries.
[2] Includes $9,542 (2024 – $9,689) reinsurance contract held assets from intercompany transactions with non-guarantor subsidiaries.
[3] Includes $3,866 (2024 – $3,227) due from non-guarantor subsidiaries.
[4] Includes $(22) (2024 – $(943)) insurance contract liabilities (assets) from intercompany transactions with non-guarantor subsidiaries.
[5] Includes $606 (2024 – $632) investment contract liabilities from intercompany transactions with non-guarantor subsidiaries.
[6] Includes $1,737 (2024 – $2,443) due to non-guarantor subsidiaries.

For the year ended December 31,	**2025**	2024
Total insurance service result[1]	**$ 433**	$ 212
Total investment result[2]	**(555)**	1,491
Other revenue (expenses)[3]	**(702)**	(948)
Net income (loss) before income taxes	**(824)**	755
Income tax (expenses) recoveries	**345**	22
Net income (loss) after income taxes, before equity in net income (loss) of non-guarantor subsidiaries	**(479)**	777
Equity in net income (loss) of non-guarantor subsidiaries	**6,083**	5,667
Net income (loss)	**$ 5,604**	$ 6,444

[1] Includes $53 intercompany insurance service result from non-guarantor subsidiaries for the year ended December 31, 2025 (2024 – $111).
[2] Includes $599 intercompany investment income (loss) to non-guarantor subsidiaries for the year ended December 31, 2025 (2024 – $926).
[3] Includes $441 other intercompany revenue (expenses) from non-guarantor subsidiaries for the year ended December 31, 2025 (2024 – $365).

Note 24 Acquisitions

Comvest Credit Partners

On November 3, 2025, the Company purchased 75% of the partnership interests of Comvest Credit Partners (“Comvest”). Consideration included $1,306 (US$938) in cash for the partnership interests and $22 (US$16) in cash for net working capital. Comvest is a U.S. private credit manager with $17.5 billion of AUM as at the acquisition date. The acquisition is expected to create a leading private credit asset management platform, co-branded as Manulife | Comvest, by aligning Comvest and Manulife’s existing senior credit team. The acquisition of Comvest contributes to the Company’s expansion into the private credit market and adds and supports Manulife’s global growth strategy for wealth and asset management businesses.

Comvest minority partners have options to sell their interests to the Company (the “put options”) in 2028 and 2031 and the Company has call options to purchase the remaining interests in 2028 and 2031. The fair value of the put options liability was recognized in other liabilities, then offset against the non-controlling interests with the difference recorded directly in retained earnings. The following table presents the fair value of the consideration, identifiable assets and liabilities, and the offsetting of the put options against equity.

As at November 3, 2025	Business acquisition	Put options adjustments	Total
Consideration	$ (1,328)	$ -	$ (1,328)
Intangible assets	735	-	735
Goodwill[1]	739	-	739
Net assets	58	-	58
Total assets	1,532	-	1,532
Other liabilities - put options	-	431	431
Total liabilities	-	431	431
Non-controlling interests[2]	204	(204)	-
Shareholders and other equity holders' retained earnings	-	(227)	(227)
Total equity	$ 204	$ (431)	$ (227)

[1] Goodwill will not be deductible for tax purposes.

[2] The Company measured non-controlling interests using the proportionate share of net assets method.

Due to the recent closing of the acquisition, the fair value determination and the purchase price accounting for this business combination have not been finalized. The final allocation of the purchase price as at November 3, 2025 will be determined after completing a comprehensive evaluation of the fair value of assets (including intangible assets) and liabilities acquired at that date.

PT Schroder Investment Management Indonesia

On September 24, 2025, the Company announced that it has entered into an agreement to acquire PT Schroder Investment Management Indonesia, ("Schroders Indonesia") strengthening the Company's position as the largest asset manager in Indonesia. It will enable the Company to deliver enhanced value to clients and stakeholders by leveraging the firm's local expertise and client relationships. The transaction is subject to customary closing conditions and regulatory approvals.

Manulife Financial Corporation
Management's Discussion and Analysis

For the year ended December 31, 2025

Caution regarding forward-looking statements

From time to time, Manulife Financial Corporation ("MFC") makes written and/or oral forward-looking statements, including in thi
document. In addition, our representatives may make forward-looking statements orally to analysts, investors, the media an
others. All such statements are made pursuant to the "safe harbour" provisions of Canadian provincial securities laws and th
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, the probability an impact o the Life Insurance Capital Adequacy Test ("LICAT") scenario switches, the anticipated benefits of the acquisitions f Comvest Credit Partners (Comvest") and PT Schroder Investment Management Indonesia ("Schroders Indonesia"), our entry into the Indian insurance market and its anticipated benefits, the anticipated benefits and value derived from the use of AI, futur premium increases, and exposure limit estimates for our property and casualty reinsurance business, and also relate to, amon other things, our objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and can generally b identified by the use of words such as "may", "will", "could", "should", "would", "likely", "suspect", "outlook", "expect", "intend" "estimate", "anticipate", "believe", "plan", "forecast", "objective", "seek", "aim", "continue", "goal", "restore", "embark" and "endeavour" (or the negative of any 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 ar reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements an they should not be interpreted as confirming market or analysts' expectations in any wa y.

Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materiall from those expressed or implied in such statements. Important factors that could cause actual results to differ materially fro expectations include, but are not limited to: general business and economic conditions (including but not limited to th performance, volatility and correlation of equity markets, interest rates, credit and swap spreads, inflation rates, currency rates Investment losses and defaults, market liquidity and creditworthiness of guarantors, reinsurers and counterparties); changes i laws and regulations; changes in accounting standards applicable in any of the territories in which we operate; changes i regulatory capital requirements; our ability to obtain premium rate increases on in-force policies; our ability to execute strategi plans and changes to strategic plans; downgrades in our financial strength or credit ratings; our ability to maintain our reputatio Impairments of goodwill or intangible assets or the establishment of provisions against future tax assets; the accuracy o estimates relating to morbidity, mortality and policyholder behaviour; the accuracy of other estimates used in applying accountin policies, actuarial methods and embedded value methods; our ability to implement effective hedging strategies and unforesee consequences arising from such strategies; our ability to source appropriate assets to back our long-dated liabilities; level o competition and consolidation; our ability to market and distribute products through current and future distribution channels unforeseen liabilities or asset impairments arising from acquisitions and dispositions of businesses; the realization of losse arising from the sale of investments classified as fair value through other comprehensive income; our liquidity, including th availability of financing to satisfy existing financial liabilities on expected maturity dates when required; obligations to pledg additional collateral; the availability of letters of credit to provide capital management flexibility; accuracy of information receive from counterparties and the ability of counterparties to meet their obligations; the availability, affordability and adequacy o reinsurance; legal and regulatory proceedings, including tax audits, tax litigation or similar proceedings; our ability to adap products and services to the changing market; our ability to attract and retain key executives, employees and agents; th appropriate use and interpretation of complex models or deficiencies in models used; political, legal, operational and other risk associated with our operations; geopolitical uncertainty, including international conflicts and trade disputes; acquisitions and ou ability to complete acquisitions including the availability of equity and debt financing for this purpose; the disruption of or change to key elements of the Company's or public infrastructure systems; environmental concerns including climate change; our abilit to protect our intellectual property and exposure to claims of infringement; our inability to withdraw cash from subsidiaries; th anticipated benefits of the Comvest Credit and Schroders Indonesia acquisitions; the receipt of regulatory approvals an satisfaction of closing conditions for the Schroders Indonesia acquisition; the receipt of regulatory approvals for entering into th Indian insurance market and the anticipated benefits of such entry; our ability to execute our digital plans and to deploy futur digital use cases and derive value from AI; receipt of regulatory approval from the Toronto Stock Exchange for our new norm course issuer bid, and the fact that the amount and timing of any future common share repurchases will depend on the earning cash requirements and financial condition of Manulife, market conditions, capital requirements (including under LICAT capita standards), common share issuance requirements, applicable law and regulations (including Canadian and U.S. securities law and Canadian insurance company regulations), and other factors deemed relevant by Manulife, and may be subject to regulator approval or conditions .

Additional information about material risk factors that could cause actual results to differ materially from expectations and abou material factors or assumptions applied in making forward-looking statements may be found in this document under "Ris Management and Risk Factors", "Critical Actuarial and Accounting Policies" and in the "Risk Management" note to the Annu Consolidated Financial Statements as well as elsewhere in our filings with Canadian and U.S. securities regulators .

The forward-looking statements in this document are, unless otherwise indicated, stated as of February 11, 2026 and are presented for the purpose of assisting investors and others in understanding our financial position and results of operations, o future operations, as well as our objectives and strategic priorities, and may not be appropriate for other purposes. We do no undertake to update any forward-looking statements, except as required by law .

Contents

1. Manulife Financial Corporation . . . 3
2. Asia . . . 19
3. Canada . . . 23
4. U.S. . . . 26
5. Global Wealth and Asset Management . . . 29
6. Corporate and Other . . . 33
7. Investments . . . 34
8. Fourth Quarter Financial Highlights . . . 39
9. Risk Management and Risk Factors . . . 43
10. Capital Management Framework . . . 81
11. Critical Actuarial and Accounting Policies . . . 84
12. Controls and Procedures . . . 95
13. Non-GAAP and Other Financial Measures . . . 96

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") is current as of February 11, 2026.

1. Manulife Financial Corporation

Manulife Financial Corporation is a leading international financial services provider, headquartered in Toronto, Canada. Anchored in our ambition to be the number one choice for customers, we operate as Manulife across Canada and Asia 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 2025, we had more than 37,000 employees, over 106,000 agents, and thousands of distribution partners, serving over 37 million customers with operations across 25 markets globally. At the end of 2025, we had $1.7 trillion (US$1.2 trillion) in assets under management and administration[1], including total invested assets of $0.5 trillion (US$0.3 trillion), and segregated funds net assets of $0.5 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.

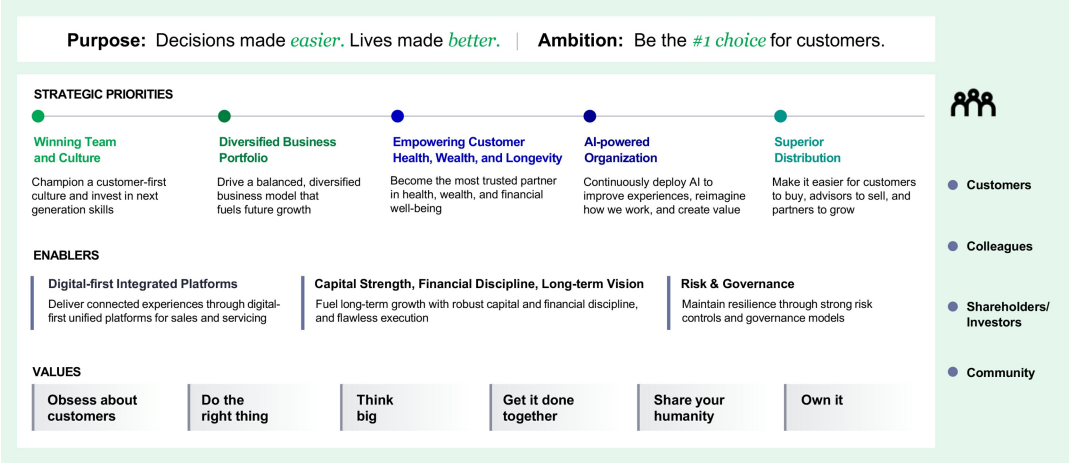
Our reporting segments are:

- 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 as well as having 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 operations.

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.

Enterprise Strategy

In November 2025, we announced our refreshed enterprise strategy as summarized below:



[1] This item is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" below for more information.

Strategic Priorities and Progress Update

We are well-positioned to make significant progress on our refreshed strategy to achieve sustainable long-term growth. Throughout 2025, we undertook various initiatives that equipped us to deliver on our new and elevated strategic priorities as outlined below.

Winning Team and Culture

Champion a customer-first culture and invest in next generation skills.

Focus areas

- Build a sustainable growth culture that drives customer focus, innovation and speed
- Elevate colleague experience where all colleagues can grow, lead and thrive
- Drive inclusion across our workplace
- Continue to strengthen our value proposition and position Manulife as a magnet for top talent

Winning Team and Culture builds on the strong foundation of colleague engagement, performance, and inclusion, and supports our priority to champion a customer-first culture and invest in next generation skills.

For the sixth year in a row, we have achieved a top quartile employee engagement rank[1].

2025 Highlights

- Included for the first time in the TIME World's Best Companies (2025) list, which encompassed 1,000 global organizations. The assessment focused on three key dimensions: employee satisfaction, revenue growth, and sustainability transparency.
- Awarded the 2025 Gallup Exceptional Workplace Award for the third year in a row, which specifically recognized us for our progressive policies, competitive compensation and benefits, training and career development opportunities, and a flexible working approach that demonstrates our commitment to wellness.
- Recognized by Forbes as one of the World's Best Employers for the sixth consecutive year, as one of the World's Top Companies for Women, and included on their list of the World's Best Life Insurance Companies for the first time.
- Recognized globally across various markets by a number of leading organizations:
  - Winner of the "Best Companies to Work for in Asia Award" by HR Asia in seven of our Asia markets;
  - Recognized by MediaCorp as one of Canada's Top 100 Employers, Greater Toronto's Top Employers, and Canada's Top Employers for Young People for the fifth year in a row;
  - Named one of Canada's Most Admired Corporate Cultures by Waterstone for the fifth time;
  - John Hancock was included on Fortune's 2025 Change the World list for our industry-leading Vitality Program, marking us as the only life insurer acknowledged; and
  - Won Gold in all three categories of the inaugural Racial D&I Employers Award Scheme from Hong Kong's Equal Opportunities Commission: Racial Equity in Hiring Award, Inclusive Workplace Award, and Community Engagement Award.

Drive a balanced, diversified business model that builds on our strong foundation to fuel high-quality, sustainable growth

across all our segments, through organic and inorganic opportunities

Diversified Business Portfolio

Focus areas:

- In Asia, deliver distribution excellence and holistic customer solution
- In Global WAM, deliver superior outcomes for customer
- In Canada, build on our momentum and deepen customer relationships across life, health, and wealth solutio
- In the U.S., strategically target high growth areas via our differentiated solution

We continue to drive a diversified business model that strives to deliver high quality sustainable growth across al segments. Asia and Global WAM segments remain as high-growth businesses, but we also plan to invest in our Canada and U.S. segment , having demonstrated our ability to deliver attractive new business performance in recent years. While the North America markets are more mature, opportunities for profitable growth remain, which supports our goal of sustaining and growing scale i these markets as a globally diversified organization .

[1] 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.

2025 Highlights

- In Asia, we continued to expand our geographical presence and strengthen our market reac :
  - Agreed to establish a 50:50 life insurance joint venture with Mahindra & Mahindra Ltd. ("Mahindra" , an existing partner through our asset management joint venture, to enter the India insurance market [1] This partnership will expand our global footprint and position us to grow across one of the world's largest economies, delivering long-term valu ; an
  - Became the first international life insurer to establish an office in the Dubai International Financial Centre dedicated t advising on and arranging life insurance contracts to high-net-worth ("HNW") customers. This strategic move deepen our presence in the Middle East and enhances our ability to address the growing wealth and protection needs of HN and ultra-HNW individuals in the regio .
- In Global WAM, we executed several initiatives to drive sustainable growth opportunities and deliver comprehensive investment solution :
  - Acquired 75% of Comvest Credit Partners ("Comvest"), a U.S. private credit manager with $17.5 billion of AUM as at th acquisition date.[2] The acquisition will enhance our private credit capabilities and create a comprehensive platform b aligning Comvest and Manulife's existing senior credit team [3] By leveraging Comvest's investment philosophy and expertise, we can offer clients expanded access to differentiated private credit strategie ;
  - Entered into an agreement to acquire PT Schroder Investment Management Indonesia ("Schroders Indonesia") strengthening our position as the largest asset manager in Indonesia. It will enable us to deliver enhanced value to ou clients and stakeholders by leveraging the firm's local expertise and client relationship [4]; an
  - Successfully closed the Manulife Infrastructure Fund III, L.P., raising over US$5.5 billion from existing and ne investors. This milestone reflects the continued strength of our North American mid-market infrastructure strategy an our commitment to meeting investor needs for alternative solutions through strategic expansion of our product offering .
- In Canada, we xpanded solutions for Canadians and their families to meet their wealth and protection need :
  - Launched a simplified specialized lending suite of products in Manulife Bank to streamline the lending experience fo advisors serving HNW clients and business owners. This emphasizes our focus on removing friction, enhancing clarity and delivering smarter, faster, and more personalized solutions for advisors and customer ; an
  - Introduced an enhanced online life and health insurance application form that reduces complexity, accelerates medica data collection, and shortens processing times through adaptive questioning and streamlined workflows, transformin the digital experience for advisors. These efficiencies strengthen our competitiveness in the mass market segment an support our ambition of delivering scalable digital offering .
- In the U.S., we delivered strong new business growth by strengthening our distribution model and diversifying our portfoli with new offerings and enhancement , including:
  - An accumulation survivorship indexed universal life product, John Hancock's first offering in this product categor ;
  - A new hybrid indexed universal life insurance solution offering more flexible living benefits and a streamlined digita application proces ; an
  - A new variable universal life insurance solutio with improved fund selection and index loan .

Empowering Customer Health, Wealth, and Longevity

Become the most trusted partner in health, wealth, and financial well-being .

Focus areas:

- Through product innovation, digital solutions and partnerships, further enhance our differentiated value propositions an generate sustained value for our customers, colleagues, and the communities where we live and wor
- Continue to support global research, thought leadership, advocacy, and community investment, contributing to longer healthier, and more financially secure lives for our stakeholder

With global megatrends, such as the widening retirement and health protection gaps as global populations live longer, there i significant opportunity to create shared value solutions and drive positive outcomes across customer lifespans. Leveraging ou market-leading behavioural insurance capabilities in the U.S., we will expand our expertise globally to enhanc customer outcomes, as well as provide advice, guidance, and investment solutions to our wealth and asset management customer In Asia, we aim to provide innovative health solutions across the region, while in Canada, we intend to scale a digital healt ecosystem across our businesses, creating a unified platform for access to care. In the U.S., we seek to continue to leverage o expertise in the wellness and longevity economy.

We launched the Manulife Longevity Institute, a global platform for research, thought leadership, innovation, advocacy and community partnerships. Through this unified platform, we are investing $350 million through 2030 to help people live longer, healthier, and more financially secure lives.

[1] Subject to the receipt of regulatory approvals. See "Caution regarding forward-looking statements" above.
[2] Assets under management ("AUM") is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" below for more information.
[3] See "Caution regarding forward looking statements" above.
[4] Subject to the receipt of regulatory approvals and satisfaction of customary closing conditions. See "Caution regarding forward looking statements" above.

2025 Highlights

- We further leveraged our strategic partnership with GRAIL and launched various initiatives across our segments, including expanded access to the Galleri® multi-cancer early detection test to eligible Manulife *Vitality* program members in Canada and to eligible plan participants in U.S. Retirement.
- In Asia, we continued to enhance our health, wealth, and longevity propositions to meet the evolving needs of customers seeking better health and wellness outcomes:
  - Agreed to establish a strategic collaboration with Bupa International Limited, a global healthcare company, to create more robust and integrated healthcare network for our customers. By combining the strengths of both organizations this collaboration in Hong Kong aims to expand customer access to high-quality care while enhancing convenience, value, and affordability through integrated healthcare solutions and personalized support throughout their healthcare journey;
  - Launched the enhanced ManulifeMOVE, our flagship lifestyle program, with initial rollout in Singapore and the Philippines. ManulifeMOVE empowers customers to take charge of their health and well-being, with key enhancements including differentiated and expanded benefits across preventive health services, medical and assistive care, cancer care support, health and well-being coaching, fitness and wellness experiences, and community engagement;
  - Hosted Asia's inaugural Manulife Longevity Symposium in Singapore and the Philippines, reinforcing our commitment to advancing Asia's longevity movement. The symposiums brought together over 1,400 healthcare experts, industry leaders, academics, customers and partners to address the challenge of living not just longer, but better, covering topics such as health and longevity innovations, and financial well-being; and
  - Delivered enhanced health service coverage and expanded access to cross-border healthcare in Hong Kong. We launched a cross-border Cancer Drug Support Service through our partnership with one of the leading healthcare service providers in the China Greater Bay Area. In addition, we broadened select Manulife Hong Kong and Macau health insurance product coverage to over 38,000 hospitals in mainland China and introduced hospitalization credit services at more than 800 hospitals in mainland China, enabling patients to receive treatment without upfront payment.
- In Global WAM, we released our second annual global Financial Resilience and Longevity study. With insights drawn from retirement plan members across all regions, our report outlined tailored steps for each generation and highlighted how retirement plan providers, sponsors, and advisors can support better financial outcomes across people's lifespan.
- In Canada, we:
  - Enhanced the Manulife *Vitality* program and introduced additional resources and incentives for managing and preventing diabetes, the extension of travel rewards to all members, the addition of ŌURA as a key rewards partner and new collaborations offering tools that span nutrition, fitness, mental health, and personalized medicine; and
  - Partnered with Maven Clinic, the world's largest virtual clinic for women's and family health[1], to offer eligible Group Benefits members 24/7 virtual access to personalized support during some of their most important stages of life including fertility, maternity, parenting, and menopause. This initiative addresses critical care gaps that impact women's health and workforce participation.
- In the U.S., we advanced our mission to help our customers live longer, healthier, and better lives:
  - Empowered eligible John Hancock Vitality members with early detection technology and resources to proactively manage their health, including access to Function Health's technology and health screening tools, and access to continuous glucose monitoring technology and dietitian support; and
  - Released the first-of-its-kind Longevity Preparedness Index – developed in collaboration with the MIT AgeLab, to deliver actionable insights on what it means to prepare well for living longer, and build on our brand awareness in the longevity space.

AI-powered Organization

Continuously deploy AI to improve experiences, reimagine how we work, and create value.

Focus areas:

Key to our strategy is the disciplined deployment of AI underpinned by our responsible AI principles. We will continue to drive growth through three horizons:

- Operational efficiency: We are optimizing many of our manual processes to improve efficiency and enhance customer experience
- Improved outcomes: We are delivering transformative new capabilities to drive further productivity, grow our top-line, and accelerate decision making through new data sources and real time insights
- Enabling growth: We are exploring opportunities to innovate with AI-based products and business models, and new sources of data

Our AI transformation continued to deliver meaningful impact, as we embed AI across our businesses. As of December 31, 2025, we had 91 use cases in production and another 121 in development. Notably, Manulife was ranked first among life insurers and

[1] Maven Clinic, Meet Maven, 2024.

top five overall in the inaugural Evident AI Insurance Inde[1], underscoring our leadership in AI maturity and responsibl innovation.

Building on this momentum, we are progressing toward a proprietary Agentic AI Platform – a foundational element of our enterprise AI strategy. This approach seeks to make it easier to manage and coordinate AI tools across different systems b enabling our teams to share ideas, work and code across markets, so we can roll out AI faster and more consistentl Additionally, it includes automated checks to make sure all AI models meet strict safety and risk standards, streamlining parts o our AI governance process and making it more effective

2025 Highlights

- Enterprise-wide:
  - We deployed GenAI sales enablement solutions across nine markets and multiple business lines in all four operating segments, delivering measurable results, accelerating information access and elevating client interactions. Thes GenAI-powered solutions empowered agents, advisors and distribution partners with personalized engagement insights, automated email drafting, and real-time coaching to drive sales performanc ; an
  - ChatMFC is a core productivity platform for Manulife, delivering enterprise-wide value since we achieved 100% globa workforce coverag[2] including contingent workers. Throughout 2025, ChatMFC has seen major feature rollouts such a integration with key knowledge bases, as well as implementation of document upload and end-to-end translatio capabilities. With strong adoption and continuous innovation, ChatMFC is driving cultural and operational transformatio across the organization, becoming a tool our colleagues lean on to make their work easier, better, and faste
- In Asia, we:
  - Launched advanced AI-enabled agency tool across the regio to enhance sales support and improve customer experience. In Indonesia, Singapore and Japan, we rolled out AI assistants to provide faster access to product an policy information and streamline administrative tasks. In Hong Kong, we launched AI Sales Pro – a GenAI-powere tool that helps agents identify top sales opportunities, craft personalized customer solutions, and access critical kno how to drive business performanc ; an
  - Rolled out VOICE in Singapore and Japan, a multi-signal dashboard that includes call trend analysis, net sentimen scores, topic trends and deep dive insights from call center transcripts. VOICE utilizes GenAI to categorize data, fin correlations, and customize insights by analyzing near real-time trends from customer interactions. These insights help us to better understand customer sentiment and key interests, enhance services, improve training, and identify opportunities to better deliver value to our customers
- In Global WAM, we:
  - Incorporated a suite of AI-powered research tools to enhance investment analysis for our public markets investmen research teams. By integrating internal and external data into actionable insights, we streamline our research process accelerate decision-making, and empower our investment professionals to focus on driving value for our client ;
  - Launched an AI-powered sales enablement solution in U.S. Retirement, delivering real-time insights and personalize content to enhance our sales operations and productivity, improve our sales close ratio, and drive revenue growth. Thi reduced the time spent on information searches and tripled the number of sales opportunities compared with 202 ; an
  - Expanded our retirement plan offerings with the launch of FutureSte ™ and FutureChoic ™ in the U.S., two fully digital retirement plan solutions that enhance our capabilities and market presence. These new offerings improve use experience by integrating AI and streamlining both client onboarding and participant acces .
- In Canada, we
  - Introduced an innovative GenAI tool in our Individual Insurance business that automatically generates personalize communications to advisors by analyzing historical data and identifying available opportunitie . This tool enables our internal sales team to deliver timely, relevant, and actionable messages to drive meaningful interactions and enhanc collaboration with advisor ; an
  - Launched a GenAI-powered coaching tool for Licensed Insurance Advisor (“LIA”) supervisors in our Affinity busines that evaluates customer service calls, generating insights that allow supervisors to provide LIAs with more effective timely, and targeted feedback to enhance customer service and sales outcome .
- In the U.S., we:
  - Partnered with Munich Re Life US to enhance underwriting efficiency throug *alitheia*, its AI-driven risk assessment platform, raising instant underwriting decision eligibility from US$3 million to US$5 million, enabling more customers t experience a streamlined life insurance application proces ; an
  - Deployed GenAI capabilities to improve outcomes in our in-force Long Term Care (“LTC”) insurance business, includin further enhancements to automated claims processing and predictive analytics to detect and reduce fraud, waste and abuse.

[1] The Evident AI Index for Insurance assesses AI maturity across 30 of the most prominent insurance companies in North America and Europe, measuring progress across four key categories: Talent, Innovation, Leadership, and Transparency.

[2] Figure excludes mainland China. A refactored version of ChatMFC has been deployed and is available to all employees in our mainland China life insurance joint venture.

Make it easier for customers to buy, advisors to sell, and partners to gro w.

Focus areas

- Expand our presence across distribution channels and invest in AI tools to help us reach more customers and deliv frictionless experiences for our customer

Sustainable Distribution

- Further expand professional and digitally enabled agency force in applicable market
- Enhance distribution partnerships with new and differentiated solutions

In order to sustain a balanced portfolio and fuel sustainable growth, we will continue to invest in making it easier for customers to buy and advisors to sell our products, and also expand our partnerships with new and differentiated solutions.

In Asia, we expect to further grow and enhance our agency and bank distribution channels, expand health offerings, and accelerate our HNW leadership on the basis of continued structural trends that support long-term growth, driven by an aging population, gaps in health, protection and retirement savings, and the rise of middle-income households.

In Global WAM, we have great momentum with a diversified investor base, a robust distribution network and strong capabilities and we are investing to continue delivering strong returns and positive experiences for our customers.

In Canada, we are accelerating our digital transformation that deepens our penetration in the mass market and further strengthens our Group Benefits business.

In the U.S. we continue to leverage our strong brand and trusted relationships with distributors, to deliver sustained scale by broadening our offerings and expanding our customer base, including within the U.S. HNW and mass affluent customer segments.

In 2025, we continued to expand our reach through our diversified distribution platforms and advanced strategic partnerships such as the renewal of our bancassurance partnership with China Banking Corporation ("Chinabank") in the Philippines and the new partnership with Bank of China (Hong Kong) ("BOCHK") with a flagship fund launch. In addition, we continued to integrate AI and digital capabilities into our business solutions to more effectively reach our customers and improve their experience.

2025 Highlights

- In Asia, we continued to broaden our reach and leverage strategic partnerships through our diversified distribution platform to accelerate growth:
  - Renewed our bancassurance partnership in the Philippines with Chinabank, extending our exclusive partnership until 2039. This strategic partnership, which started in 2007, solidifies the two organizations' shared commitment to providing holistic life, wealth, and health solutions for the long-term financial security of Filipino families and
  - Continued to build on our high-quality agency force at scale by improving agent capabilities and capacities across the agency value chain. Our strategy is focused on quality recruitment, digital and AI tools, and robust learning and development initiatives. This includes the launch of Manulife Business Academy, which collaborates with globally accredited training partners to enhance skills in financial planning, recruitment, and leadership. These efforts have contributed to a 23% year-over-year increase in our annual Million Dollar Round Table ("MDRT") membership[1], positioning us as having the third largest MDRT members globally, while agency productivity[2] for 2025 rose by 17% compared with 2024
- In Global WAM, we:
  - Enhanced the Manulife iFUNDS platform, making it the first integrated digital wealth solution in Singapore that offers advisors a unified view of clients' Unit Trust and Investment-Linked Plan ("ILP") holdings. By integrating these into a single platform and incorporating AI-powered ILP analytics capabilities, the enhancements streamline portfolio oversight, accelerate transaction execution, and empower advisors to deliver more personalized and insightful financial guidance; and
  - Entered a strategic partnership with BOCHK to launch our flagship Global Multi-Asset Diversified Income Fund to customers in Hong Kong and Malaysia. The collaboration leverages the firm's distribution capabilities and our asset management expertise to provide customers with comprehensive wealth management solutions.
- In Canada, we:
  - Partnered with M3 Financial Group ("M3") to offer our Affinity Mortgage Protection Plan through M3's Canada-wide broker network, beginning with advisors in British Columbia. Our licensed advisors work directly with M3's mortgage clients to guide them through the process of purchasing the mortgage protection coverage they need, enabling M3's brokers to focus on servicing their core business. This initiative strengthens our position in mortgage protection by offering more accessible, trusted protection in Canada's housing market; and
  - Launched an end-to-end digital travel insurance platform that modernizes the distributor experience and simplifies the purchasing process for Canadians and their families.

[1] MDRT membership awarded based on prior year production.
[2] This refers to Asia agency annualized premium equivalent ("APE") sales per active agents.

- In the U.S., we enhanced our distribution footprint by expanding our wholesaling team, pursuing more targeted growth strategies and accelerating our penetration within the U.S. HNW and mass affluent markets, contributing to the strong new business growth in 2025.

Financial and Strategic Targets

Below is a summary of our 2025 results against our 2025, 2027 and medium-term targets:

	2025	2024	Targets[1] 2027	Medium-term
Core return on common shareholders' equity ("core ROE")[2],[3]	**16.5%**	16.2%	18%+	
Remittances ($ billions)[4]	**$ 6.4**	$ 7.0	$22+ cumulative	
Diluted core earnings per common share ("core EPS") growth[2],[3]	**8%**	10%		10% to 12%
Expense efficiency ratio[2]	**44.8%**	44.8%		<45%
New business contractual service margin ("new business CSM") growth[2]	**28%**	32%		15 %
Contractual service margin ("CSM") balance growth[2]	**16%**	3%		8% to 10%
Financial leverage ratio[2],[3]	**23.9%**	24.0%		25 %
Common share core dividend payout ratio[2],[3]	**42%**	42%		35% to 45%

	2025	2024	2025	2027	Medium-term
Core earnings contribution from highest potential businesses[2],[3],[5]	**75%**	68%	75%		

			Targets[1]		
Core earnings contribution from LTC insurance and variable annuities ("VA") businesses[2],[3]	**9%**	10%	<15%		
Straight-through-processing ("STP")[6]	**90%**	89%	88%		
Net promoter score ("NPS")	**27**	27		37	
Core earnings contribution from Asia region[2],[3]	**47%**	41%		50%	
Employee engagement (quartile)[7]	**1st**	1st			1st
5-year Total Shareholder Return (quartile)[8]	**2nd**	1st			1st
Corporate Sustainability Assessment (quartile)[9]	**1st**	1st			1st

(1) See "Caution regarding forward-looking statements" above.

(2) Core ROE, core EPS, expense efficiency ratio, financial leverage ratio, common share core dividend payout ratio, core earnings contribution from highest potential businesses, core earnings contribution from LTC insurance and VA businesses, and core earnings contribution from Asia region are non-GAAP ratios. CSM and new business CSM are net of non-controlling interest ("NCI"). Percentage growth / declines in CSM net of NCI, new business CSM, and core EPS are stated on a constant exchange rate basis and are non-GAAP ratios. See "Non-GAAP and Other Financial Measures" below for more information.

(3) 2024 metrics were updated to align with the presentation of Global Minimum Taxes in 2025. See the "Global Minimum Taxes" section below for more information.

(4) 2024 to 2025 cumulative remittances were $13.4 billion, compared with our target of $22 billion+ for 2024 to 2027. For more information on this metric, see "Non-GAAP and Other Financial Measures" below.

(5) Highest potential businesses include Asia segment, Global WAM segment, Canada Group Benefits and North American behavioural insurance products.

(6) Straight-through-processing represents customer interactions that are completely digital, and includes money movement.

(7) As compared to global financial services companies and insurance peers.

(8) As compared to our performance peer group. Refer to Manulife's most recent Management Information Circular for information on our performance peer group. Rankings as at December 31 of each respective year.

(9) Based on Standard & Poor's Corporate Sustainability Assessment rating.

We have achieved our 2025 target on core earnings contribution from highest potential businesses, and exceeded the 202 targets on core earnings contribution from LTC insurance and VA businesses, and ST

In addition, we continued to make solid progress on our 2027 target

- We generated 47% in core earnings contribution from Asia region (a combination of our Asia segment and Asia wealth an asset management) in 2025, and remain committed to meeting our 2027 target of delivering 50% in core earning contribution from the Asia region
- We achieved an NPS score of 27, in line with 2024

Details of our performance on the financial targets are provided below

Profitability

Profitability

As at and for the years ended December 31, ($ millions, unless otherwise stated)	2025	2024
Net income (loss) attributed to shareholders	**$ 5,572**	$ 5,385
Core earnings[1),(2)]	**$ 7,521**	$ 7,182
Diluted earnings (loss) per common share ($)	**$ 3.07**	$ 2.84
Core EPS ($)[2)]	**$ 4.21**	$ 3.85
Return on common shareholders' equity ("ROE")	**12.0%**	12.0%
Core ROE	**16.5%**	16.2%
Expense efficiency ratio	**44.8%**	44.8%
General expenses	**$ 4,901**	$ 4,859
Core expenses[1)]	**$ 7,096**	$ 6,899

(1) This item is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" below for more information.

(2) 2024 core earnings and core EPS have been updated to align with the presentation of Global Minimum Taxes ("GMT") in 2025. See the "Global Minimum Taxes" section below for more information.

Our net income attributed to shareholders was $5.6 billion in 2025 compared with $5.4 billion in 2024. 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 $7.5 billion in 2025 compared with $7.2 billion in 2024, and items excluded from core earnings of $1.9 billion of net charges in 2025 compared with net charges of $1.8 billion[1] in 2024. The effective tax rate on net income (loss) attributed to shareholders was 14% in 2025 compared with 17% in 2024 primarily due to jurisdictional mix of earnings coupled with one-time tax benefits and tax true-ups in both year .

Net income attributed to shareholders increased $0.2 billion in 2025 compared with 2024, primarily due to growth in core earnings and the impact of reinsurance transactions in 2025 compared with 2024, partially offset by a higher charge from market experience. The RGA U.S. Reinsurance Transactio [2] resulted in a net loss attributed to shareholders of $0.7 billion[3] in 2025 compared with a combined net loss attributed to shareholders of $0.9 billio [3] in 2024 from the Global Atlantic Reinsurance Transaction[2] and the RGA Canadian Reinsurance Transactio [2]. The net loss on all three transactions was primarily related t

market experience from the sale of fair value through other comprehensive income ("FVOCI") debt instruments.[4] In addition, the higher charge in market experience is due to a net charge from derivatives and hedge accounting ineffectiveness in 2025 compared with a net gain in 2024. Total market experience was a net charge of $1.7 billion in 2025, primarily related to lower than-expected returns on alternative long-duration assets ("ALDA"), largely related to real estate, private equity and timber investments, net realized losses due to the sale of debt instruments primarily related to the RGA U.S. Reinsurance Transaction and a net charge related to derivatives and hedge accounting ineffectiveness, partially offset by higher-than-expected returns on public equities.

Core earnings increased $0.3 billion, or 3%,[5] on a constant exchange rate basis compared with 2024. The increase was driven by higher core earnings in Global WAM, largely reflecting an increase in net fee income,[6] higher performance fees in Institutional Asset Management, and disciplined expense management, partially offset by lower favourable tax true-ups and tax benefits, the impact of the eMPF transition in Hong Kong and lower fee spreads. In addition, growth in our insurance business, the net impact of 2025 updates to actuarial methods and assumptions, an adjustment to the accrual for withholding taxes following the announcement of the Comvest acquisition, and favourable insurance experience in Asia also contributed to higher core earnings. These increases were partially offset by unfavourable insurance experience in our U.S. life insurance business, lower expected investment earnings, a lower gain from updates to provisions for estimated losses in our P&C Reinsurance business, a large increase in the expected credit loss ("ECL") provision in 2025 and less favourable insurance experience in Canada. The impact of 2024 updates to actuarial methods and assumptions was net neutral. In addition, the RGA U.S. Reinsurance Transaction, the RGA Canadian Reinsurance Transaction, and the GA Reinsurance Transaction reduced core earnings by $33 million, $19 million and $11 million, respectively, in 2025 compared with 2024.

[1] 2024 items excluded from core earnings has been updated to align with the presentation of GMT in 2025. See the "Global Minimum Taxes" section below for more information.
[2] The reinsurance transaction with the Reinsurance Group of America, Incorporated ("RGA U.S. Reinsurance Transaction") closed January 1, 2025. The reinsurance transaction with Global Atlantic ("GA Reinsurance Transaction") closed February 22, 2024, with an effective date of January 1, 2024. The reinsurance transaction with the RGA Life Reinsurance Company of Canada ("RGA Canadian Reinsurance Transaction") closed April 1, 2024.
[3] Includes impacts from reinsurance transactions reported in core earnings and items excluded from core earnings.
[4] There is an offsetting change in other comprehensive income ("OCI") attributed to shareholders resulting in a neutral impact to book value.
[5] Percentage growth/declines in core earnings, pre-tax core earnings, core earnings excluding the change in ECL, core expenses, general expenses, assets under management and administration ("AUMA"), 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.
[6] The increase in Global WAM net fee income is due to higher average assets under management and administration ("average AUMA") reflecting the favourable impact of markets and the acquisition of Comvest. For more information on average AUMA, see "Non-GAAP and Other Financial Measures" below.

Additional information on the change in ECL is presented in the following table:

For the years ended December 31, ($ millions)	2025	2024
Change in ECL		
Net new originations or purchases	**$ (16)**	$ (24)
Changes to risk, parameters and models		
Credit migration	**(111)**	(111)
Parameter and model updates, and other	**35**	105
Total (increase) recovery in ECL, pre-tax	**$ (92)**	$ (30)
Total (increase) recovery in ECL, post-tax	**$ (75)**	$ (23)

The increase in the ECL provision of $75 million post-tax in 2025 was primarily related to credit migration, partially offset by net positive impact from parameter and model updates reflecting a favourable macro environment. The increase in the ECL provision of $23 million post-tax in 2024 reflected credit migration, partially offset by positive parameter and model updates from a positive macro environment, in particular, improved equity markets.

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)	2025	2024	% change[1] 2025 vs 2024
Core earnings by segment[2]			
Asia	**$ 2,969**	$ 2,466	18 %
Canada	**1,634**	1,568	4 %
U.S.	**1,206**	1,690	(30)%
Global Wealth and Asset Management	**1,932**	1,673	14 %
Corporate and Other	**(220)**	(215)	(2)%
Total core earnings	**$ 7,521**	$ 7,182	3 %

[1] Percentage change is on a constant exchange rate basis, a non-GAAP ratio. See "Non-GAAP and Other Financial Measures" below for more information.
[2] 2024 core earnings by segment have been updated to align with the presentation of GMT in 2025. See the "Global Minimum Taxes" section below for more information.

The following table presents 2025 and 2024 net income attributed to shareholders consisting of core earnings and item excluded from core earnings.

For the years ended December 31, ($ millions)	2025	2024
Core earnings	**$ 7,521**	$ 7,182
Items excluded from core earnings		
Market experience gains (losses)[1]	**$ (1,662)**	$ (1,450)
Realized gains (losses) on debt instruments	***(753)***	*(962)*
Derivatives and hedge accounting ineffectiveness	***(173)***	*132*
Actual less expected long-term returns on public equity	***237***	*312*
Actual less expected long-term returns on ALDA	***(968)***	*(969)*
Other investment results	***(5)***	*37*
Updates to actuarial methods and assumptions that flow directly through income[2]	**(216)**	(199)
Restructuring charge[3]	**(12)**	(72)
Amortization of acquisition-related intangible assets[4]	**(18)**	-
Reinsurance transactions, tax-related items and other[5]	**(41)**	(76)
Total items excluded from core earnings	**(1,949)**	(1,797)
Net income (loss) attributed to shareholders	**$ 5,572**	$ 5,385

(1) Market experience was a net charge of $1,662 million in 2025 primarily due to lower-than-expected returns on ALDA, largely related to real estate, private equity and timber investments, net realized losses from the sale of debt instruments, of which $732 million was related to the transfer of assets with respect to the RGA U.S. Reinsurance Transaction, which are classified as FVOCI, and a net charge from derivatives and hedge accounting ineffectiveness. These were partially offset by higher-than-expected returns on public equity. 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.

(2) See "Critical Actuarial and Accounting Policies – Review of Actuarial Methods and Assumptions" section below for more information on the 2025 and 2024 net charges.

(3) In 2025, we reported a restructuring charge of $12 million post-tax ($16 million pre- tax) in Global WAM and Canada . In 2024, we reported a restructuring charge of $72 million post-tax ($92 million pre-tax) in Global WAM and Canada.

(4) This item is excluded from core earnings commencing in the third quarter of 2025 ("3Q25"). See "Non-GAAP and Other Financial Measures" below for more information.

(5) In 2025, the net charge of $41 million included a charge of $45 million related to an accounting true-up in Asia, a $24 million charge for Comvest acquisition-related costs, and a $10 million charge for an investment impairment in Global WAM, partially offset by a net gain of $36 million related to tax-related benefits and true-ups. In 2024, the net charge of $76 million included a charge of $70 million from the GA Reinsurance Transaction in the U.S. and Japan, 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 Investment Management ("CQS"), a charge of $25 million related to a reinsurance recapture in Asia, a charge of $23 million related to GMT (an additional $208 million charge was recorded in core earnings, see the "Global Minimum Taxes" section below for more information) 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.

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)	2025	2024	% change[1] 2025 vs 2024
Net income (loss) attributed to shareholders by segment			
Asia	**$ 2,972**	$ 2,355	26 %
Canada	**1,313**	1,221	8 %
U.S.	**(527)**	135	–
Global Wealth and Asset Management	**1,900**	1,597	19 %
Corporate and Other	**(86)**	77	–
Total net income (loss) attributed to shareholders	**$ 5,572**	$ 5,385	3 %

(1) Percentage change is on an actual exchange rate basis.

Diluted earnings (loss) per common share ("EPS") was $3.07 in 2025, compared with $2.84 in 2024 primarily related to the impact of common share buybacks and the increase in net income attributed to common shareholders. Diluted core earnings per

common share was $4.21 in 2025, compared with $3.85 in 2024 primarily related to the increase in core earnings and the impac of common share buyback s. The diluted weighted average common shares outstanding wa t 1,708 million in 2025 and 1,785 million in 2024.

ROE for 2025 of 12.0% was in line with 2024, reflecting higher net income attributed to common shareholders, offset by higher average common shareholders' equity. Core ROE was 16.5% in 2025 compared with 16.2% in 2024. The increase in 2025 core ROE was primarily driven by an increase in core earnings.

Expense efficiency rati o

Expense efficiency is embedded in our culture and its focu has enabled us to drive the benefits of scale across our businesses ve We believe there are further opportunities to leverage our global scale and operating environment, streamline processes an d further digitize our business.

We use th t expense efficiency ratio to measure our progress on our expense management initiatives. It reflects expenses tha flow directly through core earnings ("core expenses"), which include core general expenses, directly attributable maintenanc expenses and directly attributable acquisition expenses for products measured using the premium allocation approach ("PAA" and for other products without a CSM. Core expenses exclude certain expenses directly attributable to acquiring new busines that are capitalized into the CSM, instead of flowing directly through core earnings .

The **expense efficiency ratio** was 44.8% in 2025, in line with 2024, reflecting a 2% increase in both pre-tax core earning [1] and core expenses. The increase in core expenses was driven by higher workforce-related costs, continued strategic investments i digital transformation and AI, the inclusion of operating expenses related to our acquisitions of CQS and Comvest, an the eMPF transition in Hong Kong These were partially offset by disciplined expense management primarily in Global WA .

Core general expenses are a component of core expenses. Total 2025 general expenses increased 1% on an actual exchange rate basis and remained unchanged on a constant exchange rate basis compared wit 2024. The increase was driven by the items noted above related to the increase in core expenses, as well as a reallocation of expenses from directly attributabl maintenance to general expenses, partially offset by a reduction in expenses excluded from core earnings Total general expenses excluded from core earnings in 2025 consisted primarily of costs related to the acquisition of Comvest, th amortization of acquisition-related intangible assets, and restructuring charges in Global WAM and Canada. In 2024, thes expenses primarily related to the restructuring charges in Global WAM and Canada and the acquisition of CQ S.

[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)	2025	2024
Asia APE sales	**$ 7,340**	$ 6,073
Canada APE sales	**1,593**	1,689
U.S. APE sales	**784**	623
Total APE sales[1]	**9,717**	8,385
Asia new business CSM[2]	**2,787**	2,148
Canada new business CSM	**435**	357
U.S. new business CSM	**553**	382
Total new business CSM[2]	**3,775**	2,887
Asia new business value[3]	**2,560**	2,078
Canada new business value	**674**	627
U.S. new business value	**299**	241
Total new business value[1],[3]	**3,533**	2,946
Asia CSM net of NCI	**17,750**	15,540
Canada CSM	**4,459**	4,109
U.S. CSM	**2,760**	2,468
Corporate and Other CSM	**-**	10
Total CSM net of NCI	**24,969**	22,127
Post-tax CSM net of NCI[3],[4]	**20,733**	18,353
Global WAM gross flows ($ billions)[1]	**191.4**	171.7
Global WAM net flows ($ billions)[1]	**(14.3)**	13.3
Global WAM assets under management and administration ($ billions)[4],[5]	**1,106.6**	1,031.1
Global WAM total invested assets ($ billions)	**9.8**	9.7
Global WAM segregated funds net assets ($ billions)[5]	**313.6**	291.9
Total assets under management and administration ($ billions)	**1,704.4**	1,608.0
Total invested assets ($ billions)	**459.9**	442.5
Total net segregated funds net assets ($ billions)	**461.3**	436.0

(1) For more information on this metric, see "Non-GAAP and Other Financial Measures" below.

(2) New business CSM is net of NCI.

(3) 2024 new business value and post-tax CSM net of NCI have been updated to include the impact of GMT, consistent with 2025. See the "Global Minimum Taxes" section below for more information.

(4) This item is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" below for more information.

(5) The Global WAM portion of AUMA as at December 31, 2025 was $1,106.6 billion, an increase of 11% compared with December 31, 2024, driven by the favourable impact of equity markets and interest rates, and the assets from the acquisition of Comvest in the fourth quarter of 2025 ("4Q25"), partially offset by net outflows. The Global WAM segregated funds net assets were $313.6 billion as at December 31, 2025, an increase of 7% compared with December 31, 2024 on an actual exchange rate basis driven by the favourable impact of equity markets partially offset by unfavorable foreign currency exchange rates.

Annualized premium equivalent ("APE") sales were $9,717 million in 2025, an increase of 14%[1] compared with 2024, **new business CSM** was $3,775 million in 2025, an increase of 28% compared with 2024, and **new business value ("NBV")** was $3,533 million in 2025, an increase of 18%[1] compared with 2024. New business results by segment were as follows:

- In Asia, APE sales, new business CSM, and NBV increased 18%, 27% and 20%, respectively, in 2025 compared with 2024, reflecting strong 2025 performance across the region, led by Hong Kong, mainland China, Singapore and Japan. New business value margin ("NBV margin")[2] improved to 39.5%.
- In Canada, APE sales decreased 6% in 2025 compared with 2024, as strong growth in Individual Insurance sales throughout 2025 was more than offset by the non-recurrence of a significant Group Insurance large-case sale in the prior year. New business CSM increased 22% in 2025 compared with 2024, driven by higher sales volumes in Individual Insurance, and higher margins and sales volumes in Annuities, partially offset by net lower margins in Individual Insurance. NBV increased 7% in 2025 compared with 2024, reflecting higher sales volumes in Individual Insurance and favourable product mix in Group Insurance, partially offset by lower sales volumes in Group Insurance
- In the U.S., APE sales increased 24% in 2025 compared with 2024, reflecting broad-based demand for our suite of products. New business CSM increased 42% primarily driven by higher sales volumes and product mix. NBV increased 22% in 2025 compared with 2024, primarily driven 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. In addition, 2024 NBV margin was updated to include the impact of GMT, consistent with 2025. See the "Global Minimum Taxes" section below for more information.

CSM net of NCI was $24,969 million as at December 31, 2025, an increase of $2,842 million or 16% compared with December 31, 2024. Organic CSM movement was an increase of $2,257 million in 2025, representing a 10% growth[1], driven by the impact of new business, interest accretion and net favourable insurance experience, partially offset by amortization recognized in core earnings. Inorganic CSM movement was an increase of $585 million in 2025, primarily driven by the net impact of 2025 updates to actuarial methods and assumptions and equity market performance, partially offset by the impacts of changes in foreign currency exchange rates and reinsurance transaction.

Global WAM net outflows were $14.3 billion in 2025, compared with net inflows of $13.3 billion in 2024.

- Net outflows in Retirement were $9.4 billion in 2025, compared with net inflows of $0.7 billion in 2024, primarily driven by higher retirement plan redemptions, and higher net member withdrawals reflecting higher account balances from market growth. This was partially offset by higher new plan sales in Canada.
- Net outflows in Retail were $12.3 billion in 2025, compared with net inflows of $6.8 billion in 2024, driven by lower net sales through third-party intermediaries in North America and our Canada retail wealth platform.
- Net inflows in Institutional Asset Management were $7.4 billion in 2025, compared with net inflows of $5.7 billion in 2024, driven by higher net flows from fixed income mandates including strong contributions from our Manulife | CQS products, and the impact of the acquisition of Comvest. This was partially offset by higher redemptions in equity mandates and lower deployments in private markets.

Assets under Management and Administration

AUMA as at December 31, 2025 was $1.7 trillion, an increase of 9% compared with December 31, 2024, primarily due to the favourable impact of equity markets and interest rates, partially offset by net outflows. Total invested assets increased 4% on an actual exchange rate basis, primarily due to the impact of interest rates on debt instruments and the impact of equity markets, partially offset by the transfer of invested assets related to the RGA U.S. Reinsurance Transaction. Segregated funds net assets increased 6% on an actual exchange rate basis, primarily due to the impact of equity markets.

Assets under Management and Administration

As at December 31, ($ millions)	2025	2024
Total invested assets	**$ 459,928**	$ 442,497
Segregated funds net assets[1]	**461,254**	435,988
Mutual funds, institutional asset management and other[1],[2]	**537,216**	506,868
Total assets under management	**1,458,398**	1,385,353
Other assets under administration	**246,021**	222,614
Total assets under management and administration	**$ 1,704,419**	$ 1,607,967

(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.

[1] Percentage growth/declines in organic CSM is stated on a constant exchange rate basis.

Financial Strength

Financial strength metrics

As at December 31,	2025	2024
MLI's LICAT ratio[1]	**136%**	137%
Financial leverage ratio[2]	**23.9%**	24.0%
Consolidated capital ($ billions)[2],[3]	**$ 81.6**	$ 79.9
Book value per common share ($)	**$ 25.91**	$ 25.63
Adjusted book value per common share ($)[2],[4]	**$ 38.27**	$ 36.25

(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) 2024 consolidated capital and adjusted book value per common share have been updated to include the impact of GMT, consistent with 2025. See the "Global Minimum Taxes" section below for more information.
(3) This item is a capital management measure. For more information on this metric, 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.

The Life Insurance Capital Adequacy Test ("LICAT") ratio for MLI was 136% as at December 31, 2025, compared with 137%

as at December 31, 2024. The decrease in the ratio was driven by dividends and common share buybacks, the acquisition o Comvest, the impact of the new segregated fund capital requirements effective January 1, 2025, as well as the net redemption o subordinated debt. This was partially offset by the positive impact of earnings and the CSM, the RGA U.S. Reinsuranc Transaction and the net impact of updates to actuarial methods and assumptions.

MFC's financial leverage ratio as at December 31, 2025 was 23.9%, a decrease of 0.1 percentage points from 24.0% as at December 31, 2024. The decrease in the ratio was driven by a higher post-tax CSM[1] and the impact of a stronger Canadian dollar on foreign currency denominated debt, partially offset by the net issuance of securitie [2] and a decrease in total equit . The decrease in total equity was driven by dividends and common share buybacks, partially offset by total comprehensive income which was unfavourably impacted by a stronger Canadian dollar relative to the U.S. dollar.

MFC's consolidated capital was $81.6 billion as at December 31, 2025, an increas of $1.7 billion compared with $79.9 billion as at December 31, 2024. The increase was primarily driven by a higher post-tax CSM, partially offset by the net redemption o capital instruments[3] and a decrease in total equity. The decrease in total equity was driven by dividends and common shar buybacks, partially offset by total comprehensive income, which was unfavourably impacted by a stronger Canadian dolla relative to the U.S. dollar.

Remittances were $6.4 billion in 2025 of which Asia and U.S. operations delivered $2.1 billion and $1.7 billion, respectively Remittances in 2025 decreased by $0.6 billion compared with 2024 due to the favourable impact of market movements in 2024. Refer to "Remittance of Capital" below for more information.

Cash and cash equivalents and marketable securitie [4] were $276.0 billion as at December 31, 2025 compared with $263.3 billion as at December 31, 2024. The increase of $12.7 billion was primarily driven by the growth in equity markets, and the impact of lower interest rates, partially offset by the impact o changes in foreign currency exchange rates. Refer to "Liquidity Risk Management Strategy" below for more information.

Book value per common share as at December 31, 2025 was $25.91, a 1% increase compared with $25.63 as at December 31, 2024. The number of common shares outstanding was 1,677 million as at December 31, 2025, a net decrease of 52 millio common shares from 1,729 million as at December 31, 2024, primarily due to common share buybacks.

Adjusted book value per common share as at December 31, 2025 was $38.27, a 6% increase compared with $36.25 as at December 31, 2024, driven by an increase in the adjusted book valu [1] and a lower number of common shares outstanding. Adjusted book value increased $1.5 billion due to an increase in post-tax CSM net of NCI, partially offset by a decrease in total common shareholders' equity. The decrease in common shareholders' equity reflects dividends and common share buybacks partially offset by total comprehensive income attributed to common shareholders, which was unfavourably impacted by a stronger Canadian dollar relative to the U.S. dollar.

[1] This item is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" below for more information. Post-tax CSM and adjusted book value have been updated to include the impact of GMT, consistent with 2025. See the "Global Minimum Taxes" section below for more information.
[2] The net issuance of securities consists of the issuance of US$1.0 billion of senior debt in 4Q25 and the issuance of $0.5 billion of subordinated debt in the second quarter of 2025 ("2Q25"), partially offset by the redemption of $1.0 billion of subordinated debt in 2Q25.
[3] The net redemption of capital instruments consists of the redemption $1.0 billion of subordinated debt, partially offset by the issuance of $0.5 billion of subordinated debt in 2Q25.
[4] Includes cash and 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.

Credit ratings - On September 19, 2025, Moody's upgraded the financial strength rating to Aa3 from A1 for Manulife's primar insurance operating companie [1]. As indicated in Moody's press release, the upgrade reflects improved profitability, stron capital, and reduced exposure to lower ROE and legacy businesses.

Impact of Foreign Currency Exchange Rates

We have worldwide operations, including in Canada, the United States and various markets in Asia, and generate revenues an incur expenses in local currencies in these jurisdictions, all of which are translated into Canadian dollars. The bulk of ou 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 th respective quarterly period. For items impacting our Consolidated Statements of Financial Position, period end rates are used fo currency translation purposes. The following table provides the most relevant foreign currency exchange rates for 2025 and 2024.

	Quarterly					Full Year	
Exchange rate	**4Q25**	3Q25	2Q25	1Q25	4Q24	**2025**	2024
Average[(1)]							
U.S. dollar	**1.3939**	1.3773	1.3837	1.4349	1.3987	**1.3974**	1.3698
Japanese yen	**0.0090**	0.0093	0.0096	0.0094	0.0092	**0.0093**	0.0090
Hong Kong dollar	**0.1792**	0.1761	0.1773	0.1844	0.1799	**0.1793**	0.1755
Period end							
U.S. dollar	**1.3707**	1.3914	1.3645	1.4393	1.4382	**1.3707**	1.4382
Japanese yen	**0.0087**	0.0094	0.0094	0.0096	0.0092	**0.0087**	0.0092
Hong Kong dollar	**0.1761**	0.1788	0.1738	0.1850	0.1851	**0.1761**	0.1851

(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 dolla
r and are adversely affected by a strengthening Canadian dollar. However, in a period of net losses in foreign operations, th
e weakening of the Canadian dollar has the effect of increasing the losses. The relative impact of foreign currency exchange in an
given period is driven by the movement of currency rates as well as the proportion of earnings generated in our foreig
n operations.

Changes in foreign currency exchange rates increased core earnings by $114 million i 2025 compared with the same period of
2024, primarily due to a weaker Canadian dollar compared with the U.S. dollar. The impact of foreign currency exchange rate
on items excluded from core earnings does not provide relevant information given the nature of these item
s.

Global Minimum Taxes

On June 20, 2024, the Canadian government passed the Global Minimum Tax Act into law. Canada's GMT is applie
d retroactively to fiscal periods commencing on or after December 31, 2023
.

Impact of GMT on net income attributed to shareholders and core earnings

As additional local jurisdictions have enacted the GMT in 2025, GMT has been recognized in net income in the reportin
g segments whose earnings are subject to this tax. GMT is reported in both core earnings and items excluded from core earning
s in line with our definition of core earnings in section 13 "Non-GAAP and Other Financial Measures" below. As items exclude
d from core earnings are presented on a post-tax basis, each line includes the appropriate impact of GM
T.

In 2024, the impact of GMT was recognized in the Corporate and Other segment. To improve the comparability of core earning
s between 2025 and 2024, we have updated 2024 core earnings to reallocate GMT from the Corporate and Other segment to th
e segment whose core earnings are subject to this tax. This update includes a reallocation of the first quarter of 2024 ("1Q24"
) GMT, previously reported in the second quarter of 2024 ("2Q24") items excluded from core earnings, to 1Q24 core earnings
. There is no impact to our 2024 quarterly net income attributed to shareholders by segment or reporting period. The impact of th
e reallocation of GMT between segments and by quarter was offset by an equal amount in items excluded from core earnings i
n the segments. This offset is reported in the reinsurance transaction, tax-related items and other line. In total, with these updates
we continue to record total GMT expense of $231 million in 2024, however $208 million is now reported in core earnings and $2
3 million is now reported in items excluded from core earnings
.

[1] Includes MLI, John Hancock Life Insurance Company (U.S.A.), John Hancock Life & Health Insurance Company, and John Hancock Life Insurance Company of New York.

As a result of the update to core earnings, we have also updated the following 2024 non-GAAP measures
:

- Core ROE
- Core EPS
- Core earnings available to common shareholder
s
- Common share dividend core payout ratio
- Highest potential businesses core earnings contributio
n
- Asia region core earnings contributio
n.
- LTC and VA core earnings contributio
n
- Operating segment core earnings contribution

Impact of GMT on other financial measures

GMT also impacts additional metrics reported on a post-tax basis. In 2025, we have included the impact of GMT in thes
e measures and we have updated 2024 comparatives to include the impact of GMT
.

The following non-GAAP financial measures and non-GAAP ratios have been updated
:

- Post-tax CSM and post-tax CSM net of NC
- Adjusted book value and Adjusted book value per common shar
e
- Financial leverage rati
o

The following other financial measures have been updated:

- Consolidated capital
- NBV and NBV margin

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 more than 13 million customers[2], 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[3], mainland China, Singapore, Vietnam, Indonesia, the Philippines, Malaysia, Cambodia, and Myanmar – and a robust diversified distribution platform, we are well-positioned to create value for our customers, employees, and shareholders. We have over 100,000 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 deliver high-quality sustainable growth across a diversified business portfolio. This is supported by our robust, diversified distribution platform, holistic solutions across health, wealth and longevity, and leading digital and AI capabilities that enhance customer and distributor experience. 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 2025, our Asia segment contributed 38%[4] of the Company's core earnings from operating segments and, as at December 31, 2025, accounted for 13%[4] 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 $2,972 million in 2025 compared with $2,355 million in 2024. Net income attributed to shareholders is comprised of core earnings, which were $2,969 million in 2025 compared with $2,466 million in 2024, and items excluded from core earnings, which amounted to a net gain of $3 million for 2025 compared with a net charge of $111 million in 2024. 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 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 $6 million favourable 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$2,131 million in 2025 compared with US$1,717 million in 2024. Core earnings were US$2,126 million in 2025 compared with US$1,799 million in 2024 and items excluded from core earnings amounted to a net gain of US$5 million in 2025 compared with a net charge of US$82 million in 2024. Items excluded from core earnings are outlined in the table below.

Core earnings in 2025 increased 18% compared with 2024, 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 core earnings by US$60 million on a pre-tax basis in 2025 compared with 2024.

- Hong Kong increased 26% driven by an increase in expected earnings on insurance contracts and higher expected investment earnings, both reflecting business growth. The increase in expected earnings on insurance contracts also reflected the net impact of 2025 updates to actuarial methods and assumptions. In addition, Hong Kong had a lower effective tax rate;
- Japan increased 8% reflecting higher expected investment earnings and an increase in expected earnings on insurance contracts, both reflecting business growth and improved insurance experience, partially offset by a higher effective tax rate. In addition, the GA Reinsurance Transaction decreased core earnings by US$12 million in 2025 compared with 2024;
- International High Net Worth business increased 13% due to an increase in expected earnings on insurance contracts due

to business growth, partially offset by lower expected investment earnings.
- Mainland China increased 48% reflecting an improved impact of new business;
- Singapore increased 7% driven by an increase in expected earnings on insurance contracts due to business growth and favourable insurance experience;
- Vietnam was in line with 2024, reflecting favourable insurance experience offset by lower expected earnings on insurance contracts; and
- Other Emerging Markets increased 14% reflecting improved insurance experience.

[1] Based on APE sales.
[2] Includes insurance customers, retail investment customers acquired through the agency channel, and retirement customers.
[3] This represents our International High Net Worth business.
[4] This item is a non-GAAP ratio. See "Non-GAAP and Other Financial Measures" below for more information.

The following table presents net income attributed to shareholders for Asia for 2025 and 2024 consisting of core earnings and items excluded from core earnings.

For the years ended December 31, ($ millions)	Canadian $ 2025	Canadian $ 2024	US $ 2025	US $ 2024
Core earnings	**$ 2,969**	$ 2,466	**$ 2,126**	$ 1,799
Items excluded from core earnings[1]				
Market experience gains (losses)	**136**	(178)	**101**	(131)
Realized gains (losses) on debt instruments	***(40)***	*(374)*	***(28)***	*(276)*
Derivatives and hedge accounting ineffectiveness	***(40)***	*(92)*	***(30)***	*(67)*
Actual less expected long-term returns on public equity	***150***	*204*	***113***	*151*
Actual less expected long-term returns on ALDA	***47***	*21*	***33***	*15*
Other investment results	***19***	*63*	***13***	*46*
Updates to actuarial methods and assumptions that flow directly through income	**(39)**	(5)	**(28)**	(4)
Reinsurance transactions, tax-related items and other	**(94)**	72	**(68)**	53
Total items excluded from core earnings	**3**	(111)	**5**	(82)
Net income (loss) attributed to shareholders	**$ 2,972**	$ 2,355	**$ 2,131**	$ 1,717

[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$5,250 million in 2025, representing an increase of 18% compared with 2024, driven by broad-based growth across most markets in Asia, partially offset by a decrease in Vietnam and the International High Net Worth business. New business CSM of US$1,994 million and NBV of US$1,832 million in 2025 increased 27% and 20% compared with 2024, respectively, driven by higher sales volumes and a more favourable business mix. NBV margin was 39.5% in 2025, an increase of 1.2 percentage points compared with 2024.

- In Hong Kong, APE sales were US$1,965 million in 2025, a 21% increase compared with 2024, reflecting higher sales across all channels, driven by strong growth in sales of savings, health and protection products. The increase reflected our sales growth in both mainland Chinese visitor and domestic customers. New business CSM of US$811 million in 2025 increased 21% compared with 2024 driven by higher sales volumes. NBV of US$966 million in 2025 increased 31% compared with 2024 due to higher sales volumes and product mix. NBV margin of 49.2% in 2025 increased 3.9 percentage points compared with 2024.
- In Japan, APE sales were US$460 million in 2025, an increase of 17% compared with 2024, reflecting higher sales in the broker channel, driven by strong growth in sales of wealth accumulation products. New business CSM of US$279 million in 2025 increased 30% compared with 2024, primarily driven by higher sales volume. NBV of US$165 million in 2025 was in line with 2024, driven by higher sales volumes offset by product mix. NBV margin of 36.0% in 2025 decreased 6.0 percentage points compared with 2024.
- International High Net Worth business APE sales were US$155 million in 2025, a decrease of 9% compared with 2024, reflecting lower sales in savings products. New business CSM of US$136 million and NBV of US$121 million in 2025 were both in line with 2024, due to lower sales volumes, partially offset by product mix. NBV margin was 78.4%, an increase of 6.5 percentage points compared with 2024.
- In mainland China, APE sales were US$1,180 million in 2025, a 32% increase compared with 2024, reflecting higher sales in the bancassurance and agency channels, driven by strong growth in participating savings products. New business CSM of US$254 million in 2025 increased 28% compared with 2024, primarily driven by higher sales volumes. NBV of US$185 million in 2025 increased 11% compared with 2024 due to higher sales volumes partially offset by product mix. NBV margin of 30.7% in 2025 decreased 5.7 percentage points compared with 2024.
- In Singapore, APE sales were US$1,118 million in 2025, a 14% increase compared with 2024, reflecting higher sales across all channels driven by strong growth in sales of investment-linked products. New business CSM of US$443 million in 2025 increased 52% compared with 2024 due to higher sales volumes and product mix. NBV of US$342 million in 2025 increased 25% compared with 2024 due to higher sales volumes and product mix. NBV margin of 30.6% in 2025 increased 2.6 percentage points compared with 2024.
- In Vietnam, APE sales were US$69 million in 2025, a 24% decrease compared with 2024, reflecting lower sales in the bancassurance channel following the cessation of the partnership agreement with Vietnam Technological and Commercial Joint-Stock Bank in October 2024, partially offset by higher sales in the agency channel. New business CSM of US$16 million in 2025 increased 40% compared with 2024 due to product mix, partially offset by lower sales volumes. NBV of negative US$3 million in 2025 improved by US$2 million compared with 2024 due to product mix partially offset by lower sales volumes. NBV margin of negative 4.1% in 2025 improved 1.2 percentage points compared with 2024.

- In Other Emerging Markets, APE sales were US$303 million in 2025, a 3% increase compared with 2024, reflecting higher sales in the bancassurance and agency channels. New business CSM was US$55 million, a 5% increase compared with 2024 primarily due to higher sales volumes. NBV was US$56 million, an 11% decrease compared with 2024 due to the impact of a local regulatory update in Indonesia, partially offset by higher sales volumes. NBV margin was 20.6%, a decrease of 3.1 percentage points compared with 2024.

CSM net of NCI was US$12,951 million as at December 31, 2025, an increase of US$2,144 million compared with December 31, 2024. Organic CSM movement was an increase of US$1,173 million in 2025 driven by the impact of new business, interest accretion, and a net increase in insurance experience, partially offset by amortization recognized in core earnings. Inorganic CSM movement was an increase of US$971 million in 2025 largely due to the net impact of 2025 updates to actuarial methods and assumptions that adjust the CSM, the impact of equity market performance and interest rate movement, and the weakening of the U.S. dollar against most Asian currencies.

Business Performance

As at and for the years ended December 31,	Canadian $		US $	
($ millions)	**2025**	2024	**2025**	2024
APE sales	**$ 7,340**	$ 6,073	**$ 5,250**	$ 4,429
New business value	**$ 2,560**	$ 2,078	**$ 1,832**	$ 1,516
New business CSM[1)]	**$ 2,787**	$ 2,148	**$ 1,994**	$ 1,567
CSM net of NCI	**$ 17,750**	$ 15,540	**$ 12,951**	$ 10,807

(1) New business CSM is net of NCI.

Assets under Management[1] ("AUM")

Asia's assets under management were US$159.1 billion as at December 31, 2025, an increase of US$23.4 billion or 15% compared with December 31, 2024. The increase was driven by business growth and the impact of favourable equity market performance on invested assets and segregated funds net assets.

Assets under Management

As at December 31,	Canadian $		US $	
($ millions)	**2025**	2024	**2025**	2024
Total invested assets	**$ 185,848**	$ 166,590	**$ 135,597**	$ 115,843
Segregated funds net assets	**32,245**	28,622	**23,527**	19,904
Total assets under management	**$ 218,093**	$ 195,212	**$ 159,124**	$ 135,747

Strategic Highlights

Asia continues to be a core driver of growth for Manulife, as we execute our strategy to deliver high-quality sustainable growth across a diversified business portfolio. This is supported by our robust, diversified distribution platform, holistic solutions across health, wealth and longevity, and leading digital and AI capabilities that enhance customer and distributor experience.

We continued to broaden our reach and leverage strategic partnerships through our diversified distribution platforms to accelerate growth. In 2025, we:

- Renewed our bancassurance partnership in the Philippines with Chinabank, extending our exclusive partnership until 2039. This strategic partnership, which started in 2007, solidifies the two organizations' shared commitment to providing holistic life, wealth, and health solutions for the long-term financial security of Filipino families; and
- Continued to build on our high-quality agency force at scale by improving agent capabilities and capacities across the agency value chain. Our strategy is focused on quality recruitment, digital and AI tools, and robust learning and development initiatives. This includes the launch of Manulife Business Academy, which collaborates with globally accredited training partners to enhance skills in financial planning, recruitment, and leadership. These efforts have contributed to a 23% year over-year increase in our annual Million Dollar Round Table ("MDRT") membership[2], positioning us as having the third largest MDRT members globally, while agency productivity[3] for 2025 rose by 17% compared with 2024.

We continued to enhance our health, wealth, and longevity propositions to meet the evolving needs of customers seeking better health and wellness outcomes. In 2025, we:

- Agreed to establish a strategic collaboration with Bupa International Limited, a global healthcare company, to create a more robust and integrated healthcare network for our customers. By combining the strengths of both organizations, this collaboration in Hong Kong aims to expand customer access to high-quality care while enhancing convenience, value, and affordability through integrated healthcare solutions and personalized support throughout their healthcare journey;
- Launched the enhanced ManulifeMOVE, our flagship lifestyle program, with initial rollout in Singapore and the Philippines. ManulifeMOVE empowers customers to take charge of their health and well-being, with key enhancements including differentiated and expanded benefits across preventive health services, medical and assistive care, cancer care support

[1] This item is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" below for more information.
[2] MDRT membership awarded based on prior year production.
[3] Asia agency APE sales per active agents.

health and well-being coaching, fitness and wellness experiences, and community engagement;

- Hosted Asia's inaugural Manulife Longevity Symposium in Singapore and the Philippines, reinforcing our commitment to advancing Asia's longevity movement. The symposiums brought together over 1,400 healthcare experts, industry leaders, academics, customers and partners to address the challenge of living not just longer, but better, covering topics such as health and longevity innovations, and financial well-being; and
- Delivered enhanced health service coverage and expanded access to cross-border healthcare in Hong Kong. We launched a cross-border Cancer Drug Support Service through our partnership with one of the leading healthcare service providers in the China Greater Bay Area. In addition, we broadened select Manulife Hong Kong and Macau health insurance product coverage to over 38,000 hospitals in mainland China and introduced hospitalization credit services at more than 80 hospitals in mainland China, enabling patients to receive treatment without upfront payment.

We continued to expand our geographical presence and strengthen our market reach. In 2025, we:

- Agreed to establish a 50:50 life insurance joint venture with Mahindra, an existing partner through our asset management joint venture, to enter the India insurance market.[1] This partnership will expand our global footprint and position us to grow across one of the world's largest economies, delivering long-term value; and
- Became the first international life insurer to establish an office in the Dubai International Financial Centre dedicated to advising on and arranging life insurance contracts to high-net-worth ("HNW") customers. This strategic move deepens our presence in the Middle East and enhances our ability to address the growing wealth and protection needs of HNW and ultra-HNW individuals in the region.

We also continued to invest in our AI and digital capabilities to enhance the customer and distributor experience. In 2025, we:

- Launched advanced AI-enabled agency tools across Asia to enhance sales support and improve customer experience. In Indonesia, Singapore and Japan, we rolled out AI assistants to provide faster access to product and policy information and streamline administrative tasks. In Hong Kong, we launched AI Sales Pro – a GenAI-powered tool that helps agents identify top sales opportunities, craft personalized customer solutions, and access critical know-how to drive business performance; and
- Rolled out VOICE in Singapore and Japan, a multi-signal dashboard that includes call trend analysis, net sentiment scores, topic trends and deep dive insights from call center transcripts. VOICE utilizes GenAI to categorize data, find correlations and customize insights by analyzing near real-time trends from customer interactions. These insights help us to better understand customer sentiment and key interests, enhance services, improve training, and identify opportunities to better deliver value to our customers.

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 2025" in seven of our markets.

[1] Subject to the receipt of regulatory approvals. See "Caution regarding forward-looking statements" above.

3. Canada

Our Canada segment has been committed to customers in our home market for over 135 years. We serve the needs of over 7 million customers[1] 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 of, 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; individual insurance and guaranteed investment products including life, critical illness, segregated funds, and annuities sold via retail advisors; and Affinity 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. Through Manulife Bank, we offer flexible banking products and solutions to both individual customers and businesses.

We aim to be the leading life and health insurer in Canada, by focusing on four key areas: continuing to strengthen our core operations; accelerating digital transformation; differentiating through health; and expanding distribution.

In 2025, our Canada segment contributed 21% of the Company's core earnings from operating segments and, as at December 31, 2025, accounted for 9% of the Company's assets under management and administration.

Profitability

Canada's reported net income attributed to shareholders was $1,313 million in 2025 compared with $1,221 million in 2024. Net income attributed to shareholders is comprised of core earnings, which were $1,634 million in 2025 compared with $1,568 million in 2024, and items excluded from core earnings, which amounted to a net charge of $321 million in 2025 compared with a net charge of $347 million in 2024. 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 attributed to shareholders.

The $66 million, or 4%, increase in core earnings was driven by higher expected investment earnings, business growth in Group Insurance, improved insurance experience in Individual Insurance, and an increase in CSM amortization, partially offset by less favourable insurance experience in Group Insurance, and lower Manulife Bank earnings. Core earnings also included the net favourable impact of 2025 updates to actuarial methods and assumptions. Investment income on allocated capital also reduced core earnings by $29 million on a pre-tax basis compared with 2024. In addition, the RGA Canadian Reinsurance Transaction reduced core earnings by $19 million in 2025 compared with 2024.

The following table presents net income attributed to shareholders for Canada for 2025 and 2024 consisting of core earnings and items excluded from core earnings.

For the years ended December 31, ($ millions)	2025	2024
Core earnings	**$ 1,634**	$ 1,568
Items excluded from core earnings[1]		
Market experience gains (losses)	**(374)**	(384)
Realized gains (losses) on debt instruments	***3***	*(328)*
Derivatives and hedge accounting ineffectiveness	***(74)***	*109*
Actual less expected long-term returns on public equity	***13***	*65*
Actual less expected long-term returns on ALDA	***(265)***	*(235)*
Other investment results	***(51)***	*5*
Updates to actuarial methods and assumptions that flow directly through income	**58**	2
Restructuring charge	**(3)**	(6)
Reinsurance transactions, tax-related items and other	**(2)**	41
Total items excluded from core earnings	**(321)**	(347)
Net income (loss) attributed to shareholders	**$ 1,313**	$ 1,221

(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 $1,593 million in 2025, a decrease of 6% compared with 2024.

- Individual Insurance APE sales of $630 million in 2025 increased 20% compared with 2024, primarily due to higher participating life insurance sales.

[1] Includes insurance customers and Global WAM customers.

- Group Insurance APE sales of $702 million in 2025 decreased 24% compared with 2024, driven by the non-recurrence of a significant large-case sale in 2Q24.
- Annuities APE sales of $261 million in 2025 increased 7% compared with 2024, primarily due to higher sales of segregated fund products.

CSM was $4,459 million as at December 31, 2025, an increase of $350 million compared with December 31, 2024. Organic CSM movement was an increase of $128 million in 2025, driven by the impact of new business and interest accretion partially offset by amortization recognized in core earnings. Inorganic CSM movement was an increase of $222 million in 2025, reflecting the net impact of 2025 updates to actuarial methods and assumptions that adjust the CSM, favourable equity market experience, and the impact of amendments to reinsurance treaties in 2Q25, partially offset by unfavourable impacts of interest rates.

Manulife Bank average net lending assets [1] were $28.3 billion in 2025, an increase of $2.3 billion, or 9%, compared with 2024, primarily due to growth in residential lending.

Business Performance

As at and for the years ended December 31, ($ millions)	2025	2024
APE sales	**$ 1,593**	$ 1,689
Contractual service margin	**$ 4,459**	$ 4,109
Manulife Bank average net lending assets	**$ 28,307**	$ 26,020

Assets under Management

Canada's assets under management of $152.7 billion as at December 31, 2025 increased $7.5 billion, or 5%, from $145.2 billion as at December 31, 2024, driven by higher total invested assets from business growth and the net favourable impact from equity markets and interest rates.

Assets under Management

As at December 31,	2025	2024
Total invested assets	**$ 114,483**	$ 107,141
Segregated funds net assets	**38,218**	38,099
Total assets under management	**$ 152,701**	$ 145,240

Strategic Highlights

We continued to drive strong business growth by delivering tailored solutions that create value for customers and distributors, supported by updates to the Manulife *Vitality* program and key partnerships, and advancing our digital capabilities through GenAI-driven innovations, so that our customers can focus on improving their health, wealth and longevity. During 2025, we:

- Enhanced the Manulife *Vitality* program with offerings to assist members in meeting their health and wellness goals:
  - Became the first insurer in Canada to offer access to GRAIL's Galleri® multi-cancer early detection test to eligible Manulife *Vitality* program members at a discount in partnership with Medcan, a global leader in proactive health and wellness services. This milestone reinforces Manulife's commitment to proactive health solutions and complements existing public screening programs, supporting earlier detection and improved outcomes for customers; and
  - Introduced additional resources and incentives for managing and preventing diabetes, the extension of travel rewards to all members, the addition of ŌURA as a key rewards partner, and new collaborations offering tools that span nutrition, fitness, mental health, and personalized medicine.
- Established strategic partnerships to support our customers' health and well-being and grow our distribution network through personalized and value-added solutions:
  - Partnered with Maven Clinic, the world's largest virtual clinic for women's and family health[2], to offer eligible Group Benefits members 24/7 virtual access to personalized support during some of their most important stages of life, including fertility, maternity, parenting, and menopause. This initiative addresses critical care gaps that impact women's health and workforce participation; and
  - Partnered with M3 Financial Group ("M3") to offer our Affinity Mortgage Protection Plan through M3's Canada-wide broker network, beginning with advisors in British Columbia. Our licensed advisors work directly with M3's mortgage clients to guide them through the process of purchasing the mortgage protection coverage they need, enabling M3's brokers to focus on servicing their core business. This initiative strengthens our position in mortgage protection by offering more accessible, trusted protection in Canada's housing market.

[1] This item is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" below for more information.
[2] Maven Clinic, Meet Maven, 2024.

- Advanced our digital capabilities through GenAI-driven innovations and modernized platforms to improve advisor and customer experience:
  - Introduced an enhanced online life and health insurance application form that reduces complexity, accelerates medical data collection, and shortens processing times through adaptive questioning and streamlined workflows, transforming the digital experience for advisors. These efficiencies strengthen our competitiveness in the mass market segment and support our ambition of delivering scalable digital offerings;
  - Introduced an innovative GenAI tool in our Individual Insurance business that automatically generates personalized communications to advisors by analyzing historical data and identifying available opportunities. This tool enables our internal sales team to deliver timely, relevant, and actionable messages to drive meaningful interactions and enhance collaboration with advisors;
  - Launched a GenAI-powered coaching tool for Licensed Insurance Advisor ("LIA") supervisors in our Affinity business that evaluates customer service calls, generating insights that allow supervisors to provide LIAs with more effective, timely, and targeted feedback to enhance customer service and sales outcomes; and
  - Launched an end-to-end digital travel insurance platform that modernizes the distributor experience and simplifies the purchasing process for Canadians and their families.
- Expanded solutions for Canadians and their families to meet their wealth and protection needs:
  - Launched a simplified specialized lending suite of products in Manulife Bank to streamline the lending experience for advisors serving HNW clients and business owners. This emphasizes our focus on removing friction, enhancing clarity and delivering smarter, faster, and more personalized solutions for advisors and customers.

4. U.S.

Our U.S. segment is committed to a future of dynamic growth by helping our customers live longer, healthier, better lives through an array of life insurance and insurance-based wealth-accumulation solutions that meet a variety of financial planning needs and offer a behavioural insurance component 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., where 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, while also helping them prepare to spend more years in good health. We also leverage the expertise and solutions of our Global Wealth and Asset Management segment.

We have integrated behavioural insurance across our suite of solutions, offering customers tools, resources, education, and rewards through John Hancock Vitality to help them make more informed decisions about their overall health. The program continuously evolves to include the latest advances in science and technology and is built on a network of collaborators including GRAIL, Apple, Prenuvo, and the Massachusetts Institute of Technology ("MIT") AgeLab.

Additionally, we 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 into one of higher returns and lower risk.

In 2025, our U.S. segment contributed 16% of the Company's core earnings from operating segments and, as at December 31, 2025, accounted for 12% of the Company's assets under management and administration.

Profitability

U.S. reported net loss attributed to shareholders of $527 million in 2025 compared with net income attributed to shareholders of $135 million in 2024. Net income (loss) attributed to shareholders is comprised of core earnings, which was $1,206 million in 2025 compared with $1,690 million in 2024, and items excluded from core earnings, which amounted to a net charge of $1,733 million in 2025 compared with a net charge of $1,555 million in 2024. 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 $26 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, the net loss attributed to shareholders was US$367 million in 2025 compared with net income attributed to shareholders of US$96 million in 2024. Core earnings were US$862 million in 2025 compared with US$1,234 million in 2024 and items excluded from core earnings amounted to a net charge of US$1,229 million in 2025 compared with a net charge of US$1,138 million in 2024. Items excluded from core earnings are outlined in the table below.

The US$372 million, or 30%, decrease in core earnings was mainly due to a combination of factors, including unfavourable life insurance claims experience in 2025 compared with favourable experience in 2024, lower expected investment earnings and the net impact of the 2024 updates to actuarial methods and assumptions, which impacted expected investment earnings and insurance service result. This was partially offset by favourable lapse experience in 2025 compared with unfavourable experience in 2024. The net impact of the 2025 updates to actuarial methods and assumptions was slightly positive. Investment income on allocated capital also reduced core earnings by US$54 million on a pre-tax basis in 2025 compared with 2024. The RGA U.S. Reinsurance Transaction reduced core earnings by US$20 million in 2025 compared with 2024, attributable to the impact on expected earnings on insurance contracts, the expected investment earnings and the change in ECL.

The following table presents net income attributed to shareholders for the U.S. for 2025 and 2024 consisting of core earnings and items excluded from core earnings.

For the years ended December 31,	Canadian $		US $	
($ millions)	2025	2024	2025	2024
Core earnings	**$ 1,206**	$ 1,690	**$ 862**	$ 1,234
Items excluded from core earnings[1]				
Market experience gains (losses)	**(1,498)**	(1,327)	**(1,058)**	(971)
Realized gains (losses) on debt instruments	***(697)***	*(525)*	***(487)***	*(385)*
Derivatives and hedge accounting ineffectiveness	***2***	*(33)*	***3***	*(23)*
Actual less expected long-term returns on public equity	***(118)***	*(47)*	***(84)***	*(34)*
Actual less expected long-term returns on ALDA	***(719)***	*(751)*	***(514)***	*(550)*
Other investment results	***34***	*29*	***24***	*21*
Updates to actuarial methods and assumptions that flow directly through income	**(235)**	(202)	**(171)**	(148)
Reinsurance transactions, tax-related items and other	**-**	(26)	**-**	(19)
Total items excluded from core earnings	**(1,733)**	(1,555)	**(1,229)**	(1,138)
Net income (loss) attributed to shareholders	**$ (527)**	$ 135	**$ (367)**	$ 96

(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$561 million in 2025 increased 24% compared with 2024, reflecting broad-based demand for our suite of products.

CSM was US$2,013 million as at December 31, 2025, an increase of US$298 million compared with December 31, 2024. Organic CSM movement was an increase of US$345 million in 2025 driven by the impact of new business, interest accretion and net favourable insurance experience, partially offset by amortization recognized in core earnings. The net favourable insurance experience was mainly due to long-term care lapse and claims experience. Inorganic CSM movement was a decrease of US$47 million in 2025 due to the RGA U.S. Reinsurance Transaction in the first quarter of 2025, partially offset by favourable market impacts from equity market experience and the net impact of 2025 updates to actuarial methods and assumptions that adjust the CSM.

Business Performance

As at and for the years ended December 31,	Canadian $		US $	
($ millions)	2025	2024	2025	2024
APE sales	**$ 784**	$ 623	**$ 561**	$ 454
Contractual service margin	**$ 2,760**	$ 2,468	**$ 2,013**	$ 1,715

Assets under Management

U.S. assets under management of US$145.8 billion as at December 31, 2025 decreased 2% compared with December 31, 2024. The decrease was largely due to the transfer of invested assets related to the RGA U.S. Reinsurance Transaction, partially offset by the net impact from interest rates and equity markets on both segregated funds net assets and total invested assets.

Assets under Management

As at December 31,	Canadian $		US $	
($ millions)	2025	2024	2025	2024
Total invested assets	**$ 122,591**	$ 136,833	**$ 89,434**	$ 95,142
Segregated funds net assets	**77,272**	77,440	**56,372**	53,845
Total assets under management	**$ 199,863**	$ 214,273	**$ 145,806**	$ 148,987

Strategic Highlights

At John Hancock, we are focused on profitably growing our life insurance business to sustain a scaled presence in the U.S. by diversifying and enhancing our product portfolio and deploying AI-driven solutions to transform the end-to-end purchase experience for our customers. We are also focused on differentiating through behavioural insurance solutions to help our customers live longer, healthier, better lives. In 2025, we:

Delivered strong new business growth by strengthening our distribution model and diversifying our portfolio with new offerings and enhancements to our current solutions:

- Enhanced our distribution footprint by expanding our wholesaling team, pursuing more targeted growth strategies and accelerating our penetration within the U.S. HNW and mass affluent markets;
- Expanded our suite of insurance solutions by introducing an accumulation survivorship indexed universal life product, John Hancock's first offering in this product category;
- Introduced a new hybrid indexed universal life insurance solution offering more flexible living benefits and a streamlined digital application process; and
- Offered improved fund selection and index loan options on our new variable universal life insurance solutions.

Positioned ourselves as an AI-powered organization, leveraging GenAI capabilities to accelerate underwriting, improve the customer experience, and detect and reduce fraud, waste, and abuse:

- Partnered with Munich Re Life US to enhance underwriting efficiency through *alitheia*, its AI-driven risk assessment platform, raising instant underwriting decision eligibility from US$3 million to US$5 million, enabling more customers to experience streamlined life insurance application process; and
- Deployed GenAI capabilities to improve outcomes in our in-force Long Term Care ("LTC") insurance business, including further enhancements to automated claims processing and predictive analytics to detect and reduce fraud, waste and abuse.

Advanced our mission to help our customers live longer, healthier, and better lives:

- Empowered eligible John Hancock Vitality members with early detection technology and resources to proactively manage their health, including annual and recurring access to GRAIL's Galleri® multi-cancer early detection test, access to Function Health's technology and health screening tools, and access to continuous glucose monitoring technology and dietitian support; and
- Released the first-of-its-kind Longevity Preparedness Index – developed in collaboration with the MIT AgeLab to deliver actionable insights on what it means to prepare well for living longer, and build on our brand awareness in the longevity space.

5. Global Wealth and Asset Management

Our Global Wealth and Asset Management segment, branded Manulife Wealth & Asset Management, is defined by ou

purpose: to be the number one choice for customers to make decisions easier and lives better by empowering investors for a better tomorrow. We operate across 20 geographies, including 10 in Asia[1], distributing innovative investment solutions to both individual and institutional investors through three integrated and complementary business lines.

Through our extensive team of investment professionals across public and private markets, including Manulife | CQS Investment Management and Manulife | Comvest, we offer investment capabilities across a wide spectrum of asset classes. Our philosophy across our entire platform is anchored on good stewardship, engaging with companies and investors with a view to addressing material risks, which in turn allows us to deliver resilient, alpha-generating investment solutions to our customers.

We distribute our investment capabilities and solutions through three global businesses:

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 them improve their financial preparedness, and also provide solutions to investors when they retire or leave their employer plan.

Our Retail business serves individual investors through third-party intermediaries in North America and Asia, and through an affiliated wealth management network in North America. Our product platform predominantly consists 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 a broad range of clients around the world, including pension plans, foundations, endowments, financial institutions, and other institutional investors as well as our own insurance business.

We believe that the combination of our global footprint, broad investment expertise, and diversified distribution channels position us strongly to capitalize on high-growth opportunities in the most attractive markets globally.

In 2025, our Global WAM segment contributed 25% of the Company's core earnings from operating segments and, as at December 31, 2025, represented 65% of the Company's total assets under management and administration.

Profitability

Global WAM's net income attributed to shareholders was $1,900 million in 2025 compared with $1,597 million in 2024. Net income (loss) attributed to shareholders is comprised of core earnings, which was $1,932 million in 2025 compared with $1,673 million in 2024, and items excluded from core earnings, which amounted to a net charge of $32 million in 2025 compared with a net charge of $76 million in 2024. 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 $259 million, or 14%, compared with 2024 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 the acquisition of Comvest, higher performance fees in Institutional Asset Management, as well as disciplined expense management. This increase was partially offset by lower favourable tax true-ups and tax benefits, the impact of the eMPF transition in Hong Kong and lower fee spreads.

[1] United States, Canada, Japan, Hong Kong, Singapore, Taiwan, Indonesia, Vietnam, Malaysia, India, the Philippines, Brazil, England, Ireland, Switzerland, Germany, and mainland China. In addition, we have timberland/farmland operations in Australia, New Zealand, and Chile.

The following table presents net income attributed to shareholders for the Global WAM segment for 2025 and 2024 consisting of core earnings and items excluded from core earnings.

($ millions)		
Core earnings		
Retirement	**$ 1,101**	$ 950
Retail	**595**	581
Institutional	**236**	142
Core earnings	**1,932**	1,673
Items excluded from core earnings[1]		
Market experience gains (losses)	**22**	4
Realized gains (losses) on debt instruments	***3***	-
Derivatives and hedge accounting ineffectiveness	***-***	-

For the years ended December 31,	2025	2024
Actual loss expected long-term returns on public equity	*25*	*4*
Actual loss expected long-term returns on ALDA	*(8)*	
Other investment results		
Restructuring charge	**(9)**	(66)
Amortization of acquisition-related intangible assets[3]	**(18)**	-
Reinsurance transactions, tax-related items and other	**(27)**	(14)
Total items excluded from core earnings	**(32)**	(76)
Net income (loss) attributed to shareholders	**$ 1,900**	$ 1,597

(1) For explanations of items excluded from core earnings, see "Items excluded from core earnings" table in the total Company "Profitability" section above.
(2) This item is excluded from core earnings commencing in 3Q25. See "Non-GAAP and Other Financial Measures" below for more information.

In 2025, core EBITDA [1] was $2,571 million, $639 million higher than core earnings. In 2024, core EBITDA was $2,173 million, $500 million higher than core earnings. Core EBITDA increased $398 million, or 17%, compared with 2024, driven by similar factors impacting core earnings as mentioned above.

Core EBITDA margin [2] was 29.7% in 2025 compared with 27.1% in 2024. The 260 basis point increase was primarily driven by similar factors impacting core earnings as mentioned above.

Core EBITDA

For the years ended December 31, ($ millions)	2025	2024
Core earnings	**$ 1,932**	$ 1,673
Amortization of deferred acquisition costs and other depreciation	**202**	188
Amortization of deferred sales commissions	**87**	78
Core income tax expenses (recoveries)	**350**	234
Core EBITDA	**$ 2,571**	$ 2,173
Core EBITDA margin (%)	**29.7%**	27.1%

Business Performance

Net outflows were $14.3 billion in 2025 compared with net inflows of $13.3 billion in 2024.

- Retirement net outflows were $9.4 billion in 2025 compared with net inflows of $0.7 billion in 2024, primarily driven by higher retirement plan redemptions, and higher net member withdrawals reflecting higher account balances from market growth. This was partially offset by higher new plan sales in Canada.
- Retail net outflows were $12.3 billion in 2025 compared with net inflows of $6.8 billion in 2024, driven by lower net sales through third-party intermediaries in North America and our Canada retail wealth platform.
- Institutional Asset Management net inflows were $7.4 billion in 2025 compared with net inflows of $5.7 billion in 2024, driven by higher net flows from fixed income mandates including strong contributions from our Manulife | CQS product, and the impact of the acquisition of Comvest. This was partially offset by higher redemptions in equity mandates and low deployments in private markets.

[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.

Net Flows

For the years ended December 31, ($ millions)	2025	2024
Net flows	**$ (14,264)**	$ 13,270

Assets under Management and Administration

As at December 31, 2025, AUMA for our wealth and asset management businesses were $1,106.6 billion, an increase of 11% compared with December 31, 2024, driven by the favourable impact of equity markets and interest rates, and the assets from the acquisition of Comvest in 4Q25, partially offset by net outflows. As of December 31, 2025, Global WAM also managed 234.4 billion in assets for the Company's other reporting segments. Including those assets, AUMA managed by Global WAM[1] were $1,341.0 billion compared with $1,257.8 billion as at December 31, 2024.

Segregated funds net assets were $313.6 billion as at December 31, 2025, an increase of 7% compared with December 31, 2024 on an actual exchange rate basis, driven by the favourable impact of equity markets partially offset by unfavorable foreign currency exchange rates.

Changes in Assets under Management and Administration

As at and for the years ended December 31, ($ millions)	2025	2024
Balance January 1,	**$ 1,031,085**	$ 849,163
Acquisitions / Dispositions[1]	**17,551**	18,670
Net flows	**(14,264)**	13,270
Investment income (loss) and other	**72,218**	149,982
Balance December 31,	**$ 1,106,590**	$ 1,031,085
Average assets under management and administration	**$ 1,070,839**	$ 946,087

(1) Includes $17.5 billion of AUM from the acquisition of Comvest in 2025 and $19.0 billion of AUM from the acquisition of CQS in 2024.

Assets under Management and Administration

As at December 31, ($ millions)	2025	2024
Total invested assets	**$ 9,787**	$ 9,743
Segregated funds net assets[1]	**313,566**	291,860
Mutual funds, institutional asset management and other[2]	**537,216**	506,868
Total assets under management	**860,569**	808,471
Other assets under administration	**246,021**	222,614
Total assets under management and administration	**$ 1,106,590**	$ 1,031,085

(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)	2025	2024
Assets under management and administration	**$ 1,106,590**	$ 1,031,085
AUM managed by Global WAM on behalf of Manulife's other segments	**234,370**	226,752
Total managed assets under management and administration	**$ 1,340,960**	$ 1,257,837

Strategic Highlights

As one of Manulife's highest potential businesses, we are focused on accelerating growth, achieving operational excellence, and driving value for shareholders. Our strategy is anchored on delivering consistently strong risk-adjusted returns for investors; offering differentiated products, solutions and experiences to drive better customer outcomes; expanding global distribution capabilities; amplifying our partnerships with insurance affiliates; and maximizing the value of our vertically integrated model. Our strategy is further powered by our winning talent and culture, our strong reputation and global brand, our technology and AI forward mindset, and our focus on financial and operational discipline.

[1] This item is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" below.

We continued to embrace a digital-first mindset and integrated AI-powered solutions to enhance the experiences for our customers. In 2025, we:

- Incorporated a suite of AI-powered research tools to enhance investment analysis for our public markets investment research teams. By integrating internal and external data into actionable insights, we streamline our research process, accelerate decision-making, and empower our investment professionals to focus on driving value for our clients;
- Expanded our retirement plan offerings with the launch of FutureSteps™ and FutureChoice™ in the U.S., two fully digital retirement plan solutions that enhance our capabilities and market presence. These new offerings improve user experience by integrating AI and streamlining both client onboarding and participant access;
- Launched an AI-powered sales enablement solution in U.S. Retirement, delivering real-time insights and personalized content to enhance our sales operations and productivity, improve our sales close ratio, and drive revenue growth. This reduced the time spent on information searches and tripled the number of sales opportunities compared with 2024; and
- Enhanced the Manulife iFUNDS platform, making it the first integrated digital wealth solution in Singapore that offers advisors a unified view of clients' Unit Trust and Investment-Linked Plan ("ILP") holdings. By integrating these into a single platform and incorporating AI-powered ILP analytics capabilities, the enhancements streamline portfolio oversight, accelerate transaction execution, and empower advisors to deliver more personalized and insightful financial guidance.

We executed several initiatives to drive sustainable growth opportunities and deliver comprehensive investment solutions. In 2025, we:

- Acquired 75% of Comvest Credit Partners ("Comvest"), a U.S. private credit manager with $17.5 billion of AUM as at the acquisition date. The acquisition will enhance our private credit capabilities and create a comprehensive platform by aligning Comvest and Manulife's existing senior credit team.[1] By leveraging Comvest's investment philosophy and expertise, we can offer clients expanded access to differentiated private credit strategies;
- Entered into an agreement to acquire PT Schroder Investment Management Indonesia ("Schroders Indonesia"), strengthening our position as the largest asset manager in Indonesia. It will enable us to deliver enhanced value to our clients and stakeholders by leveraging the firm's local expertise and client relationships[2];
- Successfully closed the Manulife Infrastructure Fund III, L.P., raising over US$5.5 billion from existing and new investors. This milestone reflects the continued strength of our North American mid-market infrastructure strategy and our commitment to meeting investor needs for alternative solutions through strategic expansion of our product offerings; and
- Entered a strategic partnership with BOCHK to launch our flagship Global Multi-Asset Diversified Income Fund to customers in Hong Kong and Malaysia. The collaboration leverages the firm's distribution capabilities and our asset management expertise to provide customers with comprehensive wealth management solutions.

We continued to focus on educating and supporting our customers and advisors around the importance of health, wealth and longevity. In 2025, we:

- Partnered with the U.S. segment to introduce exclusive health and wellness offers to more than 3 million plan participants in U.S. Retirement, including access to GRAIL's Galleri® multi-cancer early detection test to eligible participants. These initiatives reinforce our commitment to longevity and helped participants address the financial preparedness gap; and
- Released our second annual global Financial Resilience and Longevity study. With insights drawn from retirement pla

members across all regions, our report outlined tailored steps for each generation and highlighted how retirement pla providers, sponsors, and advisors can support better financial outcomes across people's lifespan .

[1] See "Caution regarding forward looking statements" above.
[2] Subject to the receipt of regulatory approvals and satisfaction of customary closing conditions. See "Caution regarding forward looking statements" above.

6. Corporate and Other

Corporate and Other is comprised of investment performance on assets backing capital, net of amounts allocated t the operating segments; financing costs; costs incurred by the corporate office related to shareholder activities (no allocated to the operating segments); our P&C Reinsurance business; as well as our run-off reinsurance operatio 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 a net loss attributed to shareholders of $86 million in 2025 compared with net income attributed to shareholders of $77 million in 2024. Net income (loss) attributed to shareholders is comprised of core earnings (loss) and item excluded from core earnings (loss). Core loss was $220 million in 2025 compared with core loss of $215 million in 2024. Items excluded from core earnings (loss) amounted to a net gain of $134 million in 2025 compared with a net gain of $292 million in 2024. Items excluded from core earnings (loss) are outlined in the table below. See section 13 "Non-GAAP and Other Financi Measures" below, for a reconciliation of core earnings to net income (loss) attributed to shareholders .

The unfavourable variance in core loss of $5 millio was primarily attributable to higher interest on capital allocated to operating segments and lower gains from updates to provisions for estimated losses in our P&C Reinsurance busine s compared to prior year, partially offset by an adjustment to the accrual for withholding taxes following the announcement of the Comvest acquisitio and higher investment incom .

The following table presents net income attributed to shareholders for 2025 and 2024 consisting of core earnings (loss) and items excluded from core earnings (loss) .

For the years ended December 31, ($ millions)	2025	2024
Core earnings (loss)	**$ (220)**	$ (215)
Items excluded from core earnings (loss)[1]		
Market experience gains (losses)	**52**	435
Realized gains (losses) on debt instruments	***(22)***	*265*
Derivatives and hedge accounting ineffectiveness	***(61)***	*148*
Actual less expected long-term returns on public equity	***167***	*86*
Actual less expected long-term returns on ALDA	***(25)***	*(4)*
Other investment results	***(7)***	*(60)*
Updates to actuarial methods and assumptions that flow directly through income	**-**	6
Reinsurance transactions, tax-related items and other	**82**	(149)
Total items excluded from core earnings (loss	**134**	292
Net income (loss) attributed to shareholders	**$ (86)**	$ 77

(1) For explanations of items excluded from core earnings, see "Items excluded from core earnings" table in the total Company "Profitability" section above.

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 volatility a well as the prevailing market pricing conditions. The business is renewable annually, and we currently estimate our exposure lim in 2025 for a single event to be approximately US$250 millio (net of reinstatement premiums) and for multiple events to be approximately US$550 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 and matche the characteristics of our underlying liabilities. We follow a bottom-up approach which combines our strong asset managemen skills with an in-depth understanding of the characteristics of each investment. We invest in a diversified mix of assets and ou diversification strategy has historically produced superior risk adjusted returns while reducing overall risk. We use a discipline approach across all asset classes. Our risk management strategy is outlined in the “Risk Management and Risk Factors” sectio below.

General Fund Asset s

As at December 31, 2025, our general fund invested assets totaled $459.9 billion compared with $442.5 billion at the end of 2024. The following table shows the asset class composition as at December 31, 2025 and December 31, 2024.

	2025			2024		
As at December 31, ($ billions)	Carrying value	% of total	Fair value	Carrying value	% of total	Fair value
Cash and short-term securities	**$ 26.7**	**6**	**$ 26.7**	$ 25.8	6	$ 25.8
Debt securities and private placement debt						
Government bonds	**83.4**	**18**	**83.1**	83.9	19	83.6
Corporate bonds	**128.4**	**28**	**128.2**	125.0	28	124.8
Mortgage / asset-backed securities	**2.3**	**1**	**2.3**	1.8	-	1.8
Private placement debt	**51.8**	**11**	**51.8**	49.7	11	49.7
Mortgages	**57.1**	**12**	**57.6**	54.4	12	54.8
Loans to Bank clients	**2.7**	**1**	**2.7**	2.3	1	2.3
Public equities	**41.0**	**9**	**41.0**	33.7	8	33.7
Alternative long-duration assets						
Real estate	**12.7**	**3**	**12.8**	13.3	3	13.4
Infrastructure	**18.6**	**4**	**19.2**	17.8	4	18.3
Timber and agriculture	**6.0**	**1**	**6.5**	5.9	1	6.5
Private equity	**18.4**	**4**	**18.5**	18.3	4	18.3
Energy	**1.7**	**-**	**1.7**	1.9	1	1.9
Various other ALDA	**4.3**	**1**	**4.3**	3.9	1	3.8
Leveraged leases and other	**4.8**	**1**	**4.8**	4.8	1	4.8
Total general fund invested assets	**$ 459.9**	**100**	**$ 461.2**	$ 442.5	100	$ 443.5

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 are mainly held at fair value; loans to Ban clients are carried at amortized cost; and private equity investments, including infrastructure, energy, and timber, are accounte for as 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) as at December 31, 2025 consisted of a $15.8 billion loss for bonds (2024 – loss of $17.5 billion), a $2.7 billion loss for private placements (2024 – loss of $3.2 billion), and a $0.9 billion loss for mortgages (2024 – loss of $1.7 billion). Included in the losses for bonds, private placements and mortgages were gain related to the fair value hedge basis adjustments attributable to the hedged risk of certain FVOCI bonds, FVOCI private placements and FVOCI mortgages of $322 million, $112 million and $12 million, respectively (2024 – loss of $414 million, $235 million, and $124 million, respectively).

Debt Securities and Private Placement Deb t

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, 2025, our fixed income portfolio of $265.9 billion (2024 – $260.3 billion) was 96% investment grade (rated BBB or better) and 70% was rated A or higher (2024 – 96% and 70%, respectively). Our private placement debt holdings provide diversification benefits (issuer, industry, and geography) and, becaus they often have stronger protective covenants and collateral than debt securities, they typically provide better credit protectio and potentially higher recoveries in the event of default. Geographically, our fixed income portfolio is well-diversified 20% is invested in Canada (2024 – 20%), 47% is invested in the U.S. (2024 – 48%), 7% is invested in Europe (2024 – 6%) and the remaining 26% is invested in Asia and other geographic areas (2024 – 26%).

Debt Securities and Private Placement Debt – by Credit Quality [1]

As at December 31, ($ billions)	2025 Debt securities	2025 Private placement debt	2025 Total	2025 % of Total	2024 Debt securities	2024 Private placement debt	2024 Total	2024 % of Total
AAA	**$ 18.9**	**$ 0.3**	**$ 19.2**	**7**	$ 39.3	$ 0.6	$ 39.9	15
AA	**55.1**	**7.9**	**63.0**	**24**	36.2	7.5	43.7	17
A	**83.8**	**18.6**	**102.4**	**39**	80.9	17.5	98.4	38
BBB	**51.8**	**18.2**	**70.0**	**26**	48.6	17.8	66.4	26
BB	**4.4**	**1.0**	**5.4**	**2**	4.7	0.9	5.6	2
B & lower, and unrated	**0.1**	**5.8**	**5.9**	**2**	0.9	5.4	6.3	2
Total carrying value	**$ 214.1**	**$ 51.8**	**$ 265.9**	**100**	$ 210.6	$ 49.7	$ 260.3	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, Japan Credit Rating, and Kroll Bond Rating Agency. 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)	2025 Debt securities	2025 Private placement debt	2025 Total	2024 Debt securities	2024 Private placement debt	2024 Total
Government and agency	**39**	**8**	**33**	40	9	34
Utilities	**14**	**32**	**17**	14	34	18
Financial	**15**	**13**	**15**	15	12	15
Industrial	**8**	**15**	**9**	8	15	9
Consumer (non-cyclical)	**8**	**16**	**9**	7	14	9
Energy	**6**	**5**	**7**	6	5	6
Consumer (cyclical)	**3**	**6**	**4**	3	5	3
Securitized (MBS/ABS)	**1**	**-**	**1**	1	1	1
Telecommunications	**2**	**1**	**1**	2	1	1
Basic materials	**2**	**3**	**2**	2	3	2
Technology	**1**	**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)	**$ 214.1**	**$ 51.8**	**$ 265.9**	$ 210.6	$ 49.7	$ 260.3

As at December 31, 2025, gross unrealized losses on our fixed income holdings were $23.4 billion, or 8%, of the amortized cost of these holdings (2024 – gross unrealized loss of $26.9 billion or 10%). Of this amount, $13.0 billion (2024 – $12.2 billion) related to debt instruments trading below 80% of amortized cost for more than 6 months. Securitized assets represented $75.0 million of the gross unrealized losses and $0.2 million of the amounts traded below amortized cost for more than 6 months (2024 – gross unrealized loss of $111.0 million and $0.2 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 below 80% of amortized cost for greater than 6 months was approximately $10.6 billion as at December 31, 2025 (2024 – $10.2 billion).

Mortgages

As at December 31, 2025, our mortgage portfolio of $57.1 billion represented 12% of invested assets (2024 – $54.4 billion and 12%, respectively). Geographically, 70% of the portfolio is invested in Canada (2024 – 68%) and 30% is invested in the U.S. (2024 – 32%). The overall portfolio is also diversified by geographic region, property type, and borrower. Of the total mortgage portfolio, 15% is insured (2024 – 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 (2024 – 31%) and 2% of commercial mortgages insured (2024 – 1%).

($ billions)	Carrying value	% of total	Carrying value	% of total

As at December 31,	2025		2024	
Commercial mortgages				
Retail	$ 7.9	14	$ 8.0	15
Office	7.1	12	7.5	14
Multi-family residential	6.6	12	6.7	12
Industrial	6.1	11	5.5	10
Other commercial	2.3	4	2.4	4
	30.0	53	30.1	55
Other mortgages				
Manulife Bank single-family residential	26.8	46	24.0	44
Agricultural	0.3	1	0.3	1
Total mortgages	**$ 57.1**	**100**	$ 54.4	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, 2025, there were 3 loans in arrears. Geographically, of the tota commercial mortgage loans, 44% are in Canada and 56% are in the U.S. 2024 – 43% and 57%, respectively). We are diversified by property type and largely avoid market segments such as hotels, construction loans, and second lien s.

Non-CMHC Insured Commercial Mortgage [1]
s

As at December 31,	2025		2024	
	Canada	U.S.	Canada	U.S.
Loan-to-Value ratio[2]	**59%**	**57%**	61%	59%
Debt-Service Coverage ratio[2]	**1.74x**	**1.98x**	1.67x	1.94x
Average duration (years)	**3.91**	**5.33**	4.15	5.47
Average loan size ($ millions)	**$ 22.0**	**$ 21.6**	$ 21.7	$ 21.9
Loans in arrears[3]	**0.03%**	**0.36%**	0.00%	0.00%

(1) Excludes Manulife Bank commercial mortgage loans of $376 million (2024 – $350 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, 2025, public equity holdings of $41.0 billion represented 9% (2024 – $33.7 billion and 8%) of invested assets and, when excluding assets supporting participating policyholder and pass-through products, represented 1% 2024 – 1%) of invested assets. The portfolio is diversified by industry sector and issuer. Geographically, 20% 2024 – 20%) is held in Canada; 9% 2024 – 12%) is held in the U.S.; and the remaining 71% 2024 – 68%) is held in Asia, Europe, and other geographic areas .

Public Equities – classified by type of product-line supported

As at December 31,	2025		2024	
($ billions)	Carrying value	% of total	Carrying value	% of total
Participating policyholders	**$ 27.3**	**67**	$ 20.8	62
Non-participating products and pass-through products	**10.4**	**25**	9.3	28
Global Wealth and Asset Management[1]	**1.6**	**4**	1.5	4
Corporate and Other segment	**1.7**	**4**	2.1	6
Total public equities	**$ 41.0**	**100**	$ 33.7	100

(1) Includes $1.2 billion of seed money investments in new segregated and mutual funds.

Alternative Long-Duration Assets

Our ALDA portfolio is comprised of a diverse range of asset classes with varying degrees of correlations. The portfolio typicall 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 matc for our long-duration liabilities, these assets provide enhanced long-term yields and diversification relative to traditional fixe income markets. The majority of our ALDA are managed in-house .

As at December 31, 2025, carrying value of ALDA of $61.7 billion represented 13% (2024 – $61.1 billion and 14%) of invested assets. The fair value of total ALDA was $62.9 billion as at December 31, 2025 (2024 – $62.3 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, 43% is located in the U.S., 38% in Canada, and 19% in Asia and Other as a December 31, 2025 (2024 – 45%, 37%, and 18%, respectively). This high-quality portfolio has very low leverage and is well-diversified by property type, including industrial, multi-family, urban office, suburba office, and company own use buildings. The portfolio is well-positioned with an average occupancy rate of 82% 2024 – 84%) and an average lease term of 5.5 years 2024 – 5.4 years). During 2025, one acquisition was executed representing $0.05 billion market value of commercial real estate asset 2024 – no acquisitions). As part of ongoing portfolio management initiatives, 6 commercial real estate assets totaling $0.36 billion were sold during 2025 (2024 - 3 sales and $0.07 billion, respectively .

The composition of our real estate portfolio based on fair value is as follows :

As at December 31, ($ billions)	2025 Fair value	2025 % of total	2024 Fair value	2024 % of total
Company Own Use	**$ 2.8**	**22**	$ 2.8	21
Office – Downtown	**3.5**	**27**	3.8	28
Office – Suburban	**0.7**	**5**	0.8	6
Industrial	**2.5**	**20**	2.6	19
Residential	**2.5**	**20**	2.5	19
Retail	**0.3**	**2**	0.3	2
Other	**0.5**	**4**	0.6	5
Total real estate[1]	**$ 12.8**	**100**	$ 13.4	100

(1) These figures represent the fair value of the real estate portfolio excluding real estate interests. The carrying value of the portfolio was $12.7 billion and $13.3 billion as at December 31, 2025 and December 31, 2024, 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 700 portfolio companies. The portfolio is predominantly invested in the U.S. and Canada, but also in Europe, Australia, Asia, and Latin America. Our power and infrastructure holdings are as follows:

As at December 31, ($ billions)	2025 Carrying value	2025 % of total	2024 Carrying value	2024 % of total
Renewable power generation	**$ 3.8**	**21**	$ 3.8	21
Thermal power generation	**1.2**	**7**	1.7	9
Transportation (including roads, ports)	**4.8**	**26**	4.5	25
Electric and gas regulated utilities	**0.7**	**3**	0.7	4
Electricity transmission	**-**	**-**	0.1	1
Water distribution	**0.3**	**1**	0.3	2
Midstream gas infrastructure	**0.7**	**4**	0.7	4
Maintenance service, efficiency and social infrastructure	**1.7**	**9**	1.3	7
Digital infrastructure	**5.1**	**27**	4.4	25
Other infrastructure	**0.3**	**2**	0.3	2
Total infrastructure	**$ 18.6**	**100**	$ 17.8	100

Timber and Agriculture

Our timber and agriculture assets of $6.0 billion as at December 31, 2025 (2024 – $5.9 billion) 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 (2024 – 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 (2024 – 41%).

[1] Based on the global timber investment management organization ranking in the RISI International Timberland Ownership and Investment Database.

Private Equities

Our private equity portfolio of $18.5 billion (2024 – $18.3 billion) includes both directly held private equity and private equity funds. Both are diversified across vintage years and industry sectors. The portfolio is largely invested in private market companies across various sectors of the economy including: consumer, business, financial, healthcare and IT services, and software.

Energy

This category is comprised of $1.7 billion (2024 – $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

($ millions)		
Interest income	**$ 14,210**	$ 13,761
Dividend, rental income and other income[1]	**4,870**	3,719
Impairments, provisions and recoveries, net	**(106)**	109
Other	**40**	660
	19,014	18,249
Realized and unrealized gains (losses) on assets supporting insurance and investment contract liabilities		
Debt securities	**226**	(1,857)
Public equities	**5,231**	4,178
Mortgages	**61**	(151)

For the years ended December 31,		
Private placements	**161**	235
Real estate	**(29)**	(592)
Other invested assets	**255**	1,256
Derivatives	**370**	(859)
	6,275	2,210
Investment expenses	**(1,342)**	(1,348)
Total investment income (loss)	**$ 23,947**	$ 19,111

(1) Rental income from investment properties is net of direct operating expenses.

In 2025, the $23.9 billion of investment income (2024 – income of $19.1 billion) consisted of

- $19.0 billion of investment income before net realized and unrealized gains on assets supporting insurance and investment contract liabilities (2024 – income of $18.2 billion);
- $6.3 billion of net realized and unrealized gains on assets supporting insurance and investment contract liabilities (2024 – gains of $2.2 billion); and
- $1.3 billion of investment expenses (2024 – $1.3 billion).

The $0.8 billion increase in net investment income before unrealized and realized gains was primarily driven by higher interest income on private equity assets.

In 2025, net realized and unrealized gains on assets supporting insurance and investment contract liabilities were $6.3 billion compared with gains of $2.2 billion in 2024. The 2025 gains were primarily driven by gains on equities resulting from higher equity markets in the U.S., Canada, and Asia. The 2024 gains were primarily driven by gains on equities resulting from higher equity markets in the U.S., Canada and Asia, partially offset by losses on fixed income assets resulting from higher interest rates in the U.S. and Canada.

8. Fourth Quarter Financial Highlights

Profitability

($ millions, unless otherwise stated)	Quarterly Results 4Q25	4Q24
Net income (loss) attributed to shareholders	**$ 1,499**	$ 1,638
Core earnings[1]	**$ 1,993**	$ 1,907
Diluted earnings (loss) per common share ($)	**$ 0.83**	$ 0.88
Core EPS ($)	**$ 1.12**	$ 1.03
ROE	**12.7%**	14.0%
Core ROE	**17.1%**	16.5%
Expense efficiency ratio	**44.7%**	44.4%
General expenses	**$ 1,327**	$ 1,328
Core expenses	**$ 1,873**	$ 1,797

(1) Impact of currency movement on the fourth quarter of 2025 ("4Q25") core earnings compared with the fourth quarter of 2024 ("4Q24") was a $7 million unfavourable variance.

Manulife's 4Q25 net income attributed to shareholders was $1,499 million compared with $1,638 million in 4Q24. Net income attributed to shareholders is comprised of core earnings (consisting of items we believe reflect the underlying earning capacity of the business), which amounted to $1,993 million in 4Q25 compared with $1,907 million in 4Q24, and items excluded from core earnings, which amounted to a net charge of $494 million in 4Q25 compared with a net charge of $269 million in 4Q24. The effective tax rate on net income (loss) attributed to shareholders was 16% in 4Q25 compared with 19% in 4Q24, primarily due to differences in the jurisdictional mix of earnings and the impact of tax true-up.

Net income attributed to shareholders in 4Q25 decreased $139 million compared with 4Q24, primarily reflecting a higher charge from market experience, partially offset by growth in core earnings. The net charge from market experience of $441 million in 4Q25 was primarily from lower-than-expected returns on ALDA, mainly related to infrastructure, private equity, and real estate investments, as well as a net charge from derivatives and hedge accounting ineffectiveness.

The 5% increase in core earnings on a constant exchange rate basis compared with 4Q24 was driven by growth in our insurance business, the net impact of 2025 updates to actuarial methods and assumptions and a net release in the provision for ECL in 4Q25. In addition, core earnings increased in Global WAM, reflecting higher net fee income[1], as well as disciplined expense management, partially offset by the impact of the eMPF transition in Hong Kong and lower performance fees in Institutional Asset Management. These increases were partially offset by unfavourable insurance experience in our U.S. life insurance business lower expected investment earnings and less favourable insurance experience in Canada. In addition, the RGA U.S. Reinsurance Transaction reduced core earnings by $6 million in 4Q25 compared with 4Q24.

Additional information on the change in ECL is presented in the following table:

($ millions)	4Q25	4Q24
Change in ECL		
Net new originations or purchases	**$ 1**	$ (6)
Changes to risk, parameters and models		
Credit migration	**(36)**	(9)
Parameter and model updates, and other	**47**	10
Total (increase) recovery in ECL, pre-tax	**$ 12**	$ (5)
Total (increase) recovery in ECL, post-tax	**$ 11**	$ (3)

The reduction in the ECL provision of $11 million post-tax in 4Q25 was primarily related to a positive market environment and parameter updates, partially offset by credit migration. The post-tax ECL provision was neutral in 4Q24, reflecting the positive macro environment, offset by credit migration.

[1] The increase in Global WAM net fee income was due to higher average AUMA resulting from the favourable impact of markets over the past 12 months and the acquisition of Comvest.

Core earnings by segment are presented in the following table for the periods presented.

($ millions)	4Q25	4Q24
Core earnings by segment		
Asia	**$ 785**	$ 640
Canada	**413**	390
U.S.	**319**	412
Global Wealth and Asset Management	**490**	459
Corporate and Other	**(14)**	6
Total core earnings	**$ 1,993**	$ 1,907

In Asia, core earnings were $785 million in 4Q25 compared with $640 million in 4Q24. The 24% increase on a constant exchange rate basis was driven by an increase in expected earnings on insurance contracts and higher expected investment earnings, both reflecting business growth. The increase in expected earnings on insurance contracts also reflected the net impact of 2025 updates to actuarial methods and assumptions. Investment income on allocated capital also increased core earnings by $21 million on a pre-tax basis in 4Q25 compared with 4Q24.

In Canada, core earnings were $413 million in 4Q25 compared with $390 million in 4Q24. The 6% increase primarily reflected favourable insurance experience in Individual Insurance, higher expected investment earnings, business growth in Group Insurance, and an increase in CSM amortization, partially offset by less favourable insurance experience in Group Insurance. Core earnings also included the net favourable impact of 2025 updates to actuarial methods and assumptions. Investment income on allocated capital reduced core earnings by $7 million on a pre-tax basis compared with 4Q24.

In the U.S., core earnings were $319 million in 4Q25 compared with $412 million in 4Q24. The 22% decrease on a constant exchange rate basis reflected lower expected investment earnings and unfavourable life insurance claims experience in 4Q25 compared with favourable experience in 4Q24, partially offset by higher expected earnings on insurance contracts. Investment income on allocated capital also reduced core earnings by $19 million on a pre-tax basis in 4Q25 compared with 4Q24. The RGA U.S. Reinsurance Transaction reduced core earnings by $5 million in 4Q25 compared with 4Q24, attributable to the impact on the expected earnings on insurance contracts and expected investment earnings.

Global WAM core earnings were $490 million in 4Q25 compared with $459 million in 4Q24. The 7% increase was driven by an increase in net fee income from higher average AUMA resulting from the favourable impact of markets over the past 12 months and the acquisition of Comvest, as well as disciplined expense management. This increase was partially offset by the impact of the eMPF transition in Hong Kong and lower performance fees in Institutional Asset Management.

Corporate and Other core loss was $14 million in 4Q25 compared with core earnings of $6 million in 4Q24. The $20 million decrease in core earnings was primarily related to higher interest on capital allocated to operating segments.

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

Core earnings	**$ 1,993**	$ 1,907
Items excluded from core earnings:		
Market experience gains (losses)[1]	**(441)**	(192)
Realized gains (losses) on debt instruments	***27***	*(43)*
Derivatives and hedge accounting ineffectiveness	***(162)***	*40*
Actual less expected long-term returns on public equity	***(63)***	*(113)*
Actual less expected long-term returns on ALDA	***(232)***	*(97)*
Other investment results	***(11)***	*21*
Updates to actuarial methods and assumptions that flow directly through income	**-**	-
Restructuring charges[2]	**(12)**	(52)

($ millions)	4Q25	4Q24
Amortization of acquisition-related intangible assets	(12)	(12)
Reinsurance transactions, tax-related items and other[3]	(29)	(25)
Total items excluded from core earnings	**(494)**	(269)
Net income (loss) attributed to shareholders	**$ 1,499**	$ 1,638

(1) Market experience was a net charge of $441 million in 4Q25 primarily reflecting lower-than-expected returns on ALDA mainly related to infrastructure, private equity, and real estate investments, a net charge from derivatives and hedge accounting ineffectiveness and lower-than-expected returns on public equity, partially offset by realized gains from the sale of debt instruments which are classified as FVOCI. 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.

(2) In 4Q25, we reported a restructuring charge of $12 million post-tax ($16 million pre-tax) in Global WAM and Canada. In 4Q24, we reported a restructuring charge of $52 million post-tax ($67 million pre-tax) in Global WAM and Canada.

(3) The 4Q25 net charge of $29 million mainly included a charge for tax-related adjustments of $14 million, a $10 million charge for an investment impairment in Global WAM and $7 million charge for Comvest acquisition related costs. The 4Q24 net charge of $25 million mainly included a $22 million charge for an investment impairment in Global WAM.

Net income attributed to shareholders by segment is presented in the following tables.

	Quarterly Results	
($ millions)	4Q25	4Q24
Asia	**$ 623**	$ 583
Canada	**252**	439
U.S.	**81**	103
Global Wealth and Asset Management	**452**	384
Corporate and Other	**91**	129
Total net income (loss) attributed to shareholders	**$ 1,499**	$ 1,638

Expense efficiency ratio

The **expense efficiency ratio** was 44.7% in 4Q25, compared with 44.4% in 4Q24. The 0.3 percentage point increase in the ratio compared with 4Q24 reflected a 4% increase in core expenses, partially offset by a 3% increase in pre-tax core earnings. The increase in core expenses was driven by higher strategic investments in digital transformation and AI, higher workforce-related costs, the acquisition of Comvest, and the impact of the eMPF transition in Hong Kong. These were partially offset by disciplined expense management primarily in Global WAM.

Core general expenses are a component of core expenses. Total general expenses in 4Q25 were consistent with 4Q24 on both an actual and constant exchange rate basis, driven by items noted above for the increase in core expenses, offset by a reduction in general expenses excluded from core earnings. General expenses excluded from core earnings in 4Q25 consisted primarily of restructuring charges in Global WAM and Canada, the amortization of acquisition related intangible assets, and the acquisition of Comvest. In 4Q24, these expenses were primarily related to restructuring charges in Global WAM and Canada and the acquisition of CQS.

Business Performance

As at and for the quarters ended December 31, ($ millions, unless otherwise stated)	2025	2024
Asia APE sales	**$ 1,608**	$ 1,661
Canada APE sales	**383**	376
U.S. APE sales	**231**	211
Total APE sales	**2,222**	2,248
Asia new business CSM	**697**	586
Canada new business CSM	**135**	116
U.S. new business CSM	**188**	140
Total new business CSM	**1,020**	842
Asia new business value	**606**	551
Canada new business value	**174**	168
U.S. new business value	**94**	89
Total new business value	**874**	808
Asia CSM net of NCI	**17,750**	15,540
Canada CSM	**4,459**	4,109
U.S. CSM	**2,760**	2,468
Corporate and Other CSM	**-**	10
Total CSM net of NCI	**24,969**	22,127
Post-tax CSM net of NCI	**20,733**	18,353
Global WAM gross flows ($ billions)	**49.9**	43.5
Global WAM net flows ($ billions)	**(9.5)**	1.2
Global WAM assets under management and administration ($ billions)	**1,106.6**	1,031.1
Global WAM total invested assets ($ billions)	**9.8**	9.7
Global WAM segregated funds net assets ($ billions)	**313.6**	291.9
Total assets under management and administration ($ billions)	**1,704.4**	1,608.0
Total invested assets ($ billions)	**459.9**	442.5
Total net segregated funds net assets ($ billions)	**461.3**	436.0

APE sales were $2,222 million in 4Q25, in line with 4Q24, **New business CSM** was $1,020 million in 4Q25, an increase of 21% compared with 4Q24, and **NBV** was $874 million in 4Q25, an increase of 8% compared with 4Q24.

- In Asia, APE sales decreased 3% in 4Q25 compared with 4Q24, as growth in Japan and Asia Other [1] was more than offset by lower sales in Hong Kong. New business CSM and NBV increased 19% and 10% respectively in 4Q25 compared with 4Q24, due to business mix partially offset by lower sales volumes. NBV margin improved to 41.2%.
- In Canada APE sales increased 2% in 4Q25 compared with 4Q24, reflecting higher sales in Individual Insurance and Annuities, partially offset by lower sales in Group Insurance. New business CSM increased 16% in 4Q25 compared with 4Q24, driven by higher sales volumes and margins in Individual Insurance, and higher sales volumes in Annuities. NBV increased 4% in 4Q25 compared with 4Q24, driven by higher sales volumes and margins in Individual Insurance and Annuities, partially offset by lower sales volumes in Group Insurance
- U.S. APE sales increased 9% in 4Q25 compared with 4Q24, reflecting broad-based demand for our suite of products. New business CSM increased 34% compared with 4Q24 primarily driven by higher sales volumes and product mix. NBV increased 8% compared with 4Q24, primarily driven by higher sales volumes.

Global WAM net outflows were $9.5 billion in 4Q25 compared with net inflows of $1.2 billion in 4Q24.

- Net outflows in Retirement were $7.2 billion in 4Q25 compared with net outflows of $1.9 billion in 4Q24, primarily driven by higher retirement plan redemptions, and higher net member withdrawals reflecting higher account balances from market growth. This was partially offset by higher new plan sales across all geographies.
- Net outflows in Retail were $5.6 billion in 4Q25 compared with net inflows of $1.3 billion in 4Q24, due to lower net sales through third-party intermediaries in North America and our Canada retail wealth platform.
- Net inflows in Institutional Asset Management were $3.4 billion in 4Q25 compared with net inflows of $1.8 billion in 4Q24, due to higher net flows from fixed income mandates, primarily driven by our Manulife | CQS products, and money market mandates, as well as the impact of the acquisition of Comvest. This was partially offset by higher redemptions in equity mandates and lower deployments in private markets.

[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, 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 to customers and all stakeholders.

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 potentially material risks. The Risk Taxonomy categorizes and defines these risks. It creates a common risk language and provides reasonable assurance that risks are consistently understood and managed.

In this document, the risks are categorized in six overarching categories (known collectively as "Principal Risks"): Strategic Risk, Market & Liquidity Risk, Credit & Investment Risk, Insurance Risk, Operational Risk and Technology & Cyber Risk. The Principal Risks are further subdivided into subcategories, with increasing levels of granularity as appropriate.

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).

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.

Risk Appetite

The Risk Appetite Framework ("RAF") guides the level of risk, for each risk category that we are prepared to accept in pursuit of our strategic priorities, as well as how much additional risk we can tolerate.

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. Qualitative 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 customer 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 investment portfolio reduces overall risk and enhances returns; therefore, it accepts credit and ALDA-related risks as part of its investment strategy.
- **Insurance** – Manulife pursues insurance risks that add customer and shareholder value where we have competence to assess and monitor them, and for which we receive appropriate compensation.
- **Operational** – Manulife accepts that operational risks, as well as Technology & Cyber risks below, 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.
- **Technology & Cyber** – Manulife manages technology risk by prioritizing activities that support a stable, scalable and resilient technology environment guided by formal technology governance processes. Manulife manages cybersecurity risk by maintaining the confidentiality, integrity and availability of our technology assets supported by layered and intelligence driven defenses.

Quantitative Risk Appetite Statements ("RAS Metric"), Risk Tolerance and Board-approved Limits establish the aggregate level of each type of risk the Company may take. Depending on the risk being quantified, different measures are used; these include

Earnings at Risk ("EaR"), Economic Capital ("EC"), LICAT, measures of liquidity risk, and measures pertaining to derivative usage.

Risk Governance

Risk Governance is intended to provide an organized 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 has established an Executive Risk Committee ("ERC"), which strategically manages our global risk profile, and

shapes our Risk Management Principles, Risk Appetite, and Risk Culture.

The ERC is supported by Risk Oversight Committees including Global Asset Liability Committee, Credit Committee, Product Oversight Committee, Operational Risk and Resilience Oversight Committee, Technology and Cyber 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, BRC and Audit Committee. 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 [1]. 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 activities.

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 challenges. 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, 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.

[1] The Chief Actuary and the Actuarial function are considered to have accountability for both the First Line and Second Line duties.

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 individually and 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 provides 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 Risk Appetite. At times, risk exposures may move beyond Risk Appetite into the tolerance range; 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 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, i can inform:

- Evaluation of implications on earnings and capital
- Evaluation of the Company's liquidity profile
- Identification of potential portfolio vulnerabilities, sensitivities, and concentrations
- 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 testin with the involvement of the First Line to determine appropriate scenario definitions and assumptions. Ad hoc stress testing i often developed in response to changes in the environment or to aid management, BRC and the Board in decision-making. F key exposures, stress testing is performed at least annually

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 ris awareness, risk taking, and risk oversight. A sound Risk Culture balances risk-return to remain within Risk Appetite and i alignment with the ERM Framework. It emphasizes the importance of maintaining an effective control environment. It promptl detects and remediates policy/limit breaches and operational incidents, and then follows up to understand root causes, enhance preventative and detective controls, and takes appropriate disciplinary action if warranted.

We foster a sound Risk Culture that promotes integrity and risk awareness. We balance the level of risk with obligations to ou stakeholders. We incentivize behaviours, actions and decisions that achieve consistent and sustainable performance over th long-term. Our values support our Risk Culture by creating an environment where we communicate openly, raise issue proactively, take accountability, and make decisions that align to the ERM Framework

Culture Risk is the risk that arises when there is misalignment between an organization's desired culture and its actual cultur and the behaviours, decisions, and practices that are demonstrated and reinforced across the Company. Such misalignment ca undermine strategic objectives, regulatory compliance, ethical conduct, and effective risk management. Common drivers include inconsistent leadership tone, unclear accountability, ineffective communication, or incentives that conflict with risk principles

To manage Culture Risk effectively, the Company embeds cultural expectations into core business and talent practices, amon others, through:

- **Enterprise-wide communication** of our values
- **Performance assessment ratings** that assess behaviours ('how') alongside outcomes ('what')
- Appropriate **incentive compensation structures** that do not encourage unnecessary risk-taking; and

- **Confidential reporting channels** such as an ethics hotline to support a speak-up culture

Culture alignment is reinforced through recruitment, onboarding, training, and leadership development, while governanc structures and escalation processes further strengthen accountability and cultural integrity.

Strategic Risk

Strategic risk is the risk of loss resulting from the inability to adequately plan or implement an appropriate business strategy tha allows us to effectively compete in the markets in which we operate, or to adapt to change in the external business, economic geopolitical, or regulatory environment

Customer acquisition, loyalty and retention, and access to distributors are important to the Company's success and ar influenced by many factors, including product features, prices, our distribution practices and regulations, service levels includin digital capabilities, investment performance, and our financial strength ratings and reputation. Our ability to effectively compete i highly dependent upon being quick to react and adapt to changes from the external environment while continuing to proactivel drive innovation.

Strategic Risk Management Strategy

While the Board approves the overall strategy of the Company, the CEO and Executive Leadership Team establish and overse 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, financial, and capital planning that is prepared by Executive Leadership Team and reviewed with the Board;
- Performance and risk reviews of all key businesses with the CEO and annual 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 and brand.

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's franchise value.

Reputation risk may arise from both internal and external drivers. This transverse nature of reputation risk, which can be a causa

risk driver, a risk event, or an impact arising from other risks, means that understanding and managing it cannot be done i 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 Standard, and risk monitoring processes;
- 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 conflict of interest by employees and directors; and
- Explicit discussion of corporate reputation as a valued asset within training materials

Environmental, Social and Governance Framework

Sustainability issues may impact Manulife's investments, underwriting, and operations. These impacts could lead to advers financial, operational, legal, reputational, or brand value risks for Manulife, due to Manulife's actual or perceived actions or inaction in relation to sustainability issues.

The Board's Corporate Governance and Nominating Committee ("CGNC") oversees Manulife's environmental, social, and governance ("ESG") framework, including matters related to climate change strategy and disclosures. On a regular basis, th CGNC is updated on relevant sustainability matters, including Manulife's progress against the commitments set out in Manulife' Climate Action Plan. In addition to regular internal sessions, members of the CGNC participate in at least one externall facilitated sustainability-related education session every two years.

The CGNC's oversight complements the work of Manulife's Executive Sustainability Council ("ESC"), which is composed of senior executives, including the CEO, the Chief Sustainability Officer ("CSO"), and other functional and business leaders. Th ESC may rotate its Chair at the election of its members and is currently chaired by the General Counsel The ESC generally convenes on a monthly basis and is responsible for establishing the enterprise's sustainability ambition, guiding the developmen and execution of our sustainability strategy, and providing recommendations and direction on sustainability matters. The CS O

chairs Manulife's Sustainability Centre of Expertise ("CoE"), which consists of corporate function and business unit leads taske with leading the development and implementation of Manulife's sustainability strategy and the integration of sustainability into business unit strategies, policies, and procedures. The CoE is supported by a network of committees and working groups tha convene regularly to provide decision-making oversight and enable coordinated action across a range of sustainability topics

Additionally, our Global Inclusion Strateg is led by our Global Chief Inclusion Officer, alongside the Global Inclusion Team an Global Inclusion Council. The Council, chaired by our CEO and Chief People Officer, includes executive leaders who champio inclusion within their business functions and turn strategy into action. Council members meet quarterly to champion initiative tailored to their respective functions, influencing inclusion around people, customer experience, and product desig

Climate Risk Management Strateg

Consistent with the International Sustainability Standards Board's ("ISSB") 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 on Manulife's business model, strategy, and financial and operational resilienc These may be experienced directly (e.g., through financial loss) and/or indirectly (e.g., through reputational harm), resulting fro the physical impacts of climate change or the transition to a low-carbon economy

Climate-related risks are viewed as transverse risks that manifest across a diverse set of pathways, with the potential to affec any of Manulife's principal risks, including Strategic Risk (including Reputational), Market & Liquidity Risk, Credit & Investment Risk, Insurance Risk, Operational Risk (including Legal) , and Technology & Cyber Risk Failure to adequately prepare for the potential impacts of climate change could result in material adverse impacts on Manulife's balance sheet and/or Manulife's abilit to operate effectively.

In response, we have enhanced the integration of climate-related risk into Manulife's ERM Framework, with an aim of ensuring that they are managed in alignment with Manulife's overall risk management approach. Manulife's Environmental Risk Policy and other relevant policies and standards, guide business operations in identifying and assessing climate-related risks. GR continues to enhance risk management practices to account for potential climate impacts across key areas, including i Manulife's investment decision-making processes, life insurance underwriting due diligence, and assessment of operational risk and controls

For details on our strategy to address climate change, please see Manulife's "Climate Action Implementation Plan Report". Fo details on the management of material sustainability matters and performance data, please see Manulife's annual "Sustainabilit Report", published in the second quarter of each year

Strategic Risk Factor

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
- 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 in intere rates, spreads on fixed income assets, and returns on public equity and ALDA investments. Our financial plan, includin income, balance sheet, and capital projections are based on certain assumptions with respect to future interest rates an spreads on fixed income assets, and future returns from our public equity and ALDA investments. Actual experience is highl variable and can deviate significantly from our assumptions, thus impacting our financial results. For example, for change to interest rates, please refer to the risk factor "Prolonged changes in market interest rates may impact our net incom 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 of economi weakness in certain markets may adversely impact policyholders' behaviour (such as higher withdrawals, lapses, lowe premium deposits, and lower policy persistency than anticipated), increase expenses and cost of funding, along with othe adverse impacts from continued uncertainty in our operating environment as noted in the Market & Liquidity Risk Factor section below.
- 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 various impact across our business. For example, economic sanctions imposed on a country could adversely impact our ability to achiev specific business objectives. Military conflicts could drive financial and economic dislocations across global 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 financial 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.

- Harm to a company's reputation is often a consequence of risk control failure. Manulife's reputation could also be harmed b the actions of third parties with whom we do business. Our representatives include affiliated broker-dealers, agents wholesalers, and independent distributors, such as broker-dealers and banks, on whose services and representations ou customers rely. Business partners include, among others, joint venture partners and third parties to whom we outsourc certain functions and that we rely on to fulfill various 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. Such events could cause us to lose customers or cause us or our representative or business partners to become subject to legal, regulatory, economic or trade sanctions, which could have a material adverse effect on our reputation, our business and our results of operations. For further discussion of government regulatio and legal proceedings, refer to "Government Regulation" in MFC's Annual Information Form date February 11, 2026, and Note 18 of the 2025 Annual Consolidated Financial Statements.

Our businesses are heavily regulated, and changes in regulation or laws – or in the interpretation or enforcement thereof – 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 to financi crimes (which include, but are not limited to, money laundering, bribery and economic or trade sanctions), privacy, marke conduct, consumer protection, business conduct, prudential and other generally applicable non-financial requirements Legislators, regulators and self-regulatory or government authorities in Canada, the United States, Asia and othe jurisdictions regularly re-examine existing laws, regulations, rules and standards applicable to insurance companies, investment advisors, broker-dealers and their products. Compliance with applicable laws and regulations is time consumin and personnel-intensive, and changes in these laws and regulations, or in the interpretation or enforcement thereof, ma materially increase our direct and indirect compliance costs and other expenses of doing business, thus having a materi 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 capital bot on transition and going forward. In addition, such changes could have a material adverse effect on the Company's positio relative to that of other Canadian and international financial institutions with which Manulife competes for business an 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 policies an procedures to protect against threats to integrity and security, including foreign interference. In general, OSFI has increase their supervisory focus on other non-financial risks, which has led to new or enhanced regulations, including conduct risk third-party risk, cybersecurity, and operational resilience. These regulations focus on protecting policyholders, beneficiaries and the stability of the Canadian financial system, rather than investors, and may adversely impact shareholder valu
- Some recent examples of regulatory and professional standard developments, which could impact our net income attribute to shareholders and/or capital position, are provided below:
  - A new Segregated Fund Guarantees LICAT capital framework became effective on January 1, 2025. The ne 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 of regulator 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 appropriate ris 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 capital methodologies as well as the overall risk management framework as required to keep pace with an evolving landscape These reviews will affect U.S. life insurers, including John Hancock, and could lead to increased reserving and/or capita requirements for our business in the U.S. Additionally, in December 2020 the NAIC adopted a group capital calculatio ("GCC") which included exemptions for certain insurance holding groups, including John Hancock and Manulife, from the requirements of the GCC. Michigan, the lead state for NAIC regulation of John Hancock, amended its regulations i

March 2023 to adopt the NAIC GCC model language and the Michigan Department of Insurance and Financial Service (“DIFS”) has promulgated implementing rules. As the Canadian group-wide supervisor, OSFI was determined to be “Recognize and Accept Jurisdiction” by the NAIC on December 18, 2024, providing mutual recognition and treatment of

the Canadian group supervision and regulatory framework. Mutual recognition avoids redundant group oversight at the John Hancock level by U.S. regulators, and Manulife and John Hancock have taken a leadership role to ensure th NAIC developed a process that accommodates what OSFI would undertake. NAIC’s recognition of OSFI also eliminate the need for John Hancock to file annual GCC filing waiver requests with the Michigan DIFS

- The use of asset-intensive reinsurance, where investment risk is transferred to the reinsurer along with insurance risk has been the subject of increased focus by insurance authorities in several jurisdictions. NAIC has adopted additiona guidelines regarding the use of asset-intensive reinsurance, however, we do not expect these changes will impact ou existing treaties; NAIC or other insurance regulatory 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 reduce the capital or risk management benefits of such reinsurance in manner that could have a material impact on Manulife.
- Regulators in various jurisdictions in which we operate continue to reform their respective capital regulations. W continue to closely monitor developments

- Increasingly, global financial regulators are promulgating guidance and rules related to climate change and its potenti impacts on financial services firms. OSFI and several regulators across Asia have been engaging with industry to assess th impacts of climate change and to set expectations on establishing climate transition plans, including ensuring effective ris management and governance structures to manage climate change-related risks, and have begun releasing guidance an disclosure requirements. There are also increasing expectations from investors, regulators, and other stakeholders t provide comparable, decision-useful data and reporting on climate change-related risk and opportunities, including performance metrics such as an organization’s Scope 1, 2 and 3 greenhouse gas emissions, alongside other indicators o climate resilience and transition progress. Regulatory disclosure requirements are guided by private-sector bodies, where there is a convergence in the industry around sustainability reporting frameworks. The IFRS Foundation’s ISSB is one suc body and has published 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 subsidiaries ar regulated by the insurance departments of the states in which they are domiciled and the states in which they are licensed State laws grant insurance regulatory authorities broad administrative powers with respect to, among other things: licensin 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 and approving policy forms; regulating unfair trade and claims practices, including through the imposition of restrictions on marketing and sale practices, distribution arrangements, and payment of inducements; regulating advertising; protecting privacy; establishin statutory capital and reserve requirements and solvency standards; fixing maximum interest rates on insurance policy loan and minimum rates for guaranteed crediting rates on life insurance policies and annuity contracts; approving changes i control of insurance companies; restricting the payment of dividends and other transactions between affiliates; an regulating the types, amounts and valuation of investments. Changes in any such laws and regulations, or in th interpretation or enforcement thereof by regulators, could significantly affect our business, results of operations and financia condition.
- Currently, the U.S. federal government does not directly regulate the business of insurance. However, federal legislation an administrative policies in several areas can significantly and adversely affect state-regulated insurance companies. Thes areas include financial services regulation, securities regulation, pension regulation, privacy, tort reform legislation, an taxation. In addition, under the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”), the U.S. Boar of Governors of the Federal Reserve has supervisory powers over non-bank financial companies that are determined to b 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 by al insurers in the relevant jurisdiction. Because the amount and timing of an assessment is beyond our control, the liabilitie that we have currently established for these potential liabilities may not be adequate, particularly if there is an increase in th number of insolvent insurers, or if the insolvent insurers operated in the same lines of business and in the same jurisdiction in which we operate
- Manulife operates in numerous jurisdictions in Asia. These operations are subject to the regulations and laws in each loc jurisdiction, with the structure or model for oversight of insurance differing by jurisdiction. We are encouraged to see furthe regional economic and trade integration in Asia, with most jurisdictions supportive of foreign investment, and the increasin willingness of many regulators 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 som jurisdictions have created heightened complexity and risk for Manulife to mitigate and navigate, which may adversely impac 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 of ou operations. Failure to comply with applicable laws or regulations could result in financial penalties or sanctions, which coul damage our reputation
- All aspects of Manulife’s Global WAM businesses are subject to various laws and regulations around the world. These law 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, an retirement plan products and services have broad administrative powers, including the power to limit, restrict, or prohibit th regulated entity or person from carrying on business if it fails to comply with such laws and regulations. Possible sanction for significant compliance failures include the suspension of individual employees, limitations on engaging in certain lines o business for specified periods of time, revocation of investment advisor, and other registrations and censures and fines bot for individuals and Manulife, along with the resulting damage to our reputatio .

- From time to time, regulators raise issues during examinations or audits of Manulife that could have a material advers impact on us. We cannot predict whether or when regulatory actions may be taken that could adversely affect ou operations. Our failure to comply with existing and evolving regulatory requirements could also result in regulatory sanction and could affect our relationships with regulatory authorities and our ability to execute our business strategies and plans. F urther discussion of government regulation and legal proceedings, refer to "Government Regulation" in MFC's Annua Information Form dated February 11, 2026, and note 18 of the 2025 Annual Consolidated Financial Statements. See also "Operational Risk Factors – Our operations face political, legal, operational and other risks that could negatively affect thos operations or our results of operations and financial condition" for further discussion on the impact to our operation s.

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 ta assets and liabilities as well as our tax assumptions included in the valuation of our insurance and investment contrac 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 curren income tax regimes. For example, the Company sells life insurance policies that benefit from the deferral or elimination o taxation on earnings accrued under the policy, as well as permanent exclusion of certain death benefits that may be paid t 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 denta 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 ta 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 currentl benefiting the Company, its policyholders, or its other clients. This could occur in the context of deficit reduction or other ta reforms. The effects of any such changes could result in materially lower product sales, lapses of policies currently hel and/or our incurrence of materially higher corporate taxes, any of which could have a material adverse effect on ou 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 ta 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 o regulations, occur. Any such changes could significantly affect the amounts reported in the consolidated financial statement in the year these changes occur
- In July 2025, the United States enacted significant tax legislation commonly referred to as the One Big Beautiful Bill Ac ("OBBBA"). The OBBBA makes permanent many provisions of the Tax Cuts and Jobs Act of 2017 and introduces addition changes affecting individuals and businesses. The key business related provisions include the permanent restoration o 100% bonus depreciation, full deductibility of domestic research & development expenses, modification of the deduction for interest expense, restructuring the tax on global intangible low-taxed income (GILTI) and the deduction for foreign-derive intangible income (FDII). The federal income tax rate of 21% was left unchanged. We have reviewed the OBBBA an continue to monitor and model its potential impact on our operations and effective tax rate. Most provisions that represen substantive changes to existing law took effect in 2025 or are scheduled to take effect in 2026. Based on our curre analysis of the provisions applicable to the Company, we do not expect any material impac
- In November 2025, Canada introduced a federal budget that included several income tax items, including propose amendments to the foreign affiliate rules that are intended to specifically target certain foreign investments of Canadia insurance companies, starting in 2026. Based on the stated scope of these proposed amendments, they are not expected to have a material impact. We will continue to monitor the progress of these proposals for any further refinements befor enactment or additional interpretive guidance from the Department of Finance that may affect our analysis .

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 rais 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 w would otherwise under normal conditions, issue shorter-term securities than we prefer, or issue securities that bear a 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 th principal source of cash flow to meet MFC's obligations and pay dividends. As a result, MFC's cash flows and ability t service its obligations are dependent upon the earnings of its subsidiaries and the distribution of those earnings and othe funds by its subsidiaries to MFC. Substantially all of MFC's business is currently conducted through its subsidiarie
- 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 capita 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 jurisdictio n

and are intended to protect policyholders and beneficiaries in that jurisdiction first and foremost, rather than investors. Thes subsidiaries are generally required to maintain solvency and capital standards as set by their local regulators and may als be subject to other regulatory restrictions, all of which may limit the ability of subsidiary companies to pay dividends or mak distributions to MFC.

- Potential changes to regulatory capital and actuarial and accounting standards could also limit the ability of the insuranc subsidiaries to pay dividends or make distributions and could have a material adverse effect on internal capital mobility. W may be required to raise additional capital, which could be dilutive to existing shareholders, or to limit the new business w write, or to pursue actions that would support capital needs but adversely impact our subsequent earnings potential. I addition, the timing and outcome of these initiatives could have a significantly adverse impact on our competitive positio 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 i which the Company does business. The minimum requirements in each jurisdiction may increase due to regulatory change and we may decide to maintain additional capital in our operating subsidiaries for competitive reasons, to fund expecte growth of the business or to deal with changes in the risk profile of such subsidiaries. Any such increases in the level o 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 o payment of any dividend on shares of an insurance company if there are reasonable grounds for believing: (i) the compan does not have adequate capital and adequate and appropriate forms of liquidity; or (ii) the declaration or the payment of th dividend would cause the company to be in contravention of any regulation made under the ICA respecting the maintenanc of adequate capital and adequate and appropriate forms of liquidity, or of any order made to the company by th Superintendent. All of our U.S. and Asian operating life insurance companies are subsidiaries of MLI. Accordingly, restriction on dividends from MLI would restrict MFC's ability to obtain dividends from its U.S. and Asian businesse
- 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 an 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 domicile which could affect their ability to pay dividends to MLI in certain circumstance

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 th preference of the holders of Class A Shares, Class B Shares, Class 1 Shares (collectively, the "Preferred Shares") and an other shares ranking senior to the common shares with respect to priority in payment of dividends. The declaration an payment of dividends and the amount thereof is subject to the discretion of the Board of MFC and is dependent upon th results of operations, financial condition, cash requirements and future prospects of, and regulatory and contractua restrictions on the payment of dividends by MFC and other factors deemed relevant by the Board of MFC. Although MFC ha historically declared quarterly cash dividends on the common shares, MFC is not required to do so and the Board of MF 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 i respect of the declaration and payment of dividends on the Preferred Shares
- See "Government Regulation" and "Dividends" in MFC's Annual Information Form date February 11, 2026 for a summary of additional statutory and contractual restrictions concerning the declaration of dividends by MFC

We may experience downgrades in our financial strength or credit ratings, which may materially adversel impact our financial condition and results of operations.

- Credit rating agencies publish financial strength ratings on life insurance companies that are indicators of an insuranc 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 i a company's overall funding profile and ability to access external capital. Ratings reflect the views held by each credi agency, which are subject to change based on various factors that may be within or beyond a company's contro
- Ratings are important factors in establishing the competitive position of insurance companies, maintaining public confidenc in products being offered, and determining the cost of capital. A ratings downgrade, or the potential for such a 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 to be subject t acceleration, additional collateral support, changes in terms, or additional financial obligations; result in the termination o our relationships with broker-dealers, banks, agents, wholesalers and other distributors of our products and services increase our cost of hedging; unfavourably impact our ability to execute on our hedging strategies; materially increase th number of surrenders, for all or a portion of the net cash values, by the owners of policies and contracts we have issued impact our ability to obtain reinsurance at reasonable prices or at all; and materially increase the number of withdrawals b policyholders of cash values from their policies and reduce new sales

Competitive factors may adversely affect our market share and profitability

- The insurance, wealth and asset management, and banking industries are highly competitive. Our competitors include othe insurers, securities firms, investment advisors, asset managers, banks and other financial institutions. The rapid advancement of new technologies, such as blockchain, AI (e.g., generative AI) and advanced analytics, may enable othe non-traditional firms (e.g., big technology competitors providing financial products and services) to compete directly in th industry space, or offer services to our traditional competitors to enhance their value propositions. The rapid growth an availability of AI and generative AI technologies presents significant opportunities to enhance customer experience, improv business decisions, manage risk and drive operational efficiencies, however, there can be no assurances that the use of and generative AI technologies will have their intended effects, appropriately or sufficiently replicate certain outcomes, o accurately predict future events or exposures. The use of AI and generative AI technologies presents complex challenges including balancing and mitigating potential risks posed by the development or deployment of AI technologies, such as th risk of biased results or unreliable outputs from AI resulting from incomplete or biased data sets. Additionally, future legislatio may restrict certain usage of AI models or technologies or data that feed into AI models or technologies, which could impac our ability to effectively use such models or technology.
- The impact from technological disruption may result in our competitors improving their customer experience, product offering

and business costs. Our competitors compete with us for customers, access to distribution channels such as brokers an independent agents, and for employees. In some cases, competitors may be subject to less onerous regulatory requirement have lower operating costs or have the ability to absorb greater risk while maintaining their financial strength ratings, thereb allowing them to price their products more competitively or offer features that make their products more attractive. Thes competitive pressures could result in lower new business volumes and increased pricing pressures on a number of ou products and services that may harm our ability to maintain or increase our profitability. Due to the highly competitive natur of the financial services industry, there can be no assurance that we will continue to effectively compete with our tradition and non-traditional industry rivals, and competitive pressure may have a material adverse effect on our business, results o operations and financial condition

We are exposed to investors trying to profit from short positions in our stock.

- Short sellers may seek to profit from a decline in the price of our common shares. Their actions and public statements including encouraging others to take short positions in our shares, could contribute to downward pressure on our share pric from which they seek to profit. The existence of such short positions and the related publicity could lead to increase volatility in our common share price

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 financial service industry in general. The impact of the volatility and instability of the financial markets on our business is difficult to predict an the results of operations and our financial condition may be significantly impacted by general business and economic trend 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 policie (e.g., fiscal, monetary, and global trade). In addition, the future of global trade remains uncertain, as companies and countrie look to decrease reliance on global supply chains, and countries implement increased protectionist measures, includin through protectionist trade policies and tariffs. Such policies and measures, and increasing economic nationalism coul reshape global alliances and impact the economies in which we operate. The Company's business plans, results o operations, and financial condition have been negatively impacted in the past and may be negatively affected in the futur e.

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 past an expect to continue to do so in the future as we may deem appropriate. There could be unforeseen liabilities or asse impairments, including goodwill impairments that arise in connection with the businesses that we may sell, have acquired, o may acquire in the future. In addition, there may be liabilities or asset impairments that we fail, or are unable, to discover i the course of performing due diligence investigations on acquisition targets. Furthermore, the use of our own funds a consideration in any acquisition would consume capital resources that would no longer be available for other corporat 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 in a

efficient and effective manner. We may not be able to integrate the businesses smoothly or successfully, and the proces may take longer than expected. The integration of operations may require the dedication of significant managemen 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 any acquisition in a jurisdiction i which we do not currently operate, may be particularly challenging or costly to integrate. If we are unable to successfull integrate the operations of any acquired businesses, we may be unable to realize the benefits we expect to achieve as 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 financi al condition.

- Goodwill represents the excess of the amounts we paid to acquire subsidiaries and other businesses over the fair value o their net identifiable assets at the date of acquisition. Intangible assets represent assets that are separately identifiable a 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 intangibl assets with indefinite lives are tested at least annually for impairment at the cash generating unit ("CGU") or group of CGU level, representing the smallest group of assets that is capable of generating largely independent cash flows. As a result o 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 capita
- If market conditions deteriorate in the future and, in particular, if MFC's common share price is low relative to book value pe share, if the Company's actions to limit risk associated with its products or investments cause a significant change in an one CGU's recoverable amount, or if the outlook for a CGU's results deteriorate, the Company may need to reassess th value of goodwill and/or intangible assets which could have a material adverse effect on our results of operations an financial condition
- Deferred income tax balances represent the expected future tax effects of the differences between the book and tax basis o assets and liabilities, loss carry forwards and tax credits. Deferred tax assets are recorded when the Company expects t claim deductions on tax returns in the future for expenses that have already been recorded in the financial statement
- 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 fro m a variety of sources and tax planning strategies. If, based on information available at the time of the assessment, it i s determined that the deferred tax asset will not be realized, then the deferred tax asset is reduced to the extent that it is n o 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 t establish and protect our intellectual property. In particular, we have invested considerable resources in promoting an protecting the brand names “Manulife” and “John Hancock” and expect to continue to do so. Although we use a broad rang 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 hav to litigate more often to enforce and protect our copyrights, trademarks, patents, trade secrets and know-how or t determine their scope, validity, or enforceability, which represents a diversion of resources that may be significant in amoun 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 compet
- We also may be subject to costly litigation in the event that another party alleges our operations or activities infringe upon it intellectual property rights. Third parties may have, or may eventually be issued, patents that could be infringed by ou products, methods, processes, or services. Any party that holds such a patent could make a claim of infringement agains 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 infringe a third-party patent or other intellectual property rights, we could incur substantial liability, and in some circumstances coul 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 licensin arrangements with third parties, all of which could have a material adverse effect on our business, results of operations an financial condition

Applicable laws may discourage takeovers and business combinations that common shareholders of MFC migh consider in their best interests.

- The ICA contains restrictions on the purchase or other acquisition, issue, transfer and voting of the shares of an insuranc company. In addition, under applicable U.S. insurance laws and regulations in states where certain of our insuranc 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 tha t

common shareholders of MFC might consider in their best interests. For instance, they may prevent shareholders of MF from receiving the benefit from any premium to the market price of MFC’s common shares offered by a bidder in a takeove context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailin market price of MFC’s common shares if they are viewed as discouraging takeover attempts in the futur e.

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 an 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 the transferred to other entities primarily as equity or debt capital as appropriate. Other linkages include policyholder and othe 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 ar e:
  - Financial difficulties at a subsidiary may not be isolated and could cause material adverse effects on affiliates and th e 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 o 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, parenta guarantees on in-force policies and therefore would continue to have residual risk under any such non-terminate 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 require d approvals; (vi) there may be a requirement for significant capital injections; and (vii) the transaction may result i n increased sensitivity of net income attributed to shareholders and capital of MFC and its remaining subsidiaries t o market declines.

We may not be able to meet the evolving expectations of clients, shareholders, or regulators as they pertain to ou sustainability commitments, and/or stewardship practices, and may not be able to achieve certain stated sustainabilit y commitments.

- Manulife continues to advance its sustainability commitments, including climate-related commitments, in alignment with ou business priorities, stakeholder expectations, and evolving regulatory requirements. These commitments are supported b y policies and processes designed to manage associated risks and opportunities across operations, investments, an d products. Failure to achieve stated commitments may result in reputational, operational, and/or legal consequence s.
- Internal or external factors, including, but not limited to, aspects such as shifts to regulatory priorities, changes in marke t conditions and conflicting stakeholder sentiment, may affect Manulife’s ability to meet some or all of its sustainabilit y commitments. In particular, assumptions underlying forward-looking sustainability commitments, including commitments in line with net-zero scenarios, are subject to change and sensitive to market and regulatory conditions outside of Manulife’ s control and influence. Manulife monitors regulatory and market developments and engages stakeholders to seek to ensur e its sustainability strategy remains aligned with evolving expectations. Howeve , different stakeholder groups may have s divergent views on sustainability matters. This divergence increases the risk that action, or inaction, on sustainability matter s will be perceived negatively by at least some stakeholders thereby potentially adversely impacting our business o r reputation. Additionally, because Manulife operates in multiple jurisdictions, it may be subject to differing or competin g regulatory requirements and expectations, which may create operational and compliance challenges
- Manulife annually discloses its sustainability priorities and performance informed by widely accepted frameworks (e.g., th e IFRS Foundation’s ISSB standards). Stakeholders relying, in full or in part, on sustainability performance data in thei r evaluation of Manulife for investment, employment and/or product selection purposes may rely on criteria that deviate fro m Manulife’s understanding and prioritization of material sustainability issues.

- Manulife seeks to incorporate sustainability factors, where appropriate, into investment practices of its General Account, in line with efforts to achieve positive risk-adjusted returns. We seek to address material financial risks and opportunities that we believe may arise from systemic global challenges such as climate change and have therefore made commitments to address transition risks associated with global efforts to limit greenhouse gas emissions. The integration of sustainability risks, in appropriate balance with reasonable economic and market scenarios, can influence asset pricing, portfolio alignment and performance, and erode our ability to achieve climate commitments, if transition risks fail to materialize in line with expectations.
- In our third-party asset management business, success is judged by how well we meet clients' needs and objectives. We integrate sustainability factors into investment practices where appropriate and in alignment with our fiduciary responsibilities. Active management and ongoing investment stewardship practices, such as direct company engagement do not guarantee specific outcomes with respect to environmental or social practices of investees. If stewardship efforts do not evolve in line with client expectations or market developments, Manulife may be exposed to additional reputational, operational, and/or legal risk and financial loss
- As regulatory scrutiny increases globally, including around sustainability-related disclosures and investment practices, the risk of enforcement actions or litigation is growing, particularly in relation to perceived misstatements and "greenwashing".

The availability and reliability of third-party sustainability data, along with the ongoing evolution of commonly accepted accounting standards (e.g., Corporate Greenhouse Gas Protocol, Partnership for Carbon Accounting in Finance), and target-setting frameworks, may impact the consistency and reliability of Manulife's performance against key sustainability metrics and targets, which remain subject to change. Incomplete, inconsistent, or unavailable data may lead to restatements or revisions in reported performance and could create the perception of misstatements and "greenwashing", potentially resulting in litigation. Manulife continues to monitor and adapt to these developments to mitigate potential compliance and reputational risks and has established controls to strengthen the reliability and quality of statements related to environmental and social outcomes.

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 2025 Annual Consolidated Financial Statements. The fact that certain text and tables are considered an integral part of the 2025 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" 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 Risk	Interest Rate and Spread Risk	ALDA Risk	Foreign Currency Exchange Risk	Liquidity Risk
Product design and pricing	ü	ü	ü	ü	ü
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 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 and macro equity risk hedging expose the Company to additional risks. See "Market & Liquidity Risk Factors" below for more information.

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 asset 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 appropriat
to stabilize our consolidated capital positions and remain within our enterprise foreign exchange risk limit
s.

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 policyholde termination or policy renewal rates, withdrawals of customer deposit balances, loan extensions, derivative settlements o collateral demands, and reinsurance settlements.

Our liquidity risk management framework is designed to provide adequate liquidity to cover cash and collateral obligations a they come due, and to sustain and grow operations in both normal and stressed conditions. See "Liquidity Risk Manageme 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 alignin our product offerings with our risk taking philosophy and risk appetite, and in particular, ensuring that incremental risk generate 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 a our associated investment strategies, help to mitigate the level of underlying risk. We regularly review and modify key features within ou 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 any particular policy are set a 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 creditin rate guarantees. The Company may partially mitigate the interest rate exposure by setting new rates on new business and b 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 strategie
s.

Hedging Strategies for Public Equity Risks

The Company's exposure to movement in public equity market values primarily arises from insurance contract liabilities related t variable annuity guarantees and general fund public equity investments
.

We see to manage public equity risk arising from exposures i our insurance contract liabilities through our dynamic and macro equity risk hedging 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 th variable annuity dynamic hedging strategy is to offset, as closely as possible, the change in the economic value of guarantee with the profit and loss from our hedge asset portfolio.

Our variable annuity dynamic hedging program uses a variety of exchange-traded and over-the-counter ("OTC") derivativ contracts to offset the change in value of variable annuity guarantees. The main derivative instruments used are equity inde futures, government bond futures, currency futures, interest rate swaps, total return swaps, equity options, and interest rat 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 opportunisticall
y.
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 hedg 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 effective exchang 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; an
- Not all other risks are hedged

Differences in the profit (loss) on the hedge instruments versus the underlying losses (gains) related to the guarantee liabilitie hedged are reported in CSM.

We see to manage interest rate risk arising from our variable annuity business that is not dynamically hedged throug our asset liability management strategy
.

Macro Equity Risk Hedging Strategy

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 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

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 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. 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 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.

Products which feature guaranteed liability cash flows (i.e., where the projected net flows remain largely unaffected by economic scenarios) are managed according to a target return investment strategy. The products backed by this asset group include:

- Accumulation annuities (other than annuities with pass-through features), which are primarily short-to-medium-term obligations and offer interest rate guarantees for specified terms on single premiums. Withdrawals may or may not have market value adjustments;
- Payout annuities, which have no surrender options and include predictable and very long-dated obligations; and
- Insurance products, with recurring premiums extending many years in the future, and which also include a significant 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 the obligation over their lifetime, subject to established risk tolerances and the impact of regulatory and economic capital requirements. Fixed income assets are managed to a benchmark developed to minimize interest rate risk against the liability cash flows. Utilizing ALDA and public equity investments provide a suitable match for long-duration liabilities that also 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 and public equity investments. ALDA and public equity may be included to 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 risks related to embedded product guarantees and policyholder withdrawal options, the impact of regulatory and economic capital requirements and considering management tolerances with respect to short-term income volatility and long-term tail risk exposure. For these pass-through products such as participating insurance and universal life insurance, the investment performance of assets supporting the liabilities will be largely passed through to policyholders as changes in the amounts of dividends declared or rates of interest credited, subject to embedded minimum guarantees. Shorter duration liabilities such as fixed deferred annuities do not incorporate ALDA and public equity investments into their target asset mixes. Authority to manage our investment portfolios is delegated to investment professionals who manage to benchmarks derived from the 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 be completely matched or hedged due to both limitations on instruments available in investment markets and uncertainty of impact on liability cash flows from policyholder experience/behaviour.

Foreign Currency Exchange Risk Management Strategy

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 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 in terms of potential changes in earnings and capital ratios, due to foreign currency exchange rate movements, determined to represent 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, 2025, the Company held $276.0 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 $263.3 billion as at December 31, 2024 as noted in the table below.

As at December 31, ($ millions, unless otherwise stated)	2025	2024
Cash and cash equivalents	**$ 26,703**	$ 25,789
Marketable securities		
Government bonds (investment grade)	**80,736**	80,891
Corporate bonds (investment grade)	**126,705**	122,324
Securitized – ABS, CMBS, RMBS (investment grade)	**2,134**	1,758
Public equities	**39,732**	32,576
Total marketable assets	**249,307**	237,549
Total cash and cash equivalents and marketable securities[1]	**$ 276,010**	$ 263,338

(1) Including $17.3 billion encumbered cash and cash equivalents and marketable securities as at December 31, 2025 (2024 – $15.6 billion).

We have established a variety of contingent liquidity sources. These include, among others, $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, 2025 (2024 – $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, 2025, JHUSA had an estimated maximum borrowing capacity of US$3.8 billion (2024 – US$3.8 billion) based on regulatory limitations with an outstanding balance of US$500 million (2024 – US$500 million) under the FHLBI facility.

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

Maturity of financial liabilities

As at December 31, 2025 ($ millions)	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Long-term debt[1]	**$ 1,741**	**$ 958**	**$ -**	**$ 4,986**	**$ 7,685**
Capital instruments[1]	**-**	**-**	**-**	**6,990**	**6,990**
Derivatives	**2,270**	**1,746**	**875**	**9,456**	**14,347**
Deposits from Bank clients[2]	**17,462**	**4,441**	**2,804**	**-**	**24,707**
Lease liabilities	**101**	**138**	**49**	**46**	**334**

(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, 2025 were $24,707 million and $24,945 million, respectively (2024 – $22,063 million and $22,270 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 (2024 – 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 $537.4 billion as at December 31, 2025 (2024 – $516.6 billion).

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 are to expected to be recognized primarily within the next 20 years.

We seek to mitigate a portion of the risks embedded in our retained (i.e., net of reinsurance) variable annuity and segregated fund guarantee business through the combination of our dynamic and macro hedging strategies (see "Publicly Traded Equity Performance Risk" below).

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

Variable annuity and segregated fund guarantees, net of reinsurance

As at December 31, ($ millions)	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	**$ 3,142**	**$ 2,534**	**$ 708**	$ 3,628	$ 2,780	$ 918
Guaranteed minimum withdrawal benefit	**29,664**	**31,071**	**2,643**	33,473	33,539	3,339
Guaranteed minimum accumulation benefit	**18,908**	**19,208**	**55**	18,987	19,097	70
Gross living benefits[4]	**51,714**	**52,813**	**3,406**	56,088	55,416	4,327
Gross death benefits[5]	**7,892**	**19,924**	**486**	8,612	19,851	644
Total gross of reinsurance	**59,606**	**72,737**	**3,892**	64,700	75,267	4,971
Living benefits reinsured	**20,518**	**21,932**	**2,351**	23,768	23,965	3,016
Death benefits reinsured	**3,058**	**2,620**	**195**	3,430	2,776	289
Total reinsured	**23,576**	**24,552**	**2,546**	27,198	26,741	3,305
Total, net of reinsurance	**$ 36,030**	**$ 48,185**	**$ 1,346**	$ 37,502	$ 48,526	$ 1,666

(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, 2025 was $1,346 million (December 31, 2024 – $1,666 million) of which: US$244 million (December 31, 2024 – US$293 million) was on our U.S. business, $835 million (December 31, 2024 – $1,021 million) was on our Canadian business, US$80 million (December 31, 2024 – US$100 million) was on our Japan business, and US$49 million (December 31, 2024 – US$56 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 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, ($ millions)	2025	2024
Investment category		
Equity funds	**$ 51,919**	$ 51,457
Balanced funds	**36,889**	37,381
Bond funds	**8,528**	9,017
Money market funds	**1,794**	1,712
Other debt investments	**2,074**	2,082
Total	**$ 101,204**	$ 101,649

Caution Related to Sensitivities

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

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

Publicly Traded Equity Performance Risk Sensitivities and Exposure Measures

As outlined above, we have net exposure to equity risk through asset and liability mismatches; our guarantee dynamic hedging strategy is not designed to completely offset the sensitivity of insurance contract liabilities to all risks associated with the guarantees embedded in these products. The macro hedging strategy is designed to mitigate public equity risk arising from guarantees 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 under management and administration or policyholder account value, and estimated profits and amortization of deferred policy acquisition and other costs. These items are not hedged.

The tables below include the potential impacts from an immediate 10%, 20% and 30% change in market values of publicly traded equities on 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 we cannot reliably estimate the amount of the change in dynamically hedged guarantee liabilities that will not be offset by the change in the dynamic hedge assets, we make certain assumptions for the purposes of estimating the impact on net income attributed to shareholders.

This estimate assumes that the performance of the dynamic hedging program would not completely offset the gain/loss from the dynamically hedged variable annuity 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.

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

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

As at December 31, 2025	Net income attributed to shareholders					
($ millions)	-30%	-20%	-10%	+10%	+20%	+30%
Underlying sensitivity						
Variable annuity and segregated fund guarantees[2]	**$ (1,790)**	**$ (1,070)**	**$ (490)**	**$ 400**	**$ 750**	**$ 1,050**
General fund equity investments[3]	**(1,320)**	**(880)**	**(440)**	**440**	**870**	**1,310**
Total underlying sensitivity before hedging	**(3,110)**	**(1,950)**	**(930)**	**840**	**1,620**	**2,360**
Impact of macro and dynamic hedge assets[4]	**650**	**390**	**170**	**(130)**	**(240)**	**(330)**
Net potential impact on net income attributed to shareholders after impact of hedging and before impact of reinsurance	**(2,460)**	**(1,560)**	**(760)**	**710**	**1,380**	**2,030**
Impact of reinsurance	**1,110**	**670**	**310**	**(270)**	**(490)**	**(700)**
Net potential impact on net income attributed to shareholders after impact of hedging and reinsurance	**$ (1,350)**	**$ (890)**	**$ (450)**	**$ 440**	**$ 890**	**$ 1,330**

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

(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]

As at December 31, 2025

($ millions)	-30%	-20%	-10%	+10%	+20%	+30%
Variable annuity and segregated fund guarantees reported in CSM	**$ (2,970)**	**$ (1,820)**	**$ (840)**	**$ 730**	**$ 1,390**	**$ 1,980**
Impact of risk mitigation– hedging[3]	**870**	**510**	**220**	**(180)**	**(320)**	**(430)**
Impact of risk mitigation– reinsurance[3]	**1,400**	**850**	**390**	**(330)**	**(630)**	**(890)**
VA net of risk mitigation	**(700)**	**(460)**	**(230)**	**220**	**440**	**660**
General fund equity	**(1,410)**	**(910)**	**(440)**	**440**	**880**	**1,300**
Contractual service margin ($ millions, pre-tax)	**$ (2,110)**	**$ (1,370)**	**$ (670)**	**$ 660**	**$ 1,320**	**$ 1,960**
Other comprehensive income attributed to shareholders ($ millions, post-tax)[4]	**$ (920)**	**$ (620)**	**$ (300)**	**$ 300**	**$ 580**	**$ 860**
Total comprehensive income attributed to shareholders ($ millions, post-tax)	**$ (2,270)**	**$ (1,510)**	**$ (750)**	**$ 740**	**$ 1,470**	**$ 2,190**
MLI's LICAT ratio (change in percentage points)	**(2)**	**(1)**	**(1)**	**1**	**1**	**2**

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[3]	940	560	250	(190)	(350)	(470)
Impact of risk mitigation– reinsurance[3]	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)[4]	$ (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

(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 occurs as a result of market changes.

(3) 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.

(4) 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, 2025, 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 as fair value through other comprehensive income

and as a result, impacts from changes in interest rates are largely in other comprehensive income. There are also changes i
interest rates that impact the CSM for VFA contracts that relate to amounts that are not passed through to policyholders. I
addition, changes in interest rates impact net income as it relates to derivatives not in hedge accounting relationships and o
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, th actual hedge accounting ineffectiveness is sensitive to non-parallel interest rate movements and will depend on the shape an magnitude of the interest rate movements which could materially impact net income attributed to shareholders.

Our sensitivities vary across all regions in whic we operat , 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 differen 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 combine impact of changes in government rates and credit spreads between government, swap and corporate rates occurrin simultaneously. As a result, the impact of the summation of each individual sensitivity may be materially different from the impac 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 recognition on the sale of new business or lower interest earned on future fixed income asset purchase
s.

The impacts do not reflect any potential effect of changing interest rates on the value o our ALDA. Rising interest rates could negatively impact the value of our ALD (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 an Exposure Measures” section.

The impact to the LICAT ratio from a change in interest rates reflects the impacts on total comprehensive income, the LICA adjustments to earnings for the CSM, the surplus allowance and required capital components of the regulatory capita 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 rate [1],[2],[3]

As at December 31, 2025	Interest rates		Corporate spreads		Swap spreads	
($ millions, post-tax except CSM)	-50bp	+50bp	-50bp	+50bp	-20bp	+20bp
CSM	**$ 200**	**$ (300)**	**$ (200)**	**$ 100**	**$ -**	**$ -**
Net income attributed to shareholders	**100**	**(100)**	**-**	**-**	**100**	**(100)**
Other comprehensive income attributed to shareholders	**(100)**	**100**	**100**	**-**	**(300)**	**300**
Total comprehensive income attributed to shareholders	**-**	**-**	**100**	**-**	**(200)**	**200**

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	-	-

(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.

Potential impact on MLI’s LICAT ratio of an immediate parallel change in interest rates, corporate spreads or swap spreads relative to current rate [1],[2],[3],[4],[5]

As at December 31, 2025	Interest rates		Corporate spreads		Swap spreads	
(change in percentage points)	-50bp	+50bp	-50bp	+50bp	-20bp	+20bp
MLI’s LICAT ratio	**(1)**	**-**	**(3)**	**3**	**-**	**-**

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	-	-

(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 accordanc e with OSFI's LICAT guideline .

The LICAT guideline specifies four stress scenarios for interest rates and prescribes the methodology to determine the mos t adverse scenario to apply for each LICAT geographic regio [1] based on current market inputs and the Company's Consolidated Statements of Financial Position .

With the current level of interest rates in 2025, the probability of a scenario switch that could materially impact our LICAT ratio i low[2]. Should the future interest rate movements differ from those presented above, a scenario switch, if applicable, may caus the impact to the LICAT ratio to be different from the disclosed values. Should a scenario switch be triggered in a LICA geographic region, the full impact would be reflected immediately for non-participating products while the impact for participatin products would be reflected over six quarters using a rolling average of interest rate risk capital, in line with the smoothin approach prescribed in the LICAT guideline. The LICAT interest rate, corporate spread and swap spread sensitivities presente above reflect the impact of scenario switches, if any, for each disclosed sensitivit y.

The level of interest rates and corporate spreads that would trigger a switch in the scenarios is dependent on market condition and movements in the Company's asset and liability position. The scenario switch, if triggered, could reverse in response t subsequent changes in interest rates and/or corporate spreads .

Alternative Long-Duration Asset Performance Risk Sensitivities and Exposure Measure

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 chang from the previous period .

ALDA used in this sensitivity analysis includes commercial real estate, private equity, infrastructure, timber and agricultur e energy[3] and other investments .

The impacts do not reflect any future potential changes to non-fixed income return volatility. Refer to "Publicly traded equit performance risk sensitivities and exposure measures" above for more details .

Potential immediate impacts on contractual service margin, net income attributed t shareholders, other comprehensive income attributed to shareholders, and total comprehensive income attributed to shareholders from changes in ALDA market value [1]

As at	December 31, 2025		December 31, 2024	
($ millions, post-tax except CSM)	-10%	+10%	-10%	+10%
CSM excluding NCI	**$ (200)**	**$ 200**	$ (200)	$ 200
Net income attributed to shareholders[2]	**(2,200)**	**2,200**	(2,500)	2,500
Other comprehensive income attributed to shareholders	**(200)**	**200**	(200)	200
Total comprehensive income attributed to shareholders	**(2,400)**	**2,400**	(2,700)	2,700

(1) See "Caution related to sensitivities" above.
(2) Net income attributed to shareholders includes core earnings and the items excluded from core earnings.

Potential immediate impact on MLI LICAT ratio arising from changes in ALDA market value [1]

As at	December 31, 2025		December 31, 2024	
(change in percentage points)	-10%	+10%	-10%	+10%
MLI's LICAT ratio	**(1)**	**-**	(1)	1

(1) See "Caution Related to Sensitivities" above .

Foreign Exchange Risk Sensitivities and Exposure Measure

We generally match the currency of our assets with the currency of the insurance and investment contract liabilities they suppor . As at December 31, 2025, 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 t our other key operating currencies. Note that the impact of foreign currency exchange rates on items excluded from cor e 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 ($ millions)	December 31, 2025 +10% strengthening	December 31, 2025 -10% weakening	December 31, 2024 +10% strengthening	December 31, 2024 -10% weakening
10% change in the Canadian dollar relative to the U.S. dollar and the Hong Kong dollar	**$ (430)**	**$ 430**	$ (450)	$ 450
10% change in the Canadian dollar relative to the Japanese yen	**(60)**	**60**	(50)	50

(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 an 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.

- The reported public equity risk sensitivity primarily arises from insurance exposures, 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 assets 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 rate 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 in interest rates of specific amounts. The impact from non-parallel movements may be different from the estimated impact of parallel movements. For further information on interest rate scenarios refer to "Interest Rate and Spread Risk Sensitivities and Exposure Measures".

We experience foreign exchange risk as a substantial portion of our business is transacted in currencies other than Canadian dollars.

- Our financial results are reported in Canadian dollars. A substantial portion of our business is transacted in currencies other than Canadian dollars, mainly U.S. dollars, Hong Kong dollars and Japanese yen. If the Canadian dollar strengthens relative to these currencies, net income attributed to shareholders would decline and our reported shareholders' equity would decline. A weakening of the Canadian dollar against the foreign currencies in which we do business would have the opposite effect and would increase net income attributed to shareholders and shareholders' equity.

The Company's hedging strategies will not fully reduce the market risks related to the product guarantees and fees 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 limit availability of hedging instruments, requiring us to post additional collateral, and can further increase the costs of executing derivative transactions. Therefore, hedging costs and the effectiveness of the strategy may be negatively impacted if

markets for these instruments become illiquid. The Company is subject to the risk of increased funding and collatera 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. The strategie are highly dependent on complex systems and mathematical models that are subject to error and rely on forward-lookin long-term assumptions that may prove inaccurate, and which rely on sophisticated infrastructure and personnel which may fail or be unavailable at critical times. Due to the complexity of the strategies, there may be additional unidentified risks tha may negatively impact our business and future financial results. For further information pertaining to counterparty risks, refe 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, a declin in interest rates, or an increase in the correlation between equity returns and interest rates, our dynamic hedging strateg will not fully offset the changes in liabilities
- 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 liability guarantees for certain products use long-term forward-looking estimates of volatilities. These long-ter 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 assumed long-term volatilities, or correlation between interest rate changes and equity returns are higher, there is a risk that rebalancing will be greater and mor frequent, resulting in higher hedging costs

Prolonged changes in market interest rates may impact our net income attributed to shareholders and capital ratio s.

- 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 on surplu and general fund assets supporting in-force liabilities, and due to guarantees embedded in products including minimu guaranteed rates in participating and adjustable products
  - Negative impacts to other macroeconomic factors including unfavourable economic growth and lower returns on othe 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" above; a
  - 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 interest rat or a prolonged high-rate environment may result in material changes in policyholder behaviour such as higher surrenders withdrawals, changes in fund contributions or fund transfers. Other potential consequences of a rapid rise in or prolonge 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 in 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.

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 significant losses. I providers of credit preserve their capital, our access to borrowing from banks and others or access to other types credit, such as letters of credit, may be reduced. If investors have a negative perception of our creditworthiness, thi 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 support activitie 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, cash flo from our investment portfolios, and our assets that are readily convertible into cash, including money market securities The issuance of long-term debt, common and preferred shares, and other capital securities may also increase ou available liquid assets or be required to replace certain maturing or callable liabilities. In the event we seek additiona

financing, the availability and terms of such financing will depend on a variety of factors including market conditions, th availability of credit to the financial services industry, our credit ratings and credit capacity, as well as the possibility tha 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 due to a significant market downturn.

- Increased cleared derivative transactions, combined with margin rules on non-cleared derivatives, could adversely impac 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 needs.
- 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, ou businesses utilize letters of credit for which third parties are the beneficiaries, as well as for affiliate reinsurance transactions between subsidiaries of MFC. Letters of credit and letters of credit facilities must be renewed periodically At time of renewal, the Company is exposed to repricing risk and under adverse conditions, increases in costs may b realized. In the most extreme scenarios, letters of credit capacity could become constrained due to non-renewals whic would restrict our flexibility to manage capital. This could negatively impact our ability to meet local capital requirement or our sales of products in jurisdictions in which our operating companies have been affected. As a December 31, 2025, letters of credit for which third parties are beneficiaries, in the amount o $251 million, were outstanding 2024 – $271 million). There were no assets pledged against these outstanding letters of credit as a December 31, 2025.
- Our obligations to pledge collateral or make payments related to declines in value of specified assets may adversely affec 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 for repurchas funding agreements. The amount of collateral we may be required to post under these agreements, and the payment we are required to make to our counterparties, may increase under certain circumstances, including a sustained o

continued decline in the value of our derivative contracts. Such additional collateral requirements and payments coul have an adverse effect on our liquidity. As a December 31, 2025, total pledged assets were $26,745 millio , compared with $26,272 millio as at December 31, 2024.

- 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 company coul 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. Insured demand deposit are less susceptible to runoff and a significant proportion of the Bank's deposits are CDIC insured. The Bank als protects depositors through mitigation strategies outlined in the Bank's liquidity contingency plan and the Bank ma elect to sell or securitize assets with third parties to increase liquidity. The Bank may consider the use of Bank Canada facilities to generate short term liquidity to pay depositors; however, access to these facilities is at the sol discretion of the Bank of Canada.
- Our investments in predominately-investment-grade private placements and below-investment-grade private credit do no have readily observable market prices and may be less liquid than other investments.
  - We mitigate these risks by rigorous approval and oversight processes for all private assets, by employing third-part valuation services to value most private credit assets, and through our liquidity risk framework, which assumes privat fixed income assets have limited liquidity in a stress scenario.

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 obligations Investment risk, such as those pertaining to market fluctuations (e.g., interest rates, foreign exchange) or operating performance that can affect both fixed income and ALDA valuations, are covered under the Market & Liquidity section above.

Credit Risk Management Strategy

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 the selection of counterparties, including derivative counterparties, reinsurers, and insurance providers. Our policies establish exposure limits by borrower, corporate connection, quality rating, industry, and geographic region, and govern the usage of credit derivatives Corporate connection limits vary according to risk rating. Our general fund fixed income investments are primarily public an private investment grade bonds and commercial mortgages. We have a program for selling Credit Default Swaps ("CDS") that employs a highly selective, diversified, and conservative approach. CDS decisions follow the same underwriting standards as our cash bond portfolio. Our credit granting units follow a defined evaluation process that provides an objective assessment of credit proposals. We assign a risk rating, based on a standardized 22-point scale consistent with 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. We assess and update risk ratings regularly For additional input to the process, we also assess credit risks using a variety of industry standard market-based tools and metrics. We map our risk ratings to pre-established probabilities of default and loss given defaults, based on historical industry and Company experience, and to resulting default costs.

We establish delegated credit approval authorities and make credit decisions on a case-by-case basis at a management level

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, in certai
n cases, by the Board.

We limit the types of authorized derivatives and applications and require pre-approval of all derivative application strategies an
d regular monitoring of the effectiveness of derivative strategies. Derivative counterparty exposure limits are established based o
n a minimum acceptable counterparty credit rating (generally A- from internationally recognized rating agencies). We measure bot
h bilateral and exchange-traded derivative counterparty exposure as net potential credit exposure. The measurement takes int
o consideration the replacement cost, which reflects mark-to-market values of the exposure adjusted for the effects of ne
t collateral, and the potential future exposure, which reflects the potential increase in exposure until the closure or replacement o
f the transactions. Credit risk arising from reinsurance counterparties is included in the valuation models for reinsurance contract
assets. Reinsurance counterparty exposure is measured reflecting the level of ceded liabilities on a best estimate basis net o
f collateral held. The creditworthiness of all reinsurance counterparties is reviewed internally on a regular basis
.

Regular reviews of credits within the various portfolios are undertaken with the goal of prompt identification of changes to credi
t quality and, where appropriate, taking corrective action
.

Our credit policies, procedures and investment strategies are established under a strong governance framework and ar
e designed to ensure that risks are identified, measured, and monitored consistent with our risk appetite. We seek to activel
y

manage credit exposure in our investment portfolio to reduce risk and minimize losses, and derivative counterparty exposure i
s managed proactively. However, we could experience volatility on a quarterly basis and losses could potentially arise as a result
.

**Credit Risk Exposure Measure
s**

We use the Expected Credit Loss (“ECL”) impairment allowance model in accordance with IFRS to establish and maintai
n allowances on our invested assets which are debt instruments measured at FVOCI or amortized cost. ECL allowances ar
e measured on a probability-weighted basis, based on four macroeconomic scenarios, and incorporate consideration of pas
t events, current market conditions, and reasonable supportable information about future economic condition
s.

We measure ECL allowances using a three-stage approach. We recognize ECL on performing financial instruments that hav
e not experienced significant increases in credit risk (“SICR”) since acquisition to the extent of losses expected to result fro
m defaults occurring within 12 months of the reporting date (Stage 1). Full lifetime ECLs are recognized for financial instrument
s experiencing SICR since acquisition or having become 30 days in arrears in principal or interest payments (Stage 2). Full lifetim
e ECLs are also recognized for financial instruments which have become credit-impaired (Stage 3), with a probability of default se
t at 100%. Interest income on Stage 3 financial instruments is determined based on the carrying amount of the asset, net of an
credit loss allowance
.

We establish ECL allowances for investments in debt instruments which are measured at FVOCI or amortized cost. On a
n ongoing basis, these ECL allowances are monitored and adjusted for changes in credit quality and conditions. Credit risk arisin
g from reinsurance counterparties is included in the valuation models for reinsurance contract assets. There is no assurance tha
t the ECL allowances or valuation results will be adequate to cover future potential losse
s.

For more information on our ECL allowances, refer to notes 1 and 8 of th
e 2025 Annual Consolidated Financial Statements
.

**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
d could lead to increased allowances or impairments related to our general fund invested assets and derivative financia
l instruments, and an increase in the credit risk factored into modeling of our reinsurance contract assets and insuranc
e contract liabilities.
- Our invested assets subject to credit risk primarily include investment grade bonds, private placements, commercial an
d residential 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
d Statements of Income. The return cash inflow assumptions incorporated in actuarial liabilities include an expected level o
f 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 could potentiall
y rise above long-term expected levels. The ECL impairment allowance was $809 million, representing 0.18% of total general
fund invested assets as at December 31, 2025, compared with $828 million, representing 0.19% of total general fund
invested assets as at December 31, 2024.

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 rate an
d other market risks arising from on-balance sheet financial instruments, guarantees related to variable annuity products
selected anticipated transactions and certain other guarantees. The Company may be exposed to counterparty risk if
a counterparty fails to pay amounts owed to us or otherwise perform its obligations to us. Counterparty risk increases durin
g economic downturns because the probability of default increases for most counterparties. If any of these counterpartie
s default, we may not be able to recover the amounts due from that counterparty. As a December 31, 2025, the largest single
t counterparty exposure, without taking into account the impact of master netting agreements or the benefit of collateral held
was $1,386 million (2024 – $1,319 million). The net exposure to this counterparty, after taking into account master nettin
g agreements and the fair value of collateral held, was $nil (2024 – $nil). As at December 31, 2025, the total maximum credit
exposure related to derivatives across all counterparties, without taking into account the impact of master nettin
g agreements and the benefit of collateral held, was $9,955 million (2024 – $9,048 million) compared with $561 million after
taking into account master netting agreements and the benefit of fair value of collateral held 2024 – $429 million). The
(exposure to any counterparty would grow if, upon the counterparty’s default, markets moved such that our derivatives wit
h that counterparty gain in value. Until we are able to replace those derivatives with another counterparty, the gain on th
e derivatives subsequent to the counterparty’s default would not be backed by collateral

- The Company reinsures a portion of the insurance policies it sells, which also includes the use of reinsurance to effectivel sell blocks of business to third parties. Unless the policies are novated to the reinsurer, the Company remains directly liabl to policyholders to fulfill obligations under these policies. The Company is reimbursed by the reinsurer for payments made t policyholders on the reinsured policies. To mitigate credit risk to the reinsurer, the Company may require reinsurers t provide collateral for their reinsurance obligations. In the event that a reinsurer fails to fulfill its contractual obligations to th Company under the reinsurance contract, a proportional decrease to the value of the reinsurance asset would b

acknowledged with a consequent negative impact to any net income attributed to shareholders and capital position. Suc negative impact would be offset to the extent the amount of collateral provided by the reinsurer is sufficient to cover th 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 retained b the Company until the underlying security has been returned. If any of our securities lending counterparties default and th value of the collateral is insufficient, we would incur losses. As a December 31, 2025, the Company had loaned securities (which are included in invested assets) valued at approximately $1,800 million, compared with $1,021 million as at December 31, 2024.

The determination of loss allowances and impairments on our investments is subjective and changes could materiall 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 the EC model which is applied quarterly. ECL allowances are estimated as the differences between all contractual cash flows due i accordance with the contract and all the cash flows that we expect to receive, discounted at the original effective interes rates of the contracts. This process includes consideration of past events, current market conditions, and reasonable an 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 loss expectations for the relevan issuance.
- 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 the amoun and timing of future cash flows, our criteria for assessing if there has been a significant increase in credit risk ("SICR"), th selection of forward-looking macroeconomic scenarios and their probability weights, the application of expert credit judgmen in the development of the models, inputs and, when applicable, overlay adjustments. It is our process to regularly review ou models in the context of actual loss experience and adjust when necessary. We have implemented formal policies procedures, and controls over all significant impairment processes
- Such evaluations and assessments are revised as conditions change and new information becomes available. We updat our evaluations regularly and reflect changes in allowances and impairments as such evaluations warrant. The evaluation are inherently subjective and incorporate only those risk factors known to us at the time the evaluation is made. There ca be no assurance that management has accurately assessed the level of impairments that have occurred. Additiona impairments will likely need to be taken or allowances provided for in the future as conditions evolve. Historical trends ma not be indicative of future impairments or allowances .

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 advances i the digitization of work and the transformation of physical retail may have further negative impact to our commercial rea estate investments. Difficult economic conditions could also prevent companies in which we have made private equit investments from achieving their business plans and could cause the value of these investments to fall, or even cause th companies to fail. Sustained declines in valuation multiples in the public equity market would also likely cause values t decline in our private equity portfolio. The timing and amount of investment income from private equity investments is difficul 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 by a number of other factors including production declines, difficult economic conditions, changes in consumer preferences t transition to a low-carbon economy, and geopolitical events. Changes in government regulation, including environmenta regulation could also adversely affect the value of our investments in both renewable and non-renewable energy asset
- Higher interest rates, in combination with uncertain economic environments, could precipitate higher ALDA discount rates a buyers demand higher current returns to invest in ALDA. Since ALDA cash flows may, to some degree, be fixed in the ne to medium-term, some ALDA values may initially decline in order for the asset returns to meet the desired higher discoun 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 of privat investments, including ALDA, especially if the change is large and rapid, as market participants endeavor to adjust thei forecasts and better understand the potential medium to long-term impact of such changes. As a result, valuation changes i any given period may reflect the delayed impact of events that occurred in prior periods. Our real estate valuations ar based on external appraisals and these appraisals may lag behind current market transactions
- 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.

Insurance Risk

Insurance risk is the risk of loss due to actual insurance experience emerging differently than assumed when a product wa designed and priced. Assumptions for future claims are generally based on both Company and industry experience, an assumptions for future policyholder behaviour and expenses are generally based on Company experience .

Insurance Risk Management Strateg y

The Product Oversight Committe [1] oversees the overall insurance risk management program. The Product Oversight Committee has established a broad framework for managing insurance risk under a set of policies, standards, and guidelines, designed t ensure that our product offerings align with our risk taking philosophy and risk limits, and achieve acceptable profit margins These cover:

- product design feature s
- use of reinsuranc e
- pricing models and softwar e
- internal risk based capital allocations
- target profit objectives
- pricing methods and assumption settin g
- stochastic and stress scenario testin g
- 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, chi underwriters who are accountable for underwriting activities, and chief claims risk managers who are accountable for claim activities. Both the pricing officer and the general manager of each business unit approve the design and pricing of each produc including key claims, policyholder behaviour, investment return and expense assumptions, in accordance with global policies an standards. Risk management functions provide additional oversight, review and approval of material product and pricin 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 approv 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 transfe between staff working with similar businesses in different geographie s.

We utilize an internally developed global underwriting manual, supplemented with reinsurers' manuals in certain jurisdictions an for certain coverages. This is intended to ensure insurance underwriting practices for direct written life business are consisten 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 procedure s.

We apply retention limits per insured life that are intended to reduce our exposure to individual large claims which are monitore in each business unit. These retention limits vary by market and jurisdiction. We reinsure exposure in excess of these limits wit other companies (see "Risk Management and Risk Factors – Insurance Risk Factors – External market conditions determine th availability, terms and cost of reinsurance protection" below). 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 activel y manage the Company's aggregate exposure to each of policyholder behaviour risk and claims risk against enterprise-wid 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 risks arising from mortality, longevity, an morbidity.

Internal experience studies, as well as trends in our experience and that of the industry, are monitored to update current an projected claims and policyholder behaviour assumptions, resulting in updates to insurance contract liabilities as appropriat e.

Insurance Risk Factor s

Losses may result should actual experience be materially different than that assumed in the valuation of insuranc e contract liabilities.

- Such losses could have a significant adverse effect on our results of operations and financial condition. In addition, w e periodically review the assumptions we make in determining our insurance contract liabilities and the review may result in a increase in insurance contract liabilities and a decrease in net income attributed to shareholders. Such assumptions requir significant professional judgment, and actual experience may be materially different than the assumptions we make. Se e "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 relativ e attractiveness of other products in the marketplace. For example, a weak or declining economic environment could increas e the value of guarantees associated with variable annuities or other embedded guarantees and contribute to advers e

[1] Global WAM product-related risks (e.g. strategic, operational, etc.) are managed by First Line Local / Regional Product Committees and working groups and the Global Investment Product Committee. Notable products which could introduce new and material risks are reviewed and approved by the Global WAM Risk Committee prior to launch.

policyholder behaviour experience, or a rapid rise in interest rates could increase the attractiveness of alternatives fo customers holding products that offer contractual surrender benefits that are not market value adjusted, which could als o 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, an d cash flows.

We may be unable to implement necessary price increases on our in-force businesses or may face delays i n implementation.

- We continue to seek state regulatory approvals for price increases on existing long-term care business in the United State

We cannot be certain whether or when each approval will be granted. For some in-force business, regulatory approval fo price increases may not be required. However, regulators or policyholders may nonetheless seek to challenge our authorit 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 increas 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 access t genetic test results. Without the obligation of disclosure, the asymmetry of information shared between applicant and insure could increase anti-selection in both new business and in-force policyholder behaviour. The impact of restricting insurer access to this information and the associated problems of anti-selection becomes more acute where genetic technolog leads to advancements in diagnosis of life-threatening conditions that are not matched by improvements in treatment. W cannot predict the potential financial impact that this would have on the Company or the industry as a whole. In addition there may be further unforeseen implications as genetic testing continues to evolve and becomes more established i 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. These new technologies carry risks that may not be fully understood. The Company puts in place guardrails that seek to limit the scope of exposure and monitors closely th experience to mitigate any emerging risk , but the Company can make no assurances that these efforts will be successf
- Future legislation may restrict certain usage of AI models or data that feed into the AI models, which could adversely impac our underwriting and claims abilities

Life and health insurance 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 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 severity rate of claims. The ultimate level of lifetime benefits paid to policyholders may be increased by an unexpected increase in lif expectancy. For example, advances in technology could lead to longer lives through better medical treatment or bette disease prevention. As well, adverse claims experience could result from systematic anti-selection, which could arise fro 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 review thei business models, certain of our reinsurers have attempted to increase rates on our existing reinsurance contracts. Th ability of our reinsurers to increase rates depends upon the terms of each reinsurance contract. Typically, a reinsurer's abilit to raise rates is restricted by terms in our reinsurance contracts, which we seek to enforce. Over the past several years, w have received rate increase requests from some of our reinsurers. Thus far, dealing with those requests has not had material adverse effect on our results of operation or financial condition. Consistent with past practice, we dispute requeste increases and, if necessary, we can pursue legal action in order to protect our contractual rights. While possible outcome remain unknown and there can be no assurance that the outcome of any one or more of these disputes would not have a

material adverse effect on our results of operation or financial condition for a particular reporting period, we believe that ou reserves, inclusive of reinsurance provisions, are appropriate overall

- In addition, an increase in the cost of reinsurance could also adversely affect our ability to write future new business or resu In the assumption of more risk with respect to policies we issue. Premium rates charged on new policies we write are base in part, on the assumption that reinsurance will be available at a certain cost. Certain reinsurers may attempt to increas rates they charge us for new policies we write, and for competitive reasons, we may not be able to raise the premium rate we charge for newly written policies to offset the increase in reinsurance rates If the cost of reinsurance were to increase, or If reinsurance were to become unavailable and if alternatives to reinsurance were not available, our ability to write ne 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, including busines disruptions, damage to physical assets, human resource management failures, processing errors, modelling errors, busines 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 ris Insurance risk, and technology and cyber risk

Operational risk is inherently on the rise as we expand our ecosystem to include more third parties and adopt newer technologie

to drive better customer outcomes and efficiencies. In such cases, an operational risk can arise from outside of Manulife' immediate span of direct control and have material consequences for Manulife, our customers, and other key stakeholders. If lef unmitigated, these risks can be amplified across multiple business units and processes resulting in significant exposure s.

Exposures can take the form of financial losses, regulatory sanctions, loss of competitive positioning, or damage to our bran and reputation. As such, there are higher expectations from Manulife's management, our customers and other key stakeholder including regulators, on our ability to ensure continued operations of our most critical operations and services in a face o disruption.

Furthermore, Manulife has strengthened its operational risk management program by identifying its critical operations, definin impact tolerances and establishing effective mitigations against severe but plausible disruptions, and has been embedded int our Operational Risk Frameworks and risk management practices .

Operational Risk and Resilience Management Strateg y

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, compensatio programs, and talent management throughout the organization. We align compensation programs with business strategy, lon term shareholder value and good governance practices, and we benchmark these compensation practices against pee 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 resilienc framework which outlines Manulife's approach to resilience including our ability to adapt to, recover from and withstan disruption of our most critical operations. Operational resilience entails a sound understanding of critical operations and service end to end and their delivery through severe but plausible circumstances within tolerance for disruption. Overall, the execution o our operational risk management strategy supports the drive towards a focus on the effective management of our key globa operational risks and operational resilience. Our Operational Risk and Segment Risk Committees oversee all operational risk an resilience matters, including operational risk strategy, management, and governance. We have enterprise-wide risk managemen programs for specific operational risks that could materially impact our ability to do business or impact our reputatio n.

Business Continuity Risk Management Strateg y

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 an seek to ensure that resilience is embedded into the design of processes and technologies to reduce the likelihood of failure in th first instance.

We manage business continuity risk through its lifecycle in accordance with regulatory requirements, our business continuity ris management standard, and industry best practices. Management develops and owns the business continuity plans (BCPs) an processes that seek to minimize the impact of, and continue to operate through disruptions resulting from internal or externa factors. BCPs are developed with a level of detail and comprehensiveness commensurate with the criticality of the busines process and address business strategy and requirements, incorporate inputs from key stakeholders, and details upstream an downstream dependencies. The BCPs are updated through regular monitoring and testing, recalibrating them to meet th e

evolving environment conditions and business requirements. Oversight and challenge are provided by the risk teams at al stages of the business continuity management lifecycle, helping to ensure the requirements set out in the standard are being me and that our plans are up to date and actionabl e.

Third-Party Risk Management Strategy

Our operations and strategic initiatives depend on a diverse set of third-party relationships—including distributors, independen contractors, outsourcing providers, and suppliers—that deliver essential services and capabilities. While these relationships ar critical to our business model, they also introduce risks that may affect profitability, regulatory compliance, and reputation if thir parties fail to meet performance expectations, contractual obligations, or legal requirements .

We manage third-party risk through a comprehensive framework that governs the full lifecycle of these relationships. Thi includes due diligence during onboarding, clear contractual arrangements, ongoing performance monitoring, and structure processes for renewal or termination. The framework is designed to be adaptable across various third-party types and is aligned with applicable regulatory expectations .

Additional oversight is applied to third parties deemed critical to our operations, with enhanced requirements focused on servic continuity, exit planning, and disruption response. Third-party risk is assessed in coordination with broader enterprise ris domains—including operational, cyber, compliance, and reputational risk—to ensure a holistic view of exposures. These practices help ensure accountability, resilience, and responsiveness to evolving regulatory expectations .

Change Risk Management Strategy

We seek to ensure that significant changes are practical and meet company objectives, and are successfully implemented an monitored by management. Our practices are enforced through our framework, policies and standards which are benchmarke against leading practices and regulatory requirements.

Legal and Regulatory Compliance Program Risk Management Strateg y

Compliance oversees our Regulatory Compliance Management program and function. For our centralized programs, support i provided by our designated Segment Chief Compliance Officers and Compliance Functional leads as instructed by the Globa Chief Compliance Officer. Programs supported include Regulatory Governance, 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' employees aware of the laws and regulations that affect it, along with the risks associated with failing to comply. Complianc

monitors emerging legal and regulatory developments and prepares the Company to address any changes related to new o existing requirements or obligations.

Compliance seeks to ensure significant issues are escalated and proactively mitigated. Compliance also independently assesse and monitors the effectiveness of a broad range of regulatory compliance processes and business practices against potentia legal, regulatory, fraud, and reputation risks. These processes and business practices include Privacy, Sales and Marketin practices, Sales conduct (including compensation practices, product design, suitability and fiduciary responsibilities), Asse Management practices, the Ethics Hotline, and Regulatory filings. In addition, the Company has standards, policies, processe and controls in place to help protect the Company, our customers and relevant third parties from acts of fraud, and from risk associated with money laundering and terrorist financing. Audit Services and Compliance personnel independently assess th effectiveness of the system of internal controls supporting Compliance. For further discussion of government regulation and lega proceedings, refer to “Government Regulation” in MFC’s Annual Information Form dated February 11, 2026 and note 18 of the 2025 Annual Consolidated Financial Statements

Global Privacy Risk Management Framework

In addition to the Regulatory Compliance program above, we also have a global framework for managing the Company’s privac risk which is overseen by our Global Chief Privacy Officer and includes policies and standards and ongoing monitoring o emerging privacy legislation. Processes have been established to provide guidance on handling personal information and fo reporting privacy incidents and issues to appropriate management for response and resolution. Additional controls from bot business and technology functions are in place to support compliance with legal and regulatory expectations. Furthermore, network of privacy, compliance and risk officers support implementation across the enterprise, seeking to ensure compliance wit a wide range of global privacy laws and regulations. As privacy legislation continues to evolve, particularly with more stringen requirements around incident reporting and data subject rights, we remain focused on maintaining compliance and minimizin associated risks

Human Resource Risk Management Strateg

We have multiple human resource policies, practices and programs in place that seek to manage the risks associated wit attracting and retaining top talent. These include recruiting programs at every level of the organization, training and developmen programs for our individual contributors and people leaders, initiatives to foster inclusion, employee engagement surveys, an

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 wit 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 t proactively understand and respond to inherent risk. We have teams that are able to distribute communications in response to crisis should we need to

Marketing Risk Management Strateg

We have policies, processes and controls in place across media channels and forums globally which seek to ensure Manulife' brands, trademarks, advertising, other marketing-related materials and all communications are presented accurately.

Model Risk Management Strateg

We have designated Model Risk Management teams working closely with model owners and users that seek to manage mode risk. Our model risk oversight program includes processes intended to ensure that our critical business models are conceptuall sound, implemented and performed as expected, and used as intended

For AI model, our Model Risk Management teams will also work closely with other critical control functions in Manulife, includin but not limited to compliance and legal, data governance and privacy offices, IT and Cybersecurity, and other risk managemen functions, aiming to ensure responsible development and adoption of AI. Generative AI models, such as Large Language Model (LLMs), introduce unique challenges in ensuring they operate with acceptable outcomes, particularly concerning risks like mode drift and hallucinations. To mitigate these risks, we employ techniques such as continuous monitoring, fine-tuning, and retraining along with human-in-the-loop systems for oversight. Despite these measures, AI models may not perform within an acceptabl range of outcomes.

AI Operational Risk

We currently use, and expect to continue using AI in support of our products, services, and critical business functions, eith through technology we develop or technology developed and maintained by third parties

The use of AI can accelerate Operational Risks as AI performs tasks previously performed by humans. AI may be susceptible t manipulation, increasing the potential for fraud, privacy issues, litigation, and other issues. AI itself is prone to errors such a hallucinations which can lead to incorrect outcomes in, and disruption to, our business processes, including where AI is used t support the execution of our critical operations and services. The Company strives to put in place appropriate guardrails t mitigate such risks.

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 attrac external talent while developing our own internal capabilities is core to our high performing team ambitions. Our industr

continues to require specific core capabilities and in meeting those talent needs we compete against other insuranc companies, financial institutions, and wealth management organizations to attract talent. We compete against organization across many industries for digital talent, functional experts, leaders, and sales talent. We also monitor and react to rapi changes in regulations across the globe. These regulations are often complex and may have a significant impact to ou operations. To find the talent we need to deliver on our strategic objectives and maintain our competitive advantage, o core approach is focused on building enhanced talent networks to entice top candidates in the market. The risk of othe organizations both inside and outside of our geographic footprint targeting our employees is heightened as companie maintain flexible remote working arrangements. Additionally, we are in an environment where pay levels have bee increasing more quickly than in recent years due to the competitive talent market, inflation, and other factors. We hel ensure that our value proposition remains competitive and current through offerings such as flexible work arrangements learning investments, wellbeing, recognition & incentive programs, and a culture that strives to be recognized as a to 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 our financia targets and a positive customer experience and brand. We compete with other financial services companies for sale representatives primarily based on the opportunity available, our brand and culture, support services, compensation an product features. Negative changes to any of these factors, or falling below market competitive levels, could impact ou

ability to attract, retain and engage sufficient sales representatives which could pose a risk to our business objectives an ambitions and could have a material adverse effect on our business, results of operations and financial conditio

If we are unable to manage the risk of significant 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 our ris appetite and in order to capture the projected benefits and outcomes of such changes, there could be a material advers effect on our business and financial condition

Key business processes may fail, causing material loss events and impacting our customers and reputatio

- 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 in financial loss for th organization. To mitigate these risks, we have instituted controls that seek to ensure timely and accurate processing for ou most significant business processes. Furthermore, we have established necessary monitoring, escalation and reportin 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 are n 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 another are of our operations. For example, risk management actions, such as the increased use of interest rate swaps, could hav implications for liquidity risk management, as this strategy could result in the need to post additional amounts of collateral Failure to appropriately consider these inter-relationships, or effectively communicate changes in strategies or activitie across our operations, could have a negative impact on the strategic objectives or operations of another grou

Our risk management policies, procedures and strategies may leave us exposed to unidentified or unanticipated 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 i s a risk that our policies, procedures, and strategies may not be comprehensive. Many of our methods for measuring an managing risk exposures are based upon the use of observed historical market behaviour or statistics based on historica models. Future behaviour may differ from past behaviour. Furthermore, data or models we use may 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, interes 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 final determination o any tax audit, appeal of the decision of a taxing authority, tax litigation or similar proceedings will not be materially differen from that reflected in our historical financial statements. The assessment of additional taxes, interest and penalties could b material adverse to our current and future results of operations and financial conditio

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 or regulation adopted in response to political or social pressures and rising populism and/or nationalism, limited protection for, o 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 to th 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 countries wher 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 more challengin operating environment for Manulife. In addition, the military conflicts in the Middle East and in Ukraine may negatively impac regional and global financial markets and economies

- These risks could result in disruptions to our operations, unanticipated costs, increased market volatility and inflation, 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 reduce remittances. Failure to manage these risks could have a significant negative impact on our operations and profitabilit globally.

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 2025 Annual Consolidated Financial Statements

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, including brokers independent agents, broker-dealers, banks, wholesalers, affinity partners, other third-party organizations and our own sale force in Asia. We generate a significant portion of our business through individual third-party arrangements. We periodicall negotiate provisions and renewals of these relationships, and there can be no assurance that such terms will remai acceptable to us or relevant third parties. An interruption in our continuing relationship with certain of these third parties coul significantly affect our ability to market our products and could have a material adverse effect on our business, results o operations and financial condition

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 our model or their output, or the use of deficient or outdated models, could have a material adverse effect on our busines

Fraud risks may arise from incidents caused by many internal and external threats.

- As a major financial institution, Manulife is subject to fraud risk stemming from internal and external threats. It is impossibl to eliminate all fraud risk; however, having an effective company-wide 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 account takeover bank, claims, distribution, underwriting, and others. The Anti-Fraud Office within Compliance is responsible for Second Lin governance and oversight of global fraud risks. Despite these efforts, Manulife may not be successful in preventing or timel detecting fraud, which could result in business disruption or financial losses, either due to the fraud itself, or from measure Manulife adopts to mitigate fraudulent activity. In addition to the risk of loss, Manulife could face legal actions and the loss o customer and market confidence from fraud events

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 to me their contracted obligations may impact our ability to meet our strategic objectives or may directly impact our customers Third-party governance processes are in place that seek to ensure that appropriate due diligence is conducted at time o contracting, and ongoing third-party monitoring activities are in place that seek to ensure that the contracted services ar being fulfilled to satisfaction but we may nevertheless be unable to mitigate all possible failure

Damage to the natural environment may arise related to our business operations, owned property or commercial 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 enter into th 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 on-sit or off-site (adjacent) due to migration of regulated pollutants or contaminants with financial or reputational environmental ris and liability consequences by virtue of strict liability. Environmental risk could also arise from natural disasters (e.g., climat change, weather, fire, earthquake, floods, and pests) or human activities (use of chemicals or pesticides) conducted withi the site or when impacted from adjacent sites
- Additionally, as lender, we may incur environmental liability (including without limitation liability for cleanup, remediation an 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 real estat for environmental conditions or contamination that exist or occur on the property or affecting other propert

- Across our portfolio of investment properties, we seek to ensure appropriate levels of insurance are maintained in line wit industry standards. These policies often include protections against physical and/or operational damage related to variou environmental risks. Should the availability of such insurance policies become more limited or not reasonably commerciall available, there may be an increased risk of loss for environmental related damages on our portfoli

Pandemics, epidemics or infectious disease outbreaks, and the economic, legal, regulatory, tax and other responses t such pandemics, epidemics, or infectious disease outbreaks, could have a material adverse effect on our 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 related t 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 result i additional cash and collateral demands primarily from changes to policyholder termination or renewal rates, withdrawals o customer deposit balances, borrowers renewing or extending their loans when they mature, derivative settlements o 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. Sustained global economi uncertainty could also result in adverse credit rating changes which in turn could result in more costly or limited access t funding sources. While we currently have a variety of sources of liquidity including cash balances, short-term investment government and highly rated corporate bonds, and access to contingent liquidity facilities, there can be no assurance th these sources will provide us with sufficient liquidity on commercially reasonable terms in the futur
- 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, insurance, model, busines continuity, legal, regulatory, reputational, operational, and technology and cyber risks

Technology & Cyber Risk

Technology & cyber risk refers to the potential for loss or disruption arising from failures in technology systems or fro unauthorized access, misuse, or attacks on information assets. These risks encompass system outages, data breaches, an operational disruptions caused by factors such as hardware or software failures, human error, cyber-attacks, or vulnerabilities i third-party services. As we rely on secure and resilient technology to support our insurance and investment operations, prote customer and policyholder information, and deliver consistent service, any significant disruption or compromise could affect ou ability to operate effectively, safeguard sensitive information, and maintain customer trust. The evolving nature of cyber threats including the use of advanced techniques and emerging technologies, adds complexity to managing these risks and require ongoing investment in security controls, monitoring, and resilience measures

Technology and Cyber Risk Management Strategy

Our global framework for managing technology and cyber risks is supported by enterprise-wide programs that establis governance, policies, standards, and controls to protect our information assets and systems. These programs are guided b dedicated leadership, including the Chief Information Security Officer, Chief Technology Officer, Chief Information Risk Officer and Chief Privacy Officer, who provide strategic direction and oversight.

Risk is managed collaboratively across business, technology, and oversight teams. This includes identifying, monitoring, and reporting critical exposures; maintaining risk profiles and dashboards; advising on emerging threats and regulator developments; and embedding sound practices into sourcing, outsourcing, and vendor management.

Technology risk management focuses on ensuring the availability, performance, recovery, capacity, and integrity of new and existing systems that support our core business operations. This includes proactive monitoring, incident response planning, and infrastructure safeguards to minimize disruption and maintain operational resilience.

Cybersecurity activities focus on managing confidentiality, integrity, and availability risks through access control, system security vulnerability management, and operational safeguards. These efforts are supported by ongoing security awareness training for all employees. As emerging technologies such as artificial intelligence and automation advance, we continue to strengthen our resilience and adapt our risk management practices to proactively address new and emerging threats.

The Board’s Risk Committee regularly reviews the effectiveness of these programs and engages in discussions to ensure the Company is well-positioned to identify and respond to technology and cybersecurity risks.

Technology and Cyber Risk Factors

A cybersecurity breach involving our systems or those of a third party could result in unauthorized access to sensitiv information, disruption of operations, financial loss, regulatory exposure, and reputational harm.

- We and our vendors, like other commercial entities, have been, and will likely continue to be, subject to a variety of forms cyberattacks with the objective of gaining unauthorized access to our systems and data, or disrupting our operations
- The Company may not always be able to anticipate or implement effective measures to prevent all disruptions from privac and security breaches. Threat actors continue to evolve in both sophistication and scale, employing techniques such a

malware, phishing, denial-of-service, and social engineering. These attacks may originate from criminal organizations, activist groups, or state-sponsored entities, and the increasing use of AI technologies will add velocity and complexity to th threat landscape. Such incidents can target our systems directly or exploit vulnerabilities in third-party services to gai access or cause disruption

- We manage these risks through layered security controls, threat intelligence, proactive monitoring, incident respons planning, and infrastructure safeguards. Our enterprise-wide Information Risk Management Program provides governance and oversight, supported by dedicated leadership. While we believe our defenses are strong, there can be no assuranc that these countermeasures will be successful in every instance. We also maintain cyber risk insuran e; however, coverage may not extend to all costs associated with the financial, operational, and reputational consequences of personal confidential, or proprietary information being compromised

Technology system failures, outages, or disruptions to facilities may impact business operations and continuity.

- Technology is embedded in nearly every aspect of our business and is central to our strategy for serving customers Disruptions caused by system failures, human error, or external events such as natural disasters, pandemics, or infrastructure outages (including electric grids, undersea cables, and satellite communications), may impair our ability t operate effectively and maintain business continuity. Although our facilities and operations are distributed globally, suc events can restrict access to key locations and disrupt the ability of employees, partners, and vendors to support critic functions.
- We support operational resilience through redundancy in critical systems, proactive monitoring, incident response planning infrastructure safeguards, and regular testing of recovery capabilities. These measures enable us to operate through, an recover from, unpredictable events. An interruption to our operations may subject us to regulatory sanctions and lega claims, lead to a loss of customers, assets and revenues, or otherwise adversely affect us from a financial, operational an reputational perspective.

Changes in cybersecurity or privacy regulations may increase our compliance costs, limit our liability to gain insight from data and lead to increased scrutiny

- We collect, process, store, share, disclose and use personal information from and about our customers, employees and pla participants as well as our website, mobile and application users. Any actual or perceived failure by us or our servic providers to comply with our privacy policies, privacy-related obligations to customers, employees or third parties, dat disclosure consent obligations and data protection obligations may result in governmental enforcement actions, litigation o public statements critical of us. Such actual or perceived failures could also cause our customers, suppliers and employee to lose trust in us, which may have an adverse effect on our business
- Restrictions on data collection and use may limit opportunities to gain business insights useful to running our business an offering innovative products and services. We are subject to numerous regulations regarding the privacy and security o personal information. These laws vary widely by jurisdiction. Ongoing global developments in AI regulation will continue t increase and require attention and investments. These regulations, which are designed to protect privacy and preven misuse of personal information, are complex and change frequently. The public, consumer and privacy advocates legislatures and regulators are increasingly concerned about the collection, use, sharing and cross-border transfer o personal data, especially personal information that may be deemed sensitive, such as financial information, behavioral data biometric data and health data. Additional legislative or regulatory action could further regulate our collection, use, sharin and other processing of personal data. Changes in existing cybersecurity and privacy regulations or the enactment of ne regulations may increase our compliance costs and failure to comply with these regulations may lead to reputationa damage, fines or civil damages and increased regulatory scrutiny and oversigh

Our use of artificial intelligence is subject to the same risks inherent in other technology system

- We intend to avail ourselves of the benefits, insights and efficiencies that are available through the use of AI. To this end, w may pay and bear expenses and fees associated with developing, using and maintaining such technolog
- Our use of AI may yield inaccurate, incomplete, or ineffective results, which could lead to operational and reputational har to the extent that we rely on such results. We test for hallucinations and monitor outcomes but given the highly flexibl nature of AI it is impossible to prevent all unexpected outcomes. In the event of unexpected outcomes with AI we hav processes to respond to those failures and incidents
- AI is a new and rapidly evolving technology so we may implement it incorrectly or embed it into business processes that ar not well suited for digitization resulting in processing errors or other failures. Our investments in AI may not produce th value expected and we may experience delays in implementing AI technology due to insufficient talent, non-performan

technology or other factors; our vendors may not be able to provide us with the solutions required to achieve our objectives. We have established a governance framework, AI councils and related processes to govern our use of AI, an manage risks related thereto.

Evolving Risks

The identification and assessment of our external environment for evolving risks is an important aspect of our ERM Framework as these risks could have the potential to have a material adverse impact on our operations and/or business strategies

Our evolving risk framewor facilitates the ongoing identification, assessment and monitoring of evolving risks, and includes maintaining a process for the ongoing discussion and evaluation of such risks with management; reviewing and validatin evolving risks with the ERC; developing and executing on responses to each evolving risk based on materiality and prioritization and monitoring and reporting on evolving risks on a regular basis to the Board's Risk Committe

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, includin interest rates policy from central banks; geopolitical conditions and developments in or affecting the countries in which w operate; technological changes; public infrastructure disruptions; changes in consumer spending and saving habits; the possibl impact on local, national or global economies from public health or natural disaster emergencies; and international conflicts an

other developments including those relating to terrorist activities. Although we take steps to anticipate and minimize 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 adequate level 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 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.

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 monitor 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 Condition Testing ("FCT") typically quantifies the financial impact of economic events arising from shocks in public equity and other market, interest rates and credit, amongst others. Our 2025 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 capital. The EC framework is a key component of the Own Risk and Solvency Assessment process, which is an internal assessment 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 and rebalances its capital mix through capital issuances and redemptions.

Financing Activities

Securities Transactions

During 2025, we raised a total of $1.9 billion of debt securities in Canada and the U.S., and $1.0 billion of subordinated debt was redeemed at par.

($ millions)	Par value	Issued [1]	Redeemed/ Matured [1]
3.983% MFC Subordinated debenture, issued on May 23, 2025	$ 500	$ 497	$ -
4.986% MFC Senior notes, issued on Dec 11, 2025	US$ 1,000	1,362	
2.237% MFC Subordinated debenture, redeemed on May 12, 2025	$ 1,000	-	1,000
Total		$ 1,859	$ 1,000

(1) Represents carrying value, net of issuance costs.

Normal Course Issuer Bid

On February 19, 2025, we received approval from the Toronto Stock Exchange ("TSX") to launch 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 as at February 12, 2025. Purchases under the 2025 NCIB commenced on February 24, 2025, and may continue until February 23, 2026, when the 2025 NCIB expires, or such earlier date as we complete our purchases.

The 2024 NCIB was announced on February 20, 2024 and subsequently amended on May 7, 2024. We received approval from the TSX to purchase for cancellation up to 90 million of common shares, representing approximately 5.0% of common shares outstanding as at February 12, 2024. The 2024 NCIB expired on February 22, 2025.

During the year ended December 31, 2025, we purchased for cancellation 54.4 million common shares for a total cost of $2.4 billion pre-tax, including 48.7 million common shares for a total cost of $2.1 billion pre-tax under the 2025 NCIB, and 5.7 million common shares for a total cost of $0.2 billion pre-tax under the 2024 NCIB.

On February 11, 2026, we announced that we are launching a normal course issuer bid (the "2026 NCIB") permitting the purchase for cancellation of up to 42 million common shares, representing approximately 2.5% of common shares outstanding as at January 31, 2026. We have received approval from OSFI for the 2026 NCIB on January 19, 2026. Purchases under the 2026 NCIB are expected to commence in late February, subject to approval from the TSX.

Consolidated Capital

As at December 31, ($ millions)	2025	2024
Non-controlling interests	$ 1,531	$ 1,421
Participating policyholders' equity	836	567
Preferred shares and other equity	6,660	6,660
Common shareholders' equity [1]	43,461	44,312
Total equity	52,488	52,960
Exclude the accumulated other comprehensive gain/(loss) on cash flow hedges	87	119
Total equity excluding accumulated other comprehensive gain/(loss) on cash flow hedges	52,401	52,841
Post-tax CSM	22,165	19,497
Qualifying capital instruments	6,990	7,532
Consolidated capital [2]	$ 81,556	$ 79,870

(1) Common shareholders' equity is equal to total shareholders' equity less preferred shares and other equity.

(2) Consolidated capital does not include $7.7 billion (2024 – $6.6 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 $81.6 billion as at December 31, 2025, an increase of $1.7 billion compared with $79.9 billion as at December 31, 2024. The increase was primarily driven by a higher post-tax CSM, partially offset by the net redemption of capital instruments and a decrease in total equity. The decrease in total equity was driven by dividends and common share buybacks, partially offset by total comprehensive income, which was unfavourably impacted by a stronger Canadian dollar relative to the U.S. dollar.

Remittance of Capital

As part of its capital management, Manulife promotes internal capital mobility so that MFC has access to funds to meet its obligations and to optimize capital deployment. Remittances is defined as the cash remitted or made available for distribution to MFC from its subsidiaries, prior to payment of financing costs, dividends, and other capital deployments. It is a key metric used by management to evaluate our financial flexibility. In 2025, MFC subsidiaries delivered $6.4 billion in remittances of which Asia and U.S. operations delivered $2.1 billion and $1.7 billion, respectively. Remittances were $0.6 billion lower than 2024 due to the favourable impact of market movements in 2024.

Financial Leverage Ratio

MFC's financial leverage ratio as at December 31, 2025 was 23.9%, a decrease of 0.1 percentage points from 24.0% as at December 31, 2024. The decrease in the ratio was driven by a higher post-tax CSM and the impact of a stronger Canadian dollar

on foreign currency denominated debt, partially offset by the net issuance of securities[3] and a decrease in total equity.

Common Shareholder Dividends

The declaration and payment of shareholder dividends and the amount thereof are at the discretion of the Board and dependent upon various factors, including the results of operations, financial conditions, future prospects of the Company, dividend payout ratio, and taking into account regulatory restrictions on the payment of shareholder dividends.

Common Shareholder Dividends Paid

For the years ended December 31,		
$ per share	2025	2024
Dividends paid	**$ 1.76**	$ 1.60

[1] See "Caution regarding forward looking statements" above.
[2] The net redemption of capital instruments consists of the redemption $1.0 billion of subordinated debt, partially offset by the issuance of $0.5 billion of subordinated debt in 2Q25.
[3] The net issuance of securities consists of the issuance of US$1.0 billion senior debt in 4Q25 and the issuance of $0.5 billion subordinated debt in 2Q25, partially offset by the redemption of $1.0 billion subordinated debt in 2Q25.

The Company offers a Dividend Reinvestment Program ("DRIP") whereby shareholders may elect to automatically reinvest dividends in the form of MFC common shares instead of receiving cash. The offering of the program and its terms of execution are subject to the Board's discretion.

During 2025, the required common shares in connection with the DRIP were purchased on the open market with no applicable discount.

Regulatory Capital Position

MFC and MLI are regulated by OSFI and are subject to consolidated risk based capital requirements. Manulife monitors and manages its consolidated capital in compliance with the OSFI LICAT guideline. Under this regime, our available capital and other eligible capital resources are measured against a required amount of risk capital determined in accordance with the guideline. For regulatory reporting purposes under the LICAT framework, consolidated capital is adjusted for various additions 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 was 136% as at December 31, 2025, compared with 137% as at December 31, 2024. The decrease in the ratio was driven by dividends and common share buybacks, the acquisition of Comvest, the impact of the new segregated fund capital requirements effective January 1, 2025, as well as the net redemption of subordinated debt, partially offset by the positive impact of earnings and the CSM, the RGA U.S Reinsurance Transaction and the net impact of updates to actuarial methods and assumptions.

MFC's LICAT ratio was 125% as at December 31, 2025, compared with 124% as at December 31, 2024, with the change driven by similar factors that impacted the movement in MLI's LICAT ratio. The difference between the MLI and MFC ratios is largely due to $6.3 billion (2024 – $6.6 billion) of MFC senior debt outstanding that does not qualify as available capital at the MFC level but based on the form it was down-streamed to MLI, it qualifies as regulatory capital at the MLI level.

The LICAT ratios as at December 31, 2025, resulted in excess capital of $24.1 billion over OSFI's supervisory target ratio of 100% for MLI, and $23.7 billion over OSFI's regulatory minimum target ratio of 90% for MFC (no supervisory target is applicable to MFC). In addition, all MLI's subsidiaries maintain capital levels in excess of local requirements.

Credit Ratings

Manulife's operating companies have strong financial strength ratings from credit rating agencies. These ratings are important factors in establishing the competitive position of insurance companies and maintaining public confidence in products being offered. Maintaining strong ratings on debt and capital instruments issued by MFC and its subsidiaries allows us to access capital markets at competitive pricing levels. Should these credit ratings decrease materially, our cost of financing may increase and our access to funding and capital through capital markets could be reduced.

During 2025, S&P, Morningstar DBRS, Fitch, and AM Best Company ("AM Best") maintained their assigned ratings of MFC and its primary insurance operating companies. On September 19, 2025, Moody's upgraded the financial strength ratings for Manulife's primary insurance operating companies[1] to Aa3 from A1. As indicated in Moody's press release, the upgrade reflects improved profitability, strong capital, and reduced exposure to lower ROE and legacy businesses.

The following table summarizes the financial strength ratings of MLI and certain of its subsidiaries as at January 31, 2026.

Financial Strength Ratings

Subsidiary	Jurisdiction	S&P	Moody's	Morningstar DBRS	Fitch	AM Best
The Manufacturers Life Insurance Company	**Canada**	**AA-**	**Aa3**	**AA**	**AA**	**A+ (Superior)**
John Hancock Life Insurance Company (U.S.A.)	**United States**	**AA-**	**Aa3**	**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 at January 31, 2026, S&P, Moody's, Morningstar DBRS, Fitch, and AM Best had a stable outlook on these ratings. The S&P rating and outlook for Manulife Life Insurance Company are constrained by the sovereign rating on Japan (A+/Stable

).

[1] Includes MLI, John Hancock Life Insurance Company (U.S.A.), John Hancock Life & Health Insurance Company, and John Hancock Life Insurance Company of New York.

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 and liabilities and the disclosure of contingent assets and liabilities as at the date of the Consolidated Financial Statements, and the reporte amounts of insurance service, investment result, and other revenues and expenses during the reporting periods. Actual result may differ from these estimates. The most significant estimation processes relate to evaluating assumptions used in measurin insurance and investment contract liabilities and reinsurance contract held liabilities, assessing assets for impairment, determining of pension and other post-employment benefit obligation and expense assumptions, determining income taxes an uncertain tax positions, and estimating fair values of certain invested assets. Estimates and underlying assumptions ar reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revise and in any future years affected. Although some variability is inherent in these estimates, management believes that the amount recorded are appropriate. The material accounting policies used and the most significant judgments made by management i applying these accounting policies in the preparation of the 2025 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 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 o IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This informatio provides a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financi 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 in th 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-force policies including costs of servicing the policies, reduced by any future amounts paid by policyholders to the Company for their policies The determination of estimates of future cash flows involves the use of estimates and assumptions. To determine the bes estimate amount, assumptions must be made for several key factors, including future mortality and morbidity rates, rates o policy termination and premium persistency, operating expenses, and certain taxes (other than income taxes). Further information on best estimate assumptions is provided in the "Best Estimate Assumptions" section below

To reflect the time value of money and financial risk, estimates of future cash flows are generally discounted using risk-free yiel curves adjusted by an illiquidity premium to reflect the liquidity characteristics of the liabilities. The Company primarily uses deterministic projection using best estimate assumptions to determine the present value of future cash flows. However, wher there are financial guarantees such as universal life minimum crediting rates guarantees, participating life zero dividend floo Implicit guarantees and variable annuities guarantees, a stochastic approach to capture the asymmetry of the risk is used. Fo the stochastic approach the cash flows are both projected and discounted at scenario specific rates calibrated on average to b the risk-free yield curves adjusted for illiquidity. The Company disaggregates insurance finance income or expenses on insuranc contracts issued for most of its group of insurance contracts between profit or loss and other comprehensive income ("OCI"). Th impact of changes in market interest rates on the value of the life insurance and related reinsurance assets and liabilities i reflected in OCI to minimize accounting mismatches between the accounting for insurance assets and liabilities and supportin 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 estimate assumptions where future cash flows are uncertain. The resulting cash flows are discounted at rates consistent with the best estimate cas flows to arrive at the total risk adjustment. The ranges of these margins are set by the Company and reviewed periodically. Th risk adjustment for non-financial risk for insurance contracts corresponds to a 90% – 95% confidence level for all segments. Th 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 $540.3 billion as at December 31, 2025 (December 31, 2024 – $522.8 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 below.

Mortality

Mortality relates to the occurrence of death. Mortality assumptions are based on our internal as well as industry past and emerging experience and are differentiated by sex, underwriting class, policy type and geographic market. We make assumptions about future mortality improvements using historical experience derived from population data. Reinsurance is used to offset some of our direct mortality exposure on in-force life insurance policies with the impact of the reinsurance separately accounted for in our reinsurance contract assets or liabilities. Actual mortality experience is monitored against these assumptions separately for each business. The results are favourable where mortality rates are lower than assumed for life insurance and where mortality rates are higher than assumed for payout annuities and long-term care. Overall 2025 experience was unfavourable (2024 – 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 our internal as well as industry past and emerging experience and are established for each type of morbidity risk and geographic market. For our John Hancock Long Term Care business we make assumptions about future morbidity changes. Actual morbidity experience is monitored against these assumptions separately for each business. Our morbidity risk exposure relates to future expected claims costs for long-term care insurance, as well as for group benefits and certain individual health insurance products we offer. Overall 2025 experience was favourable (2024 – 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 of 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 expected 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 2025 experience was unfavourable (2024 – 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 are projected into the future with an allowance for inflation. For some developing businesses, there is an expectation that unit costs will decline as these businesses mature. Actual expenses are monitored against assumptions separately for each business. Overall maintenance expenses for 2025 were unfavourable (2024 – unfavourable) when compared with our assumptions. Taxes reflect assumptions for future premium taxes and other non-income related taxes.

Experience Adjusted Products

Where policies have features that allow the impact of changes in experience to be passed on to policyholders through policy dividends, experience rating refunds, credited rates or other adjustable features, the projected policyholder benefits are adjusted to reflect the projected experience. Minimum contractual guarantees and other market considerations are 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 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 on 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]

($ millions, post-tax except CSM) **As at December 31, 2025**	Gross CSM net of NCI	Net	Net income attributed to shareholders: Gross	Net	Other comprehensive income attributed to shareholders: Gross	Net	Total comprehensive income attributed to shareholders: 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)**	**$ (200)**	**$ 100**	**$ -**	**$ (600)**	**$ (200)**
Portfolios where a decrease in rates increases insurance contract liabilities	**(300)**	**(400)**	**200**	**(100)**	**100**	**100**	**300**	**-**
5% adverse change in future morbidity rates[4],[5],[6] (incidence and termination)	**(2,200)**	**(1,800)**	**(3,000)**	**(2,500)**	**600**	**500**	**(2,400)**	**(2,000)**
10% change in future policy termination rates[3],[5]								
Portfolios where an increase in rates increases insurance contract liabilities	**(900)**	**(800)**	**(100)**	**(100)**	**(200)**	**(200)**	**(300)**	**(300)**
Portfolios where a decrease in rates increases insurance contract liabilities	**(800)**	**(600)**	**(700)**	**(400)**	**500**	**300**	**(200)**	**(100)**
5% increase in future expense levels	**(600)**	**(600)**	**(100)**	**(100)**	**100**	**100**	**-**	**-**

As at December 31, 2024 ($ millions, post-tax except CSM)	CSM net of NCI: Gross	Net	Net income attributed to shareholders: Gross	Net	Other comprehensive income attributed to shareholders: Gross	Net	Total comprehensive income attributed to shareholders: 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	-	-

(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]

($ 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]	**(1,500)**	**(1,300)**	**(400)**	**(300)**	**200**	**200**	**(200)**	**(100)**
5% adverse change in future morbidity claims termination rates[2],[3]	**(1,500)**	**(1,300)**	**(1,200)**	**(1,000)**	**400**	**400**	**(800)**	**(600)**
10% adverse change in future policy termination rates[2],[3]	**(400)**	**(300)**	**-**	**-**	**-**	**-**	**-**	**-**
5% increase in future expense levels[3]	**(100)**	**(100)**	**-**	**-**	**-**	**-**	**-**	**-**

			Net income attributed to		Other comprehensive income attributed to		Total comprehensive income attributed to	

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	
Policy related assumptions	Gross CSM net of NCI	Net	Gross	Net	Gross	Net	Gross	Net
2% adverse change in future mortality rates[3],[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)	-	-	-	-	-	-

(1) The potential impacts on CSM were translated from US$ at 1.3707 (2024 – 1.4382) 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 1.3939 (2024 – 1.3987).

(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, 2025 ($ 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, 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)	-	-	-

(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 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 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.

2025 Review of Actuarial Methods and Assumptions

The completion of the 2025 annual review of actuarial methods and assumptions resulted in a decrease in pre-tax fulfilment cash flows[1] of $605 million, excluding the portion related to non-controlling interests. These updates resulted in a decrease in pre-tax net income attributed to shareholders of $244 million ($216 million post-tax), a decrease in pre-tax net income attributed to participating policyholders of $88 million ($67 million post-tax), an increase in CSM of $1,080 million, a decrease in pre-tax other comprehensive income attributed to shareholders of $52 million ($73 million post-tax), and a decrease in pre-tax other comprehensive income attributed to participating policyholders of $91 million ($70 million post-tax).

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

For the year ended December 31, 2025 ($ millions)	**Total**
Hong Kong health insurance product reserving approach	**$ (463)**
Methodology and other updates	**(207)**
Lapse and policyholder behaviour updates	**181**
Long-term care triennial review	**(77)**
Mortality and morbidity updates	**(39)**
Impact of updates to actuarial methods and assumptions, on pre-tax fulfilment cash flows	**$ (605)**

(1) Excludes the portion related to non-controlling interests of $116 million. The impact of updates to actuarial methods and assumptions on pre-tax fulfilment cash flows, including the portion related to non-controlling interests, would be $(489) million.

Impact of updates to actuarial methods and assumptions on pre-tax net income attributed to shareholders, pre-tax net income attributed to participating policyholders, OCI and CSM[1]

($ millions) For the year ended December 31, 2025	Total
Portion recognized in pre-tax net income (loss) attributed to	
Participating policyholders	$ (88)
Shareholders	(244)
	(332)
Portion increasing (decreasing) CSM	1,080
Portion recognized in pre-tax OCI attributed to:	
Participating policyholders	(91)
Shareholders	(52)
	(143)
Impact of updates to actuarial methods and assumptions, pre-tax	$ 605

(1) Excludes the portion related to non-controlling interests of $(116) million. The impact of updates to actuarial methods and assumptions on pre-tax fulfilment cash flows, including the portion related to non-controlling interests, would be $489 million.

Hong Kong health insurance product reserving approach

An update to the pricing philosophy on certain health insurance products in Hong Kong led to a change in the IFRS 17 measurement model from the Premium Allocation Approach to the General Measurement Model, which requires all future cash flows to be included in the fulfilment cash flows, amounting to a decrease in pre-tax fulfilment cash flows of $463 million.

Methodology and other updates

Methodology and other updates resulted in a decrease in pre-tax fulfilment cash flows of $207 million.

The decrease was mainly driven by annual yield and parameter updates to our valuation models for participating products in Asia and Canada. This was partially offset by various other valuation models updates in the U.S. to non-participating products that netted to a residual increase in fulfilment cash flows.

[1] Fulfilment cash inflows 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 2025 Annual Consolidated Financial Statements.

Lapse and policyholder behaviour updates

Updates to lapses and policyholder behaviour assumptions resulted in an increase in pre-tax fulfilment cash flows of $181 million.

The increase was mainly driven by the review of lapse assumptions in Singapore as well as other smaller updates. The Singapore update reflected higher lapse experience on our index-linked and universal life products. This was partially offset by the impact of the lapse review on term insurance products in Canada.

Long-term care triennial review

U.S. Insurance completed a comprehensive long-term care ("LTC") experience study. The review included all aspects of claim assumptions, as well as the progress on future premium increases and approved premium increases in excess of prior assumptions. The impact of the LTC review was a decrease in pre-tax fulfilment cash flows of $77 million.

The overall experience study led to $1.9 billion (US$1.4 billion) increase in pre-tax fulfilment cash flows for claim cost following a review of morbidity, mortality and lapse assumptions. This was mainly driven by higher utilization of benefits due to the impact of higher inflation in the cost-of-care, and also reflects the benefit of in-force management initiatives related to fraud waste and abuse programs. The impact from utilization was partially offset by updates to reflect higher terminations. The impact of updating incidence, active life mortality[1], lapse and other refinements were all relatively small.

The review of assumed future premium increases resulted in $1.5 billion (US$1.1 billion) decrease in pre-tax fulfilment cash flows. This reflects expected future net premium increases that are due to the outstanding amounts from prior state filings as well as to our 2025 review of morbidity, mortality, and lapse assumptions. Since the last triennial review in 2022 we have received actual premium increase approvals of $3.2 billion pre-tax (US$2.3 billion pre-tax) on a present value basis. This exceeds the amount of premium increase we assumed in our pre-tax fulfilment cash flows by $0.5 billion (US$0.3 billion) at that time, and demonstrates our continued strong track record of securing premium rate increases.[2]

Mortality and morbidity updates

Mortality and morbidity updates resulted in a decrease in pre-tax fulfilment cash flows of $39 million.

The decrease was mainly driven by a morbidity study of group long-term disability benefits in Canada related to claim termination, partially offset by other items that netted to a modest residual increase in fulfilment cash flows.

Impact of updates to actuarial methods and assumptions on pre-tax fulfilment cash flows, net income attributed to shareholders, CSM and OCI by segment[3]

The impact of updates to actuarial methods and assumptions in Canada resulted in a decrease in pre-tax fulfilment cash flows of $382 million. The decrease was primarily driven by the impact of annual updates to our valuation models for participating products, the lapse review on term insurance products as well as the review of morbidity assumptions for group long-term disability benefits. These updates resulted in an increase in pre-tax net income attributed to shareholders of $80 million ($58 million post-tax), an increase in CSM of $348 million, and an increase in pre-tax other comprehensive income attributed to shareholders of $98 million ($71 million post-tax).

The impact of updates to actuarial methods and assumptions in the U.S. resulted in an increase in pre-tax fulfilment cash flows of $179 million. The increase was primarily driven by a number of valuation model updates, partially offset by the impact of the LTC triennial review. These updates resulted in a decrease in pre-tax net income attributed to shareholders of $298 million

($235 million post-tax), an increase in CSM of $43 million, and an increase in pre-tax other comprehensive income attributed to shareholders of $75 million ($60 million post-tax).

The impact of updates to actuarial methods and assumptions in Asia resulted in a decrease in pre-tax fulfilment cash flows of $418 million. The decrease was primarily driven by the impact of the change in the IFRS 17 measurement model on certain health insurance products in Hong Kong and the impact of annual updates to our valuation models for participating products partly offset by a review of lapse assumptions for certain products in Singapore. These updates resulted in a decrease in pre-tax net income attributed to shareholders of $26 million ($39 million post-tax), an increase in CSM of $704 million, and a decrease in pre-tax other comprehensive income attributed to shareholders of $224 million ($203 million post-tax).

The impact of updates to actuarial methods and assumptions in Corporate and Other (which includes 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 $16 million. These updates resulted in no impact to pre-tax or post-tax net income attributed to shareholders, a decrease in CSM of $15 million and a decrease in pre-tax other comprehensive income attributed to shareholders of $1 million ($1 million post-tax).

[1] The mortality rate of LTC policyholders who are currently not on claim.
[2] Our actual experience obtaining premium increases could be materially different than what we have assumed, resulting in further increases or decreases in pre-tax fulfilment cash flows, which could be material. See “Caution regarding forward-looking statements” above.
[3] Our review of actuarial methods and assumptions also impacts net income attributed to participating policyholders. The total company impact can be found in the above table.

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 updates 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 updates to 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 updates to actuarial methods and assumptions on pre-tax fulfilment cash flows	$ (174)

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

Impact of updates to 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 increasing (decreasing) CSM	(421)
Portion recognized in OCI attributed to:	
Participating policyholders	45
Shareholders	771
	816
Impact of updates to actuarial methods and assumptions, pre-tax	$ 174

(1) Excludes the portion related to non-controlling interests of $215 million. The impact of updates to 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 of $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 insurance business and our 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. 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

w

The review of our reinsurance contracts and risk adjustment, excluding changes that were a direct result of other assumptio

n

s

updates, resulted in an increase in pre-tax fulfilment cash flows o $427 million.

f

[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 2025 Annual Consolidated Financial Statements.

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

o

methodology in North America related to non-financial risk.

Our overall risk adjustment continues to be within the 90 – 95% confidence level

.

Expense update

s

Expense updates resulted in a decrease in pre-tax fulfilment cash flows o $406 million.

f

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 to no

n-

directly attributable.

Financial related updates

Financial related updates resulted in a decrease in pre-tax fulfilment cash flows o $386 million.

f

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 parameters use

d

to determine illiquidity premiums. This was partially offset by refinements to crediting rate projections on certain U.S. universal lif

e

products.

Mortality and morbidity updates

Mortality and morbidity updates resulted in a decrease in pre-tax fulfilment cash flows o $273 million.

f

The decrease was driven by morbidity updates to health insurance products in Hong Kong to reflect lower hospital claims o

n

certain business that we accoun for under the general measurement model, partially offset by updates to mortality and morbidit

t

y

assumptions on critical illness products in Hong Kong to reflect emerging experienc

e.

Methodology and other updates

Methodology and other updates resulted in a decrease in pre-tax fulfilment cash flows o $156 million.

f

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 an increase i

n

fulfilment cash flows

.

Impact of updates to actuarial methods and assumptions on pre-tax fulfilment cash flows, net income attributed to shareholders, CSM and OCI by segmen [1]

t

The impact of updates to 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 updates resulted in an increase in pr

e-

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 updates to actuarial methods and assumptions in the U.S. resulted in an increase in pre-tax fulfilment cash flow

s

of $895 million. The increase was primarily driven by the net impact of updates t our reinsurance contract fulfilment cash flows

o

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 th

e

discount rates used in the valuation of non-participating business. These updates resulted in a decrease in pre-tax net incom

e

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 updates to 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 Hon Kong to reflect emerging experience, updates from our detailed review of global expenses, including investment expenses, as

g

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 updates resulted in a decrease in pre-tax net incom

e

attributed to shareholders of $4 million ($5 million post-tax), an increase in CSM of $591 million, and an increase in pre-tax othe

r

comprehensive income attributed to shareholders of $213 million ($190 million post-tax).

The impact of updates to actuarial methods and assumptions in Corporate and Other (which include our property and casualty

s

reinsurance businesses, run-off insurance operations including variable annuities and health, and consolidation adjustment

s

including intercompany eliminations) resulted in an increase in pre-tax fulfilment cash flows o $15 million. These updates

f

[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.

resulted in an increase in pre-tax net income attributed t 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 t shareholders of $16 million ($14 million post-tax).

Critical Accounting Policies

Consolidation

The Company is required to consolidate the financial position and results of the 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 Assets

A large portion of the Company's invested assets are recorded at fair value. Refer to note 1 of the 2025 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 affects 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 impairment 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. Key matters considered include macroeconomic factors, industry specific developments, and specific issues with respect to single issuers and borrowers.

Changes in circumstances may cause future assessments of invested asset ECL impairment allowances to be materially different from current assessments, which could require additional provisions for impairment. Additional information on the

process and methodology for determining the allowance for expected credit losses is included in the discussion of credit risk in notes 1 & 8 to the 2025 Annual Consolidated Financial Statements.

Derivative Financial Instruments

The Company uses derivative financial instruments ("derivatives") including swaps, forwards and futures agreements, and

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 2025 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 in practice Judgment is applied in determining the availability and application of hedge accounting designations and the appropriat accounting treatment under such accounting guidance. Differences in judgment as to the availability and application of hedg accounting designations and the appropriate accounting treatment may result in a differing impact on the Consolidated Financia Statements of the Company from previous periods. Assessments of hedge effectiveness and measurements of ineffectiveness o hedging relationships are also subject to interpretations and estimations .

Hedge Accounting

The Company applies hedge accounting principles under IFRS 9 to certain economic hedge transactions that qualify for hedg accounting. The Company evaluates the economic relationship between the hedged item and the hedging instrument, assesse the effect of credit risk on the economic relationship, and determines the hedge ratio between the hedged item and hedgin 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, forward currenc contracts, and cross currency swaps to mitigate the foreign exchange translation risk of net investments in foreign operations .

The Company applies the cost of hedging option for certain hedge accounting relationships, as such changes in forward point and foreign currency basis spreads are excluded from the hedge accounting relationships and are accounted for as a separat component in equity .

Employee Future Benefit

The Company maintains defined contribution and defined benefit pension plans, and other post-employment plans for employee and agents, including registered (tax qualified) pension plans that are typically funded, as well as supplemental non-registere (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 that are discussed herei and in note 15 to the 2025 Annual Consolidated Financial Statements .

Due to the long-term nature of defined benefit pension and retiree welfare plans, the calculation of the defined benefit obligatio and net benefit cost depends on various assumptions such as discount rates, salary increase rates, cash balance interes crediting rates, health care cost trend rates and rates of mortality. These assumptions are determined by management and ar reviewed annually. The key assumptions, as well as the sensitivity of the defined benefit obligation to changes in thes assumptions, are presented in note 15 to the 2025 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 2025, the amount recorded in OCI was a gain o $49 million (2024 – gain of $67 million) for the defined benefit pension plans and a gain of $32 million (2024 – gain of $16 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. an Canadian regulations. During 2025, the Company contributed $2 million 2024 – $2 million) to these plans. As at December 31, 2025, the difference between the fair value of assets and the defined benefit obligation for these plans was a surplus o $488 million (2024 – surplus of $483 million). For 2026, 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 they becom due. During 2025, the Company paid benefits of $53 million 2024 – $55 million) under these plans. As at December 31, 2025, the defined benefit obligation for these plans, which is reflected as a liability in the balance sheet, amounted t $493 million (2024 – $533 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, 2025, the difference between the fair value of plan assets and the defined benefit obligation for these plans was a surplus of $166 million (2024 – surplus of $125 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 tax rate 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 that future realization of the ta benefit is probable. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no long probable that the tax benefit will be realized. At December 31, 2025, we had $5,741 million of deferred tax assets December 31, 2024 – $5,884 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 is successfully challenged by taxing authorities, or if estimates used in determining the amount of deferred tax assets to recognize change significantly, or when receipt of new information indicates the need for adjustment in the recognition of deferred tax assets. 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 tax, deferred tax balances, actuarial liabilities (see Critical Actuarial and Accounting Policies – Directly Attributable Expenses and Taxes above) and the effective tax rate. Any such changes could significantly affect the amounts reported in the Consolidated Financial Statements in the year these changes occur.

Goodwill and Intangible Assets

At December 31, 2025, under IFRS we had $6,877 million of goodwill (December 31, 2024 – $6,275 million) and $5,447 million of intangible assets ($2,243 million of which are intangible assets with indefinite lives) (December 31, 2024 – $4,777 million and $2,124 million, respectively). Goodwill and intangible assets with indefinite lives are tested for impairment at the cash generating unit level ("CGU") or group of CGUs level. A CGU comprises the smallest group of assets that are capable of generating largely independent cash flows and is either a business segment or a level below. The tests performed in 2025 demonstrated that there was $nil impairment of goodwill or intangible assets with indefinite lives (2024 – $nil). Changes in discount rates and cash flow projections used in the determination of recoverable values or reductions in market-based earnings multiples may result in impairment charges in the future, which could be material.

Impairment charges could occur in the future as a result of changes in economic conditions. The goodwill testing for 2026 will be updated based on the conditions that exist in 2026 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 be 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, 2025, 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, 2025.

MFC's Audit Committee has reviewed this MD&A and the 2025 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, 2025 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, 2025, 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, 2025 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, 2025. Their report expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2025.

Changes in Internal Control over Financial Reporting

No changes were made in our internal control over financial reporting during the year ended December 31, 2025 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 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; assets under management ("AUM"); assets under management and administration ("AUMA"); Global WAM managed AUMA; core revenue; adjusted book value; and net annualized fee income. In addition, non-GAAP financial measures include the following stated on a constant exchange rate ("CER") basis: any of the foregoing non-GAAP financial measures; net income attributed to shareholders; common shareholders' net income; and new business CSM.

Non-GAAP ratios include core return on common shareholders' equity ("core ROE"); diluted core earnings per common share ("core EPS"); core earnings contributions from highest potential businesses; core earnings contribution from Asia region; core earnings contribution from LTC and VA 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; any 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 CS

Movement schedule and DOE. Year-to-date or full year periodic financial measures presented in U.S. dollars are calculated a the sum of the quarterly results translated to U.S. dollars. See section 1 “Impact of Foreign Currency Exchange Rates” of th 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, migh not be comparable to similar financial measures disclosed by other issuers. Therefore, they should not be considered in isolatio 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 b excluding the impact of market related gains or losses, and certain items such as the net impact of updates to actuarial method and assumptions that flow directly through income as well as other items, o tlined 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 currenc exchange rates and commodity prices as well as the change in the fair value of ALDA from period-to-period can, and frequentl do, have a substantial impact on the reported amounts of our assets, insurance contract liabilities and net income attributed t shareholders. These reported amounts may not be realized if markets move in the opposite direction in a subsequent period This makes it very difficult for investors to evaluate how our businesses are performing from period-to-period and to compare o performance with other issuers.

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

Core earnings include the expected return on our invested assets and any other gains (charges) from market experience ar included in net income but excluded from core earnings. The expected return for fixed income assets is based on the relate book yields. For ALDA and public equities, the expected return reflects our long-term view of asset class performance. Thes 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 o December 31, 2025.

While core earnings are relevant to how we manage our business and offer a consistent methodology, it is not insulated fro macroeconomic factors which can have a significant impact. See below for a reconciliation of 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.

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

Items included in core earnings:

1. Expected insurance service result on in-force policies, including expected release of the risk adjustment, CSM recognize 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 reinsuranc 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 an investment contract liabilities.
5. Expected investment earnings, which is the difference between expected return on our invested assets and the associate 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 note below.
9. All earnings for the Manulife Bank business, except for applicable net income items excluded from core earnings as note below.
10. Routine 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 d.
   - 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 instruments
   - Gains (charges) related to certain changes in foreign exchange rates.
2. Updates to actuarial methods and assumptions used in the measurement of insurance contract liabilities that flow directl through income. The Company reviews actuarial methods and assumptions annually, and this process is designed to reduc the Company’s exposure to uncertainty by ensuring assumptions remain appropriate. This is accomplished by monitoring experience and selecting assumptions which represent a current view of expected future experience and ensuring that th risk adjustment is appropriate for the risks assumed.
3. Amortization and impairment of intangible assets acquired in a business combination, except for amortization of softwar and distribution agreements. Commencing 3Q25, this item is now excluded from core earnings to better represent the

underlying earnings capacity of acquired businesses, consistent with our definition of core earnings, and to better align wit industry practice. Prior periods have not been restated as these amounts are not considered material, and use the definitio of core earnings in effect for those periods.

4. The impact on the measurement of insurance and investment contract assets and liabilities and reinsurance contract hel assets and liabilities from changes in product features and new or changes to in-force reinsurance contract
5. The fair value changes in long-term investment pla obligations for Global WAM investment management
6. Goodwill impairment charges
7. Gains or losses on acquisition and disposition of a business
8. One-time only adjustments, including highly unusual/extraordinary legal settlements and restructuring charges, or othe items that are exceptional in nature

9. Tax on the above items
10. Net income (loss) attributed to participating shareholders and non-controlling interests
11. Impact of enacted or substantively enacted income tax rate changes

Reconciliation of core earnings to net income attributed to shareholders 2025

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

	2025					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	$ 4,129	$ 1,736	$ (708)	$ 2,251	$ (314)	$ 7,094
Income tax (expenses) recoveries						
Core earnings	(389)	(429)	(275)	(350)	204	(1,239)
Items excluded from core earnings	(327)	45	456	9	22	205
Income tax (expenses) recoveries	(716)	(384)	181	(341)	226	(1,034)
Net income (post-tax)	3,413	1,352	(527)	1,910	(88)	6,060
Less: Net income (post-tax) attributed to						
Non-controlling interests	270	-	-	10	(2)	278
Participating policyholders	171	39	-	-	-	210
Net income (loss) attributed to shareholders (post-tax)	2,972	1,313	(527)	1,900	(86)	5,572
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	136	(374)	(1,498)	22	52	(1,662)
Updates to actuarial methods and assumptions that flow directly through income	(39)	58	(235)	-	-	(216)
Restructuring charge	-	(3)	-	(9)	-	(12)
Amortization of acquisition-related intangible assets	-	-	-	(18)	-	(18)
Reinsurance transactions, tax-related items and other	(94)	(2)	-	(27)	82	(41)
Core earnings (post-tax)	$ 2,969	$ 1,634	$ 1,206	$ 1,932	$ (220)	$ 7,521
Income tax on core earnings (see above)	389	429	275	350	(204)	1,239
Core earnings (pre-tax)	$ 3,358	$ 2,063	$ 1,481	$ 2,282	$ (424)	$ 8,760

Core earnings, CER basis and U.S. dollars 2025

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

	2025					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	$ 2,969	$ 1,634	$ 1,206	$ 1,932	$ (220)	$ 7,521
CER adjustment[1]	(20)	-	(5)	(4)	1	(28)
Core earnings, CER basis (post-tax)	$ 2,949	$ 1,634	$ 1,201	$ 1,928	$ (219)	$ 7,493
Income tax on core earnings, CER basis[2]	386	429	274	349	(203)	1,235
Core earnings, CER basis (pre-tax)	$ 3,335	$ 2,063	$ 1,475	$ 2,277	$ (422)	$ 8,728
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)[3], US $	$ 2,126		$ 862			
CER adjustment US $[1]	(11)		-			
Core earnings, CER basis (post-tax), US $	$ 2,115		$ 862			

(1) The impact of updating foreign exchange rates to that which was used in 4Q25.
(2) Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q25.
(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 2025 core earnings.

Reconciliation of core earnings to net income attributed to shareholders 2024[1]

($ 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	(390)	(399)	(408)	(234)	121	(1,310)
Items excluded from core earnings	(70)	46	411	86	(375)	98
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)
Updates to actuarial methods and assumptions that flow directly through income	(5)	2	(202)	-	6	(199)
Restructuring charge	-	(6)	-	(66)	-	(72)
Amortization of acquisition-related intangible assets	-	-	-	-	-	-
Reinsurance transactions, tax-related items and other	72	41	(26)	(14)	(149)	(76)
Core earnings (post-tax)	$ 2,466	$ 1,568	$ 1,690	$ 1,673	$ (215)	$ 7,182
Income tax on core earnings (see above)	390	399	408	234	(121)	1,310
Core earnings (pre-tax)	$ 2,856	$ 1,967	$ 2,098	$ 1,907	$ (336)	$ 8,492

(1) This reconciliation and related core earnings reconciliation below have been updated to align with the presentation of GMT in 2025. See the "Global Minimum Taxes" section above for more information.

Core earnings, CER basis and U.S. dollars 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)	$ 2,466	$ 1,568	$ 1,690	$ 1,673	$ (215)	$ 7,182
CER adjustment[1]	32	-	31	20	3	86
Core earnings, CER basis (post-tax)	$ 2,498	$ 1,568	$ 1,721	$ 1,693	$ (212)	$ 7,268
Income tax on core earnings, CER basis[2]	397	399	415	235	(121)	1,325
Core earnings, CER basis (pre-tax)	$ 2,895	$ 1,967	$ 2,136	$ 1,928	$ (333)	$ 8,593
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)[3], US $	$ 1,799		$ 1,234			
CER adjustment US $[1]	(7)		-			
Core earnings, CER basis (post-tax), US $	$ 1,792		$ 1,234			

(1) The impact of updating foreign exchange rates to that which was used in 4Q25.

(2) Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q25.

(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 shareholders 4Q25

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

	Corporate

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
			3Q25			
Income (loss) before income taxes	$ 899	$ 354	$ 101	$ 542	$ 9	$ 1,905
Income tax (expenses) recoveries						
Core earnings	(101)	(111)	(75)	(93)	52	(328)
Items excluded from core earnings	(102)	25	55	10	30	18
Income tax (expenses) recoveries	(203)	(86)	(20)	(83)	82	(310)
Net income (post-tax)	696	268	81	459	91	1,595
Less: Net income (post-tax) attributed to						
Non-controlling interests	26	-	-	7	-	33
Participating policyholders	47	16	-	-	-	63
Net income (loss) attributed to shareholders (post-tax)	623	252	81	452	91	1,499
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	(121)	(158)	(238)	(1)	77	(441)
Updates to actuarial methods and assumptions that flow directly through income	-	-	-	-	-	-
Restructuring charge	-	(3)	-	(9)	-	(12)
Amortization of acquisition-related intangible assets	-	-	-	(12)	-	(12)
Reinsurance transactions, tax-related items and other	(41)	-	-	(16)	28	(29)
Core earnings (post-tax)	$ 785	$ 413	$ 319	$ 490	$ (14)	$ 1,993
Income tax on core earnings (see above)	101	111	75	93	(52)	328
Core earnings (pre-tax)	$ 886	$ 524	$ 394	$ 583	$ (66)	$ 2,321

Core earnings, CER basis and U.S. dollars 4Q25

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

	4Q25					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	$ 785	$ 413	$ 319	$ 490	$ (14)	$ 1,993
CER adjustment[1]	-	-	-	-	-	-
Core earnings, CER basis (post-tax)	$ 785	$ 413	$ 319	$ 490	$ (14)	$ 1,993
Income tax on core earnings, CER basis[2]	101	111	75	93	(52)	328
Core earnings, CER basis (pre-tax)	$ 886	$ 524	$ 394	$ 583	$ (66)	$ 2,321
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)[3], US $	$ 564		$ 229			
CER adjustment US $[1]	-		-			
Core earnings, CER basis (post-tax), US $	$ 564		$ 229			

(1) The impact of updating foreign exchange rates to that which was used in 4Q25.
(2) Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q25.
(3) Core earnings (post-tax) in Canadian $ are translated to US $ using the US $ Statement of Income exchange rate for 4Q25.

Reconciliation of core earnings to net income attributed to shareholders 3Q25

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

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	$ 1,268	$ 551	$ (109)	$ 606	$ (87)	$ 2,229
Income tax (expenses) recoveries						
Core earnings	(93)	(119)	(79)	(82)	91	(282)
Items excluded from core earnings	(140)	(5)	113	1	3	(28)
Income tax (expenses) recoveries	(233)	(124)	34	(81)	94	(310)
Net income (post-tax)	1,035	427	(75)	525	7	1,919
Less: Net income (post-tax) attributed to						
Non-controlling interests	128	-	-	2	-	130
Participating policyholders	12	(22)	-	-	-	(10)
Net income (loss) attributed to shareholders (post-tax)	895	449	(75)	523	7	1,799

Less: Items excluded from core earnings (post-tax)	3Q25					
Market experience gains (losses)	173	(37)	(172)	18	16	(2)
Updates to actuarial methods and assumptions that flow directly through income	(39)	58	(235)	-	-	(216)
Restructuring charge	-	-	-	-	-	-
Amortization of acquisition-related intangible assets	-	-	-	(6)	-	(6)
Reinsurance transactions, tax-related items and other	2	-	-	(14)	-	(12)
Core earnings (post-tax)	$ 759	$ 428	$ 332	$ 525	$ (9)	$ 2,035
Income tax on core earnings (see above)	93	119	79	82	(91)	282
Core earnings (pre-tax)	$ 852	$ 547	$ 411	$ 607	$ (100)	$ 2,317

Core earnings, CER basis and U.S. dollars 3Q25

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

	3Q25					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	$ 759	$ 428	$ 332	$ 525	$ (9)	$ 2,035
CER adjustment[1]	2	-	4	3	1	10
Core earnings, CER basis (post-tax)	$ 761	$ 428	$ 336	$ 528	$ (8)	$ 2,045
Income tax on core earnings, CER basis[2]	94	119	79	82	(90)	284
Core earnings, CER basis (pre-tax)	$ 855	$ 547	$ 415	$ 610	$ (98)	$ 2,329
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)[3], US $	$ 550		$ 241			
CER adjustment US $[1]	(5)		-			
Core earnings, CER basis (post-tax), US $	$ 545		$ 241			

(1) The impact of updating foreign exchange rates to that which was used in 4Q25.
(2) Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q25.
(3) Core earnings (post-tax) in Canadian $ are translated to US $ using the US $ Statement of Income exchange rate for 3Q25.

Reconciliation of core earnings to net income attributed to shareholders 2Q25

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

	2Q25					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	$ 1,092	$ 526	$ 31	$ 575	$ 37	$ 2,261
Income tax (expenses) recoveries						
Core earnings	(94)	(110)	(37)	(89)	32	(298)
Items excluded from core earnings	(55)	(5)	42	(4)	(18)	(40)
Income tax (expenses) recoveries	(149)	(115)	5	(93)	14	(338)
Net income (post-tax)	943	411	36	482	51	1,923
Less: Net income (post-tax) attributed to						
Non-controlling interests	49	-	-	-	-	49
Participating policyholders	64	21	-	-	-	85
Net income (loss) attributed to shareholders (post-tax)	830	390	36	482	51	1,789
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	161	(27)	(158)	16	121	113
Updates to actuarial methods and assumptions that flow directly through income	-	-	-	-	-	-
Restructuring charge	-	-	-	-	-	-
Amortization of acquisition-related intangible assets	-	-	-	-	-	-
Reinsurance transactions, tax-related items and other	(51)	(2)	-	3	-	(50)
Core earnings (post-tax)	$ 720	$ 419	$ 194	$ 463	$ (70)	$ 1,726
Income tax on core earnings (see above)	94	110	37	89	(32)	298
Core earnings (pre-tax)	$ 814	$ 529	$ 231	$ 552	$ (102)	$ 2,024

Core earnings, CER basis and U.S. dollars 2Q25

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

	2Q25					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	$ 720	$ 419	$ 194	$ 463	$ (70)	$ 1,726
CER adjustment[1]	(3)	-	1	3	-	1
Core earnings, CER basis (post-tax)	$ 717	$ 419	$ 195	$ 466	$ (70)	$ 1,727
Income tax on core earnings, CER basis[2]	94	110	39	89	(33)	299
Core earnings, CER basis (pre-tax)	$ 811	$ 529	$ 234	$ 555	$ (103)	$ 2,026
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)[3], US $	$ 520		$ 141			
CER adjustment US $[1]	(6)		-			
Core earnings, CER basis (post-tax), US $	$ 514		$ 141			

(1) The impact of updating foreign exchange rates to that which was used in 4Q25.
(2) Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q25.
(3) Core earnings (post-tax) in Canadian $ are translated to US $ using the US $ Statement of Income exchange rate for 2Q25.

Reconciliation of core earnings to net income attributed to shareholders 1Q25

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

	1Q25					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	$ 870	$ 305	$ (731)	$ 528	$ (273)	$ 699
Income tax (expenses) recoveries						
Core earnings	(101)	(89)	(84)	(86)	29	(331)
Items excluded from core earnings	(30)	30	246	2	7	255
Income tax (expenses) recoveries	(131)	(59)	162	(84)	36	(76)
Net income (post-tax)	739	246	(569)	444	(237)	623
Less: Net income (post-tax) attributed to						
Non-controlling interests	67	-	-	1	(2)	66
Participating policyholders	48	24	-	-	-	72
Net income (loss) attributed to shareholders (post-tax)	624	222	(569)	443	(235)	485
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	(77)	(152)	(930)	(11)	(162)	(1,332)
Updates to actuarial methods and assumptions that flow directly through income	-	-	-	-	-	-
Restructuring charge	-	-	-	-	-	-
Amortization of acquisition-related intangible assets	-	-	-	-	-	-
Reinsurance transactions, tax-related items and other	(4)	-	-	-	54	50
Core earnings (post-tax)	$ 705	$ 374	$ 361	$ 454	$ (127)	$ 1,767
Income tax on core earnings (see above)	101	89	84	86	(29)	331
Core earnings (pre-tax)	$ 806	$ 463	$ 445	$ 540	$ (156)	$ 2,098

Core earnings, CER basis and U.S. dollars 1Q25

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

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	$ 705	$ 374	$ 361	$ 454	$ (127)	$ 1,767
CER adjustment[1]	(19)	-	(10)	(10)	-	(39)
Core earnings, CER basis (post-tax)	$ 686	$ 374	$ 351	$ 444	$ (127)	$ 1,728
Income tax on core earnings, CER basis[2]	97	89	81	85	(28)	324
Core earnings, CER basis (pre-tax)	$ 783	$ 463	$ 432	$ 529	$ (155)	$ 2,052

Core earnings (U.S. dollars) – Asia and U.S. segments		1Q25
Core earnings (post-tax)[3], US $	$ 492	$ 251
CER adjustment US $[1]	-	-
Core earnings, CER basis (post-tax), US $	$ 492	$ 251

(1) The impact of updating foreign exchange rates to that which was used in 4Q25.
(2) Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q25.
(3) Core earnings (post-tax) in Canadian $ are translated to US $ using the US $ Statement of Income exchange rate for 1Q25.

Reconciliation of core earnings to net income attributed to shareholders 4Q24[1]

($ 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	(97)	(97)	(98)	(83)	30	(345)
Items excluded from core earnings	(59)	(20)	89	48	(119)	(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)
Updates to actuarial methods and assumptions that flow directly through income	-	-	-	-	-	-
Restructuring charge	-	(6)	-	(46)	-	(52)
Amortization of acquisition-related intangible assets	-	-	-	-	-	-
Reinsurance transactions, tax-related items and other	26	-	-	(6)	(45)	(25)
Core earnings (post-tax)	$ 640	$ 390	$ 412	$ 459	$ 6	$ 1,907
Income tax on core earnings (see above)	97	97	98	83	(30)	345
Core earnings (pre-tax)	$ 737	$ 487	$ 510	$ 542	$ (24)	$ 2,252

(1) This reconciliation and related core earnings reconciliation below have been updated to align with the presentation of GMT in 2025. See the "Global Minimum Taxes" section above for more information.

Core earnings, CER basis and U.S. dollars 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)	$ 640	$ 390	$ 412	$ 459	$ 6	$ 1,907
CER adjustment[1]	(4)	-	(2)	(1)	-	(7)
Core earnings, CER basis (post-tax)	$ 636	$ 390	$ 410	$ 458	$ 6	$ 1,900
Income tax on core earnings, CER basis[2]	98	97	97	83	(31)	344
Core earnings, CER basis (pre-tax)	$ 734	$ 487	$ 507	$ 541	$ (25)	$ 2,244
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)[3], US $	$ 457		$ 294			
CER adjustment US $[1]	(1)		-			
Core earnings, CER basis (post-tax), US $	$ 456		$ 294			

(1) The impact of updating foreign exchange rates to that which was used in 4Q25.
(2) Income tax on core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q25.
(3) Core earnings (post-tax) in Canadian $ are translated to US $ using the US $ Statement of Income exchange rate for 4Q24.

Segment core earnings by business line or geographic source[1]

($ 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)	**4Q25**	3Q25	2Q25	1Q25	4Q24	**2025**	2024
Hong Kong	**$ 318**	$ 298	$ 259	$ 256	$ 230	**$ 1,131**	$ 901
Japan	**108**	103	97	87	87	**395**	362
Asia Other[1]	**164**	157	159	149	151	**629**	570
International High Net Worth						***129***	*114*
Mainland China						***61***	*41*
Singapore						***238***	*216*
Vietnam						***121***	*126*
Other Emerging Markets[2]						***80***	*73*
Regional Office	**(26)**	(8)	5	-	(11)	**(29)**	(34)
Total Asia core earnings	**$ 564**	$ 550	$ 520	$ 492	$ 457	**$ 2,126**	$ 1,799

(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]	**4Q25**	3Q25	2Q25	1Q25	4Q24	**2025**	2024
Hong Kong	**$ 318**	$ 298	$ 259	$ 256	$ 231	**$ 1,131**	$ 901
Japan	**108**	99	91	86	86	**384**	357
Asia Other[2]	**164**	156	159	150	150	**629**	568
International High Net Worth						***129***	*114*
Mainland China						***62***	*42*
Singapore						***239***	*223*
Vietnam						***120***	*120*
Other Emerging Markets[3]						***79***	*69*
Regional Office	**(26)**	(8)	5	-	(11)	**(29)**	(34)
Total Asia core earnings, CER basis	**$ 564**	$ 545	$ 514	$ 492	$ 456	**$ 2,115**	$ 1,792

(1) Core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q25.
(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)	**4Q25**	3Q25	2Q25	1Q25	4Q24	**2025**	2024
Insurance	**$ 320**	$ 326	$ 326	$ 280	$ 295	**$ 1,252**	$ 1,188
Annuities	**57**	62	56	58	51	**233**	210
Manulife Bank	**36**	40	37	36	44	**149**	170
Total Canada core earnings	**$ 413**	$ 428	$ 419	$ 374	$ 390	**$ 1,634**	$ 1,568

U.S.

	Quarterly Results					Full Year Results	
(US $ in millions)	**4Q25**	3Q25	2Q25	1Q25	4Q24	**2025**	2024
U.S. Insurance	**$ 200**	$ 218	$ 114	$ 229	$ 256	**$ 761**	$ 1,064
U.S. Annuities	**29**	23	27	22	38	**101**	170
Total U.S. core earnings	**$ 229**	$ 241	$ 141	$ 251	$ 294	**$ 862**	$ 1,234

[1] 2024 core earnings in this section has been updated to align with the presentation of the GMT in 2025. See the "Global Minimum Taxes" section above for more information.

Global WAM by business line

	Quarterly Results					Full Year Results	
(Canadian $ in millions)	**4Q25**	3Q25	2Q25	1Q25	4Q24	**2025**	2024
Retirement	**$ 268**	$ 305	$ 265	$ 263	$ 259	**$ 1,101**	$ 950
Retail	**155**	154	145	141	161	**595**	581
Institutional asset management	**67**	66	53	50	39	**236**	142
Total Global WAM core earnings	**$ 490**	$ 525	$ 463	$ 454	$ 459	**$ 1,932**	$ 1,673

	Quarterly Results					Full Year Results	
(Canadian $ in millions), CER basis [1]	**4Q25**	3Q25	2Q25	1Q25	4Q24	**2025**	2024
Retirement	**$ 268**	$ 307	$ 267	$ 257	$ 259	**$ 1,099**	$ 963
Retail	**155**	154	146	139	160	**594**	586
Institutional asset management	**67**	67	53	48	39	**235**	144
Total Global WAM core earnings, CER basis	**$ 490**	$ 528	$ 466	$ 444	$ 458	**$ 1,928**	$ 1,693

[1] Core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q25.

Global WAM by geographic source

	Quarterly Results					Full Year Results	
(Canadian $ in millions)	**4Q25**	3Q25	2Q25	1Q25	4Q24	**2025**	2024
Asia	**$ 116**	$ 149	$ 126	$ 138	$ 135	**$ 529**	$ 497
Canada	**117**	124	109	110	108	**460**	390
U.S.	**257**	252	228	206	216	**943**	786
Total Global WAM core earnings	**$ 490**	$ 525	$ 463	$ 454	$ 459	**$ 1,932**	$ 1,673

	Quarterly Results					Full Year Results	
(Canadian $ in millions), CER basis [1]	**4Q25**	3Q25	2Q25	1Q25	4Q24	**2025**	2024
Asia	**$ 116**	$ 149	$ 127	$ 134	$ 134	**$ 526**	$ 504
Canada	**117**	124	109	110	108	**460**	390
U.S.	**257**	255	230	200	216	**942**	799
Total Global WAM core earnings, CER basis	**$ 490**	$ 528	$ 466	$ 444	$ 458	**$ 1,928**	$ 1,693

[1] Core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q25.

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)	**4Q25**	3Q25	2Q25	1Q25	4Q24	**2025**	2024
Core earnings[1]	**$ 1,993**	$ 2,035	$ 1,726	$ 1,767	$ 1,907	**$ 7,521**	$ 7,182
Less: Preferred share dividends and other equity distributions[2]	**103**	58	103	57	101	**321**	311
Core earnings available to common shareholders	**1,890**	1,977	1,623	1,710	1,806	**7,200**	6,871
CER adjustment[3]	**-**	10	1	(39)	(7)	**(28)**	86
Core earnings available to common shareholders, CER basis	**$ 1,890**	$ 1,987	$ 1,624	$ 1,671	$ 1,799	**$ 7,172**	$ 6,957

[1] 2024 core earnings and core earnings available to common shareholders have been updated to align with the presentation of GMT in 2025. See the "Global Minimum Taxes" section above for more information.

[2] 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.

[3] The impact of updating foreign exchange rates to that which was used in 4Q25.

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

average common shareholders' equity for the year.

($ millions, unless otherwise stated)	Quarterly Results 4Q25	3Q25	2Q25	1Q25	4Q24	Full Year Results 2025	2024
Core earnings available to common shareholders[1]	**$ 1,890**	$ 1,977	$ 1,623	$ 1,710	$ 1,806	**$ 7,200**	$ 6,871
Annualized core earnings available to common shareholders (post-tax)	**$ 7,498**	$ 7,844	$ 6,510	$ 6,935	$ 7,185	**$ 7,200**	$ 6,871
Average common shareholders' equity (see below)	**$ 43,759**	$ 43,238	$ 43,448	$ 44,394	$ 43,613	**$ 43,709**	$ 42,288
Core ROE (annualized) (%)[1]	**17.1%**	18.1%	15.0%	15.6%	16.5%	**16.5%**	16.2%
Average common shareholders' equity							
Total shareholders' and other equity	**$ 50,121**	$ 50,716	$ 49,080	$ 51,135	$ 50,972	**$ 50,121**	$ 50,972
Less: Preferred shares and other equity	**6,660**	6,660	6,660	6,660	6,660	**6,660**	6,660
Common shareholders' equity	**$ 43,461**	$ 44,056	$ 42,420	$ 44,475	$ 44,312	**$ 43,461**	$ 44,312
Average common shareholders' equity	**$ 43,759**	$ 43,238	$ 43,448	$ 44,394	$ 43,613	**$ 43,709**	$ 42,288

[1] 2024 core earnings available to common shareholders and core ROE have been updated to align with the presentation of GMT in 2025. See the "Global Minimum Taxes" section above for more information.

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

Core earnings related to Financial and Strategic Targets

The Company measures its progress on certain 2025 and 2027 financial and strategic targets 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) [1]	2025	2024
Core earnings highest potential businesses[2]	**$ 5,649**	$ 4,898
Core earnings - all other businesses	**1,872**	2,284
Core earnings	**7,521**	7,182
Items excluded from core earnings	**(1,949)**	(1,797)
Net income (loss) attributed to shareholders	**$ 5,572**	$ 5,385
Highest potential businesses core earnings contribution	**75%**	68%

[1] 2024 core earnings, items excluded from core earnings and core earnings contribution have been updated to align with the presentation of GMT in 2025. See the "Global Minimum Taxes" section above for more information.
[2] 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) [1]	2025	2024
Core earnings of Asia region[2]	**$ 3,498**	$ 2,963
Core earnings - all other businesses	**4,023**	4,219
Core earnings	**7,521**	7,182
Items excluded from core earnings	**(1,949)**	(1,797)
Net income (loss) attributed to shareholders	**$ 5,572**	$ 5,385
Asia region core earnings contribution[2]	**47%**	41%

[1] 2024 core earnings, items excluded from core earnings and core earnings contribution have been updated to align with the presentation of GMT in 2025. See the "Global Minimum Taxes" section above for more information.
[2] 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) [1]	2025	2024
Core earnings of LTC and VA businesses[2]	**$ 702**	$ 744
Core earnings - all other businesses	**6,819**	6,438
Core earnings	**7,521**	7,182
Items excluded from core earnings	**(1,949)**	(1,797)
Net income (loss) attributed to shareholders	**$ 5,572**	$ 5,385
LTC and VA businesses core earnings contribution	**9%**	10%

[1] 2024 core earnings, items excluded from core earnings and core earnings contribution have been updated to align with the presentation of GMT in 2025. See the "Global Minimum Taxes" section above for more information.
[2] 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, 2025, Asia, Canada, U.S. and Global WAM operating core earnings contributions were 38%, 21%, 16% and 25%, respectively (December 31, 2024 – 33%, 21%, 23% and 23%, respectively, after updating our 2024 core earnings by segment to align with the presentation of GMT in 2025. See "Global Minimum Taxes" above for more information).

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

Net Investment Result represents the 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
- **Updates to 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
- **Amortization and impairment of intangible assets acquired in a business combination**, except for amortization of software and distribution agreements. As noted above, this item is now excluded from core earnings commencing in 3Q25 to better represent the underlying earnings capacity of acquired businesses, consistent with our definition of core earnings, and to better align with industry practice. Prior periods have not been restated as these amounts are not considered material and use the definition of core earnings in effect for those periods
- **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 – 2025

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

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	**$ 2,518**	**$ 1,514**	**$ 394**	**$ -**	**$ 100**	**$ 4,526**
Less: Insurance service result attributed to:						
Items excluded from core earnings	**(79)**	**81**	**88**	**-**	**(1)**	**89**
NCI	**85**	**-**	**-**	**-**	**-**	**85**
Participating policyholders	**257**	**90**	**-**	**-**	**-**	**347**
Core net insurance service result	**2,255**	**1,343**	**306**	**-**	**101**	**4,005**
Core net insurance service result, CER adjustment[1]	**(13)**	**-**	**(3)**	**-**	**2**	**(14)**
Core net insurance service result, CER basis	**$ 2,242**	**$ 1,343**	**$ 303**	**$ -**	**$ 103**	**$ 3,991**
Total investment result reconciliation						
Total investment result per financial statements	**$ 2,004**	**$ 1,449**	**$ (1,083)**	**$ (977)**	**$ 1,016**	**$ 2,409**
Less: Reclassify Manulife Bank[2] and Global WAM to their own DOE lines	**-**	**1,338**	**-**	**(977)**	**-**	**361**
Add: Consolidation and other adjustments from Other DOE line	**-**	**3**	**80**	**-**	**(682)**	**(599)**
Less: Net investment result attributed to:						
Items excluded from core earnings	**364**	**(429)**	**(2,275)**	**(1)**	**(21)**	**(2,362)**
NCI	**253**	**-**	**-**	**1**	**(2)**	**252**
Participating policyholders	**22**	**(62)**	**-**	**-**	**-**	**(40)**
Core net investment result	**1,365**	**605**	**1,272**	**-**	**357**	**3,599**
Core net investment result, CER adjustment[1]	**(13)**	**-**	**(3)**	**-**	**-**	**(16)**
Core net investment result, CER basis	**$ 1,352**	**$ 605**	**$ 1,269**	**$ -**	**$ 357**	**$ 3,583**
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	**$ -**	**$ 211**	**$ -**	**$ 2,245**	**$ -**	**$ 2,456**
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	**-**	**3**	**-**	**(37)**	**-**	**(34)**
Core earnings in Manulife Bank and Global WAM	**-**	**208**	**-**	**2,282**	**-**	**2,490**
Core earnings in Manulife Bank and Global WAM, CER adjustment[1]	**-**	**-**	**-**	**(5)**	**-**	**(5)**
Core earnings in Manulife Bank and Global WAM, CER basis	**$ -**	**$ 208**	**$ -**	**$ 2,277**	**$ -**	**$ 2,485**
Other reconciliation						
Other revenue per financial statements	**$ 13**	**$ 301**	**$ 160**	**$ 8,020**	**$ (365)**	**$ 8,129**
General expenses per financial statements	**(366)**	**(617)**	**(181)**	**(3,260)**	**(477)**	**(4,901)**
Commissions related to non-insurance contracts	**3**	**(69)**	**16**	**(1,528)**	**39**	**(1,539)**
Interest expenses per financial statements	**(43)**	**(842)**	**(14)**	**(3)**	**(628)**	**(1,530)**
Total financial statements values included in Other	**(393)**	**(1,227)**	**(19)**	**3,229**	**(1,431)**	**159**

	2025					
Less: Reclassifications:						
Manulife Bank and Global WAM to their own DOE lines	-	(1,127)	-	3,222	-	2,095
Consolidation and other adjustments to net investment result DOE line	-	3	80	-	(683)	(600)
Less: Other attributed to:						
Items excluded from core earnings	(84)	3	(2)	(2)	135	50
NCI	13	1	-	9	(1)	22
Participating policyholders	(12)	-	-	-	-	(12)
Add: Participating policyholders' earnings transfer to shareholders	48	14	-	-	-	62
Other core earnings	(262)	(93)	(97)	-	(882)	(1,334)
Other core earnings, CER adjustment[1]	3	-	-	-	-	3
Other core earnings, CER basis	$ (259)	$ (93)	$ (97)	$ -	$ (882)	$ (1,331)
Income tax (expenses) recoveries reconciliation						
Income tax (expenses) recoveries per financial statements	$ (716)	$ (384)	$ 181	$ (341)	$ 226	$ (1,034)
Less: Income tax (expenses) recoveries attributed to:						
Items excluded from core earnings	(198)	21	456	9	21	309
NCI	(81)	(1)	-	-	1	(81)
Participating policyholders	(48)	25	-	-	-	(23)
Core income tax (expenses) recoveries	(389)	(429)	(275)	(350)	204	(1,239)
Core income tax (expenses) recoveries, CER adjustment[1]	3	-	1	1	(1)	4
Core income tax (expenses) recoveries, CER basis	$ (386)	$ (429)	$ (274)	$ (349)	$ 203	$ (1,235)

(1) The impact of updating foreign exchange rates to that which was used in 4Q25.
(2) Manulife Bank is part of Canada segment.

DOE Reconciliation – 2024[1]

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

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
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]	27	-	9	-	3	39
Core net insurance service result, CER basis	$ 1,896	$ 1,254	$ 571	$ -	$ 166	$ 3,887
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[2]	15	-	29	-	-	44
Core net investment result, CER basis	$ 1,249	$ 582	$ 1,620	$ -	$ 412	$ 3,863
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[2]	-	-	-	21	-	21
Core earnings in Manulife Bank and Global WAM, CER basis	$ -	$ 235	$ -	$ 1,928	$ -	$ 2,163
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[2]	(3)	-	-	-	-	(3)
Other core earnings, CER basis	$ (250)	$ (104)	$ (55)	$ -	$ (911)	$ (1,320)

Income tax (expenses) recoveries reconciliation			2024			
Income tax (expenses) recoveries per financial statements	$ (460)	$ (353)	$	$ (148)	$ (254)	$ (1,212)
Less: Income tax (expenses) recoveries attributed to:						
Items excluded from core earnings	32	53	411	86	(375)	207
NCI	(61)	-	-	-	-	(61)
Participating policyholders	(41)	(7)	-	-	-	(48)
Core income tax (expenses) recoveries	(390)	(399)	(408)	(234)	121	(1,310)
Core income tax (expenses) recoveries, CER adjustment[1]	(7)	-	(7)	(1)	-	(15)
Core income tax (expenses) recoveries, CER basis	$ (397)	$ (399)	$ (415)	$ (235)	$ 121	$ (1,325)

(1) This reconciliation has been updated to align with the presentation of GMT in 2025. See the "Global Minimum Taxes" section for more information.
(2) The impact of updating foreign exchange rates to that which was used in 4Q25.
(3) Manulife Bank is part of Canada segment.

DOE Reconciliation – 4Q25

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

	4Q25					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	**$ 692**	**$ 362**	**$ 136**	**$ -**	**$ 66**	**$ 1,256**
Less: Insurance service result attributed to:						
Items excluded from core earnings	**(4)**	**(2)**	**23**	**-**	**(2)**	**15**
NCI	**20**	**-**	**-**	**-**	**-**	**20**
Participating policyholders	**70**	**25**	**-**	**-**	**-**	**95**
Core net insurance service result	**606**	**339**	**113**	**-**	**68**	**1,126**
Core net insurance service result, CER adjustment[1]	**-**	**-**	**-**	**-**	**-**	**-**
Core net insurance service result, CER basis	**$ 606**	**$ 339**	**$ 113**	**$ -**	**$ 68**	**$ 1,126**
Total investment result reconciliation						
Total investment result per financial statements	**$ 322**	**$ 316**	**$ (38)**	**$ (287)**	**$ 325**	**$ 638**
Less: Reclassify Manulife Bank[2] and Global WAM to their own DOE lines	**-**	**341**	**-**	**(287)**	**-**	**54**
Add: Consolidation and other adjustments from Other DOE line	**1**	**(1)**	**27**	**-**	**(181)**	**(154)**
Less: Net investment result attributed to:						
Items excluded from core earnings	**(63)**	**(175)**	**(309)**	**-**	**53**	**(494)**
NCI	**8**	**-**	**-**	**-**	**-**	**8**
Participating policyholders	**6**	**(7)**	**-**	**-**	**-**	**(1)**
Core net investment result	**372**	**156**	**298**	**-**	**91**	**917**
Core net investment result, CER adjustment[1]	**-**	**-**	**-**	**-**	**-**	**-**
Core net investment result, CER basis	**$ 372**	**$ 156**	**$ 298**	**$ -**	**$ 91**	**$ 917**
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	**$ -**	**$ 50**	**$ -**	**$ 536**	**$ -**	**$ 586**
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	**-**	**(1)**	**-**	**(47)**	**-**	**(48)**
Core earnings in Manulife Bank and Global WAM	**-**	**51**	**-**	**583**	**-**	**634**
Core earnings in Manulife Bank and Global WAM, CER adjustment[1]	**-**	**-**	**-**	**-**	**-**	**-**
Core earnings in Manulife Bank and Global WAM, CER basis	**$ -**	**$ 51**	**$ -**	**$ 583**	**$ -**	**$ 634**
Other reconciliation						
Other revenue per financial statements	**$ 31**	**$ 70**	**$ 39**	**$ 2,119**	**$ (112)**	**$ 2,147**
General expenses per financial statements	**(119)**	**(159)**	**(39)**	**(889)**	**(121)**	**(1,327)**
Commissions related to non-insurance contracts	**(1)**	**(18)**	**6**	**(399)**	**8**	**(404)**
Interest expenses per financial statements	**(26)**	**(217)**	**(3)**	**(1)**	**(158)**	**(405)**
Total financial statements values included in Other	**(115)**	**(324)**	**3**	**830**	**(383)**	**11**
Less: Reclassifications:						
Manulife Bank and Global WAM to their own DOE lines	**-**	**(291)**	**-**	**823**	**-**	**532**
Consolidation and other adjustments to net investment result DOE line	**1**	**(1)**	**27**	**-**	**(182)**	**(155)**
Less: Other attributed to:						
Items excluded from core earnings	**(11)**	**(8)**	**(7)**	**-**	**24**	**(2)**
NCI	**4**	**-**	**-**	**7**	**-**	**11**
Participating policyholders	**(2)**	**3**	**-**	**-**	**-**	**1**
Add: Participating policyholders' earnings transfer to shareholders	**15**	**5**	**-**	**-**	**-**	**20**
Other core earnings	**(92)**	**(22)**	**(17)**	**-**	**(225)**	**(356)**
Other core earnings, CER adjustment[1]	**-**	**-**	**-**	**-**	**-**	**-**
Other core earnings, CER basis	**$ (92)**	**$ (22)**	**$ (17)**	**$ -**	**$ (225)**	**$ (356)**
Income tax (expenses) recoveries reconciliation						
Income tax (expenses) recoveries per financial statements	**$ (203)**	**$ (86)**	**$ (20)**	**$ (83)**	**$ 82**	**$ (310)**
Less: Income tax (expenses) recoveries attributed to:						
Items excluded from core earnings	**(84)**	**25**	**55**	**10**	**30**	**36**
NCI	**(6)**	**-**	**-**	**-**	**-**	**(6)**
Participating policyholders	**(12)**	**-**	**-**	**-**	**-**	**(12)**
Core income tax (expenses) recoveries	**(101)**	**(111)**	**(75)**	**(93)**	**52**	**(328)**
Core income tax (expenses) recoveries, CER adjustment[1]	**-**	**-**	**-**	**-**	**-**	**-**
Core income tax (expenses) recoveries, CER basis	**$ (101)**	**$ (111)**	**$ (75)**	**$ (93)**	**$ 52**	**$ (328)**

(1) The impact of updating foreign exchange rates to that which was used in 4Q25.
(2) Manulife Bank is part of Canada segment.

DOE Reconciliation – 3Q25

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

	3Q25					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	$ 641	$ 465	$ 72	$ -	$ 43	$ 1,221
Less: Insurance service result attributed to:						
Items excluded from core earnings	(19)	88	4	-	1	74
NCI	22	-	-	-	-	22
Participating policyholders	60	26	-	-	-	86
Core net insurance service result	578	351	68	-	42	1,039
Core net insurance service result, CER adjustment[1]	3	-	-	-	1	4
Core net insurance service result, CER basis	$ 581	$ 351	$ 68	$ -	$ 43	$ 1,043
Total investment result reconciliation						
Total investment result per financial statements	$ 653	$ 402	$ (205)	$ (210)	$ 229	$ 869
Less: Reclassify Manulife Bank[2] and Global WAM to their own DOE lines	-	353	-	(210)	-	143
Add: Consolidation and other adjustments from Other DOE line	(2)	1	25	-	(173)	(149)
Less: Net investment result attributed to:						
Items excluded from core earnings	202	(48)	(548)	(1)	(30)	(425)
NCI	134	-	-	1	-	135
Participating policyholders	(16)	(67)	-	-	-	(83)
Core net investment result	331	165	368	-	86	950
Core net investment result, CER adjustment[1]	1	-	4	-	-	5
Core net investment result, CER basis	$ 332	$ 165	$ 372	$ -	$ 86	$ 955
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	$ -	$ 58	$ -	$ 607	$ -	$ 665
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	4	-	-	-	4
Core earnings in Manulife Bank and Global WAM	-	54	-	607	-	661
Core earnings in Manulife Bank and Global WAM, CER adjustment[1]	-	-	-	3	-	3
Core earnings in Manulife Bank and Global WAM, CER basis	$ -	$ 54	$ -	$ 610	$ -	$ 664
Other reconciliation						
Other revenue per financial statements	$ 73	$ 72	$ 63	$ 2,024	$ (87)	$ 2,145
General expenses per financial statements	(94)	(152)	(43)	(818)	(125)	(1,232)
Commissions related to non-insurance contracts	(1)	(15)	7	(390)	13	(386)
Interest expenses per financial statements	(4)	(221)	(3)	-	(160)	(388)
Total financial statements values included in Other	(26)	(316)	24	816	(359)	139
Less: Reclassifications:						
Manulife Bank and Global WAM to their own DOE lines	-	(295)	-	816	-	521
Consolidation and other adjustments to net investment result DOE line	(2)	1	25	1	(173)	(148)
Less: Other attributed to:						
Items excluded from core earnings	41	6	24	(2)	43	112
NCI	7	1	-	1	(1)	8
Participating policyholders	(2)	(3)	-	-	-	(5)
Add: Participating policyholders' earnings transfer to shareholders	13	3	-	-	-	16
Other core earnings	(57)	(23)	(25)	-	(228)	(333)
Other core earnings, CER adjustment[1]	(1)	-	-	-	1	-
Other core earnings, CER basis	$ (58)	$ (23)	$ (25)	$ -	$ (227)	$ (333)
Income tax (expenses) recoveries reconciliation						
Income tax (expenses) recoveries per financial statements	$ (233)	$ (124)	$ 34	$ (81)	$ 94	$ (310)
Less: Income tax (expenses) recoveries attributed to:						
Items excluded from core earnings	(88)	(29)	113	1	2	(1)
NCI	(35)	(1)	-	-	1	(35)
Participating policyholders	(17)	25	-	-	-	8
Core income tax (expenses) recoveries	(93)	(119)	(79)	(82)	91	(282)
Core income tax (expenses) recoveries, CER adjustment[1]	(1)	-	-	-	(1)	(2)
Core income tax (expenses) recoveries, CER basis	$ (94)	$ (119)	$ (79)	$ (82)	$ 90	$ (284)

(1) The impact of updating foreign exchange rates to that which was used in 4Q25.
(2) Manulife Bank is part of Canada segment.

DOE Reconciliation – 2Q25

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

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	$ 571	$ 370	$ 39	$ -	$ 26	$ 1,006
Less: Insurance service result attributed to:						
Items excluded from core earnings	(43)	-	28	-	-	(15)
NCI	16	-	-	-	-	16
Participating policyholders	65	25	-	-	-	90
Core net insurance service result	533	345	11	-	26	915
Core net insurance service result, CER adjustment[1]	(1)	-	-	-	-	(1)
Core net insurance service result, CER basis	$ 532	$ 345	$ 11	$ -	$ 26	$ 914
Total investment result reconciliation						
Total investment result per financial statements	$ 685	$ 433	$ 10	$ (208)	$ 346	$ 1,266
Less: Reclassify Manulife Bank[2] and Global WAM to their own DOE lines	-	312	-	(208)	-	104
Add: Consolidation and other adjustments from Other DOE line	1	3	28	-	(157)	(125)
Less: Net investment result attributed to:						
Items excluded from core earnings	275	(27)	(208)	-	105	145
NCI	51	-	-	-	-	51
Participating policyholders	24	(2)	-	-	-	22
Core net investment result	336	153	246	-	84	819
Core net investment result, CER adjustment[1]	(4)	-	3	-	-	(1)
Core net investment result, CER basis	$ 332	$ 153	$ 249	$ -	$ 84	$ 818
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	$ -	$ 53	$ -	$ 575	$ -	$ 628
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	-	-	23	-	23
Core earnings in Manulife Bank and Global WAM	-	53	-	552	-	605
Core earnings in Manulife Bank and Global WAM, CER adjustment[1]	-	-	-	3	-	3
Core earnings in Manulife Bank and Global WAM, CER basis	$ -	$ 53	$ -	$ 555	$ -	$ 608
Other reconciliation						
Other revenue per financial statements	$ (92)	$ 85	$ 33	$ 1,902	$ (77)	$ 1,851
General expenses per financial statements	(73)	(154)	(47)	(756)	(110)	(1,140)
Commissions related to non-insurance contracts	7	(18)	1	(362)	8	(364)
Interest expenses per financial statements	(6)	(190)	(5)	(1)	(156)	(358)
Total financial statements values included in Other	(164)	(277)	(18)	783	(335)	(11)
Less: Reclassifications:						
Manulife Bank and Global WAM to their own DOE lines	-	(259)	-	783	-	524
Consolidation and other adjustments to net investment result DOE line	1	3	28	-	(157)	(125)
Less: Other attributed to:						
Items excluded from core earnings	(97)	3	(20)	-	34	(80)
NCI	1	-	-	-	-	1
Participating policyholders	(5)	1	-	-	-	(4)
Add: Participating policyholders' earnings transfer to shareholders	9	3	-	-	-	12
Other core earnings	(55)	(22)	(26)	-	(212)	(315)
Other core earnings, CER adjustment[1]	2	-	-	-	(1)	1
Other core earnings, CER basis	$ (53)	$ (22)	$ (26)	$ -	$ (213)	$ (314)
Income tax (expenses) recoveries reconciliation						
Income tax (expenses) recoveries per financial statements	$ (149)	$ (115)	$ 5	$ (94)	$ 15	$ (338)
Less: Income tax (expenses) recoveries attributed to:						
Items excluded from core earnings	(25)	(5)	42	(5)	(17)	(10)
NCI	(19)	-	-	-	-	(19)
Participating policyholders	(11)	-	-	-	-	(11)
Core income tax (expenses) recoveries	(94)	(110)	(37)	(89)	32	(298)
Core income tax (expenses) recoveries, CER adjustment[1]	-	-	(2)	-	1	(1)
Core income tax (expenses) recoveries, CER basis	$ (94)	$ (110)	$ (39)	$ (89)	$ 33	$ (299)

(1) The impact of updating foreign exchange rates to that which was used in 4Q25.
(2) Manulife Bank is part of Canada segment.

DOE Reconciliation – 1Q25

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

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	$ 614	$ 317	$ 147	$ -	$ (35)	$ 1,043
Less: Insurance service result attributed to:						
Items excluded from core earnings	(13)	(5)	33	-	-	15
NCI	27	-	-	-	-	27
Participating policyholders	62	14	-	-	-	76
Core net insurance service result	538	308	114	-	(35)	925
Core net insurance service result, CER adjustment[1]	(15)	-	(3)	-	1	(17)
Core net insurance service result, CER basis	$ 523	$ 308	$ 111	$ -	$ (34)	$ 908

	4Q25					
Total investment result reconciliation						
Total investment result per financial statements	$ 344	$ 298	$ (850)	$ (272)	$ 116	$ (364)
Less: Reclassify Manulife Bank[2] and Global WAM to their own DOE lines	-	332	-	(272)	-	60
Add: Consolidation and other adjustments from Other DOE line	-	-	-	-	(171)	(171)
Less: Net investment result attributed to:						
Items excluded from core earnings	(50)	(179)	(1,210)	-	(149)	(1,588)
NCI	60	-	-	-	(2)	58
Participating policyholders	8	14	-	-	-	22
Core net investment result	326	131	360	-	96	913
Core net investment result, CER adjustment[1]	(10)	-	(10)	-	-	(20)
Core net investment result, CER basis	$ 316	$ 131	$ 350	$ -	$ 96	$ 893
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	$ -	$ 50	$ -	$ 527	$ -	$ 577
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	-	-	(13)	-	(13)
Core earnings in Manulife Bank and Global WAM	-	50	-	540	-	590
Core earnings in Manulife Bank and Global WAM, CER adjustment[1]	-	-	-	(11)	-	(11)
Core earnings in Manulife Bank and Global WAM, CER basis	$ -	$ 50	$ -	$ 529	$ -	$ 579
Other reconciliation						
Other revenue per financial statements	$ 1	$ 74	$ 25	$ 1,975	$ (89)	$ 1,986
General expenses per financial statements	(80)	(152)	(52)	(797)	(121)	(1,202)
Commissions related to non-insurance contracts	(2)	(18)	2	(377)	10	(385)
Interest expenses per financial statements	(7)	(214)	(3)	(1)	(154)	(379)
Total financial statements values included in Other	(88)	(310)	(28)	800	(354)	20
Less: Reclassifications:						
Manulife Bank and Global WAM to their own DOE lines	-	(282)	-	800	-	518
Consolidation and other adjustments to net investment result DOE line	-	-	-	(1)	(171)	(172)
Less: Other attributed to:						
Items excluded from core earnings	(17)	2	1	-	34	20
NCI	1	-	-	1	-	2
Participating policyholders	(3)	(1)	-	-	-	(4)
Add: Participating policyholders' earnings transfer to shareholders	11	3	-	-	-	14
Other core earnings	(58)	(26)	(29)	-	(217)	(330)
Other core earnings, CER adjustment[1]	2	-	-	-	-	2
Other core earnings, CER basis	$ (56)	$ (26)	$ (29)	$ -	$ (217)	$ (328)
Income tax (expenses) recoveries reconciliation						
Income tax (expenses) recoveries per financial statements	$ (131)	$ (59)	$ 162	$ (83)	$ 35	$ (76)
Less: Income tax (expenses) recoveries attributed to:						
Items excluded from core earnings	(1)	30	246	3	6	284
NCI	(21)	-	-	-	-	(21)
Participating policyholders	(8)	-	-	-	-	(8)
Core income tax (expenses) recoveries	(101)	(89)	(84)	(86)	29	(331)
Core income tax (expenses) recoveries, CER adjustment[1]	4	-	3	1	(1)	7
Core income tax (expenses) recoveries, CER basis	$ (97)	$ (89)	$ (81)	$ (85)	$ 28	$ (324)

(1) The impact of updating foreign exchange rates to that which was used in 4Q25.
(2) Manulife Bank is part of Canada segment.

DOE Reconciliation – 4Q24[1]

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

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
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]	(2)	-	(1)	-	-	(3)
Core net insurance service result, CER basis	$ 480	$ 326	$ 150	$ -	$ 70	$ 1,026
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]	(1)	-	(2)	-	-	(3)
Core net investment result, CER basis	$ 324	$ 131	$ 383	$ -	$ 126	$ 964
Manulife Bank and Global WAM by DOE line reconciliation						

Manulife Bank and Global WAM net income attributed to shareholders	$	-	$	53	$	4Q24	$	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[2]		-		-		-		(1)		-		(1)
Core earnings in Manulife Bank and Global WAM, CER basis	$	-	$	60	$	-	$	541	$	-	$	601
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[2]		-		-		-		-		(1)		(1)
Other core earnings, CER basis	$	(70)	$	(30)	$	(26)	$	-	$	(221)	$	(347)
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		(35)		(26)		89		48		(119)		(43)
NCI		(15)		-		-		-		-		(15)
Participating policyholders		(9)		6		-		-		-		(3)
Core income tax (expenses) recoveries		(97)		(97)		(98)		(83)		30		(345)
Core income tax (expenses) recoveries, CER adjustment[2]		(1)		-		1		-		1		1
Core income tax (expenses) recoveries, CER basis	$	(98)	$	(97)	$	(97)	$	(83)	$	31	$	(344)

(1) This reconciliation has been updated to align with the presentation of GMT in 2025. See the "Global Minimum Taxes" section for more information.
(2) The impact of updating foreign exchange rates to that which was used in 4Q25.
(3) 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	
	4Q25	3Q25	2Q25	1Q25	4Q24	**2025**	2024
Per share dividend	**$ 0.44**	$ 0.44	$ 0.44	$ 0.44	$ 0.40	**$ 1.76**	$ 1.60
Core EPS	**$ 1.12**	$ 1.16	$ 0.95	$ 0.99	$ 1.03	**$ 4.21**	$ 3.85
Common share core dividend payout ratio[1]	**39%**	38%	46%	44%	39%	**42%**	42%

(1) 2024 core EPS and common share core dividend ratio have been updated to align with the presentation of GMT in 2025. See the "Global Minimum Taxes" section above for more information.

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 includes amount attributed to common shareholders, participating policyholders and NCI.

Our reporting of CSM is net of NCI. 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 basis.

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 be considered a management action;
- **Expected movement related to finance income or expense** ("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 expected;
- **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; and
- **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 period experience.

Changes in CSM net of NCI that are classified as inorganic include the following impacts:

- **Updates to actuarial methods and assumptions that adjust the CSM**;
- **Effect of movement in exchange rates** over the reporting period;
- **Impact of market**; and
- **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 rate changes, material adjustments that are exceptional in nature and other amounts not specifically captured in the previous inorganic

items.

Post-tax CSM is used in the definition of financial leverage ratio and consolidated capital and is calculated as the CSM adjusted for the marginal income tax rate in the jurisdictions that report a CSM balance. **Post-tax CSM net of NCI** is used in the adjusted book value per share calculation and is calculated as the CSM net of NCI adjusted for the marginal income tax 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 constant 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, 2025	Sept 30, 2025	June 30, 2025	Mar 31, 2025	Dec 31, 2024
CSM	**$ 26,568**	$ 26,283	$ 23,722	$ 23,713	$ 23,425
Less: CSM for NCI	**1,599**	1,565	1,406	1,417	1,298
CSM, net of NCI	**$ 24,969**	$ 24,718	$ 22,316	$ 22,296	$ 22,127
CER adjustment[1]	**-**	(387)	(93)	(834)	(684)
CSM, net of NCI, CER basis	**$ 24,969**	$ 24,331	$ 22,223	$ 21,462	$ 21,443
CSM by segment					
Asia	**$ 17,750**	$ 17,580	$ 15,786	$ 15,904	$ 15,540
Asia NCI	**1,599**	1,565	1,406	1,417	1,298
Canada	**4,459**	4,490	4,133	4,052	4,109
U.S.	**2,760**	2,649	2,386	2,329	2,468
Corporate and Other	**-**	(1)	11	11	10
CSM	**$ 26,568**	$ 26,283	$ 23,722	$ 23,713	$ 23,425
CSM, CER adjustment[1]					
Asia	**$ -**	$ (348)	$ (104)	$ (724)	$ (566)
Asia NCI	**-**	5	40	(16)	(5)
Canada	**-**	-	-	-	-
U.S.	**-**	(39)	11	(111)	(118)
Corporate and Other	**-**	-	1	-	-
Total	**$ -**	$ (382)	$ (52)	$ (851)	$ (689)
CSM, CER basis					
Asia	**$ 17,750**	$ 17,232	$ 15,682	$ 15,180	$ 14,974
Asia NCI	**1,599**	1,570	1,446	1,401	1,293
Canada	**4,459**	4,490	4,133	4,052	4,109
U.S.	**2,760**	2,610	2,397	2,218	2,350
Corporate and Other	**-**	(1)	12	11	10
Total CSM, CER basis	**$ 26,568**	$ 25,901	$ 23,670	$ 22,862	$ 22,736
Post-tax CSM					
CSM	**$ 26,568**	$ 26,283	$ 23,722	$ 23,713	$ 23,425
Marginal tax rate on CSM	**(4,403)**	(4,347)	(3,940)	(3,929)	(3,928)
Post-tax CSM[2]	**$ 22,165**	$ 21,936	$ 19,782	$ 19,784	$ 19,497
CSM, net of NCI	**$ 24,969**	$ 24,718	$ 22,316	$ 22,296	$ 22,127
Marginal tax rate on CSM net of NCI	**(4,236)**	(4,181)	(3,789)	(3,772)	(3,774)
Post-tax CSM net of NCI[2]	**$ 20,733**	$ 20,537	$ 18,527	$ 18,524	$ 18,353

(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 4Q25.

(2) 2024 post-tax CSM and post-tax CSM, net of NCI have been updated to align with the presentation of GMT in 2025. See the "Global Minimum Taxes" section for more information.

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	
	4Q25	3Q25	2Q25	1Q25	4Q24	**2025**	2024
New business CSM							
Hong Kong	**$ 244**	$ 287	$ 286	$ 316	$ 299	**$ 1,133**	$ 921
Japan	**159**	76	74	81	66	**390**	290
Asia Other	**294**	349	303	318	221	**1,264**	937
International High Net Worth						***189***	*187*
Mainland China						***356***	*270*
Singapore						***619***	*391*
Vietnam						***22***	*17*
Other Emerging Markets						***78***	*72*
Asia	**697**	712	663	715	586	**2,787**	2,148
Canada	**135**	109	100	91	116	**435**	357
U.S.	**188**	145	119	101	140	**553**	382
Total new business CSM	**$ 1,020**	$ 966	$ 882	$ 907	$ 842	**$ 3,775**	$ 2,887
New business CSM, CER adjustment[2],[3]							
Hong Kong	**-**	$ 4	$ 2	$ (8)	$ (1)	**$ (2)**	$ 13
Japan	**-**	(3)	(4)	(3)	(1)	**(10)**	2
Asia Other	**-**	3	3	(1)	2	**5**	32
International High Net Worth						***1***	*4*
Mainland China						***2***	*10*
Singapore						***3***	*19*
Vietnam						***-***	*(1)*
Other Emerging Markets						***(1)***	*-*
Asia	**-**	4	1	(12)	-	**(7)**	47
Canada	**-**	-	-	-	-	**-**	-
U.S.	**-**	2	1	(3)	-	**-**	6
Total new business CSM	**$ -**	$ 6	$ 2	$ (15)	$ -	**$ (7)**	$ 53
New business CSM, CER basis							
Hong Kong	**$ 244**	$ 291	$ 288	$ 308	$ 298	**$ 1,131**	$ 934
Japan	**159**	73	70	78	65	**380**	292
Asia Other	**294**	352	306	317	223	**1,269**	969
International High Net Worth						***190***	*191*
Mainland China						***358***	*280*
Singapore						***622***	*410*
Vietnam						***22***	*16*
Other Emerging Markets						***77***	*72*
Asia	**697**	716	664	703	586	**2,780**	2,195
Canada	**135**	109	100	91	116	**435**	357
U.S.	**188**	147	120	98	140	**553**	388
Total new business CSM, CER basis	**$ 1,020**	$ 972	$ 884	$ 892	$ 842	**$ 3,768**	$ 2,940

(1) New business CSM is net of NCI.

(2) The impact of updating foreign exchange rates to that which was used in 4Q25.

(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 **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 2025.

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

y.

General expenses, CER basi
s

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

	Quarterly Results					Full Year Results	
	4Q25	3Q25	2Q25	1Q25	4Q24	**2025**	2024
General expenses	**$ 1,327**	$ 1,232	$ 1,140	$ 1,202	$ 1,328	**$ 4,901**	$ 4,859
CER adjustment[1]	**-**	6	3	(17)	(2)	**(8)**	52
General expenses, CER basis	**$ 1,327**	$ 1,238	$ 1,143	$ 1,185	$ 1,326	**$ 4,893**	$ 4,911

(1) The impact of updating foreign exchange rates to that which was used in 4Q25.

Net income financial measures on a CER basi
s

(Canadian $ in 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	
	4Q25	3Q25	2Q25	1Q25	4Q24	**2025**	2024
Net income (loss) attributed to shareholders:							
Asia	**$ 623**	$ 895	$ 830	$ 624	$ 583	**$ 2,972**	$ 2,355
Canada	**252**	449	390	222	439	**1,313**	1,221
U.S.	**81**	(75)	36	(569)	103	**(527)**	135
Global WAM	**452**	523	482	443	384	**1,900**	1,597
Corporate and Othe r	**91**	7	51	(235)	129	**(86)**	77
Total net income (loss) attributed to shareholder s	**1,499**	1,799	1,789	485	1,638	**5,572**	5,385
Preferred share dividends and other equity distributions	**(103)**	(58)	(103)	(57)	(101)	**(321)**	(311)
Common shareholders' net income (loss)	**$ 1,396**	$ 1,741	$ 1,686	$ 428	$ 1,537	**$ 5,251**	$ 5,074
CER adjustment[1]							
Asia	**$ -**	$ 18	$ 6	$ (28)	$ 12	**$ (4)**	$ 71
Canada	**-**	-	-	-	-	**-**	11
U.S.	**-**	1	-	15	(2)	**16**	10
Global WAM	**-**	7	3	(13)	(1)	**(3)**	22
Corporate and Othe r	**-**	-	4	6	-	**10**	-
Total net income (loss) attributed to shareholders	**-**	26	13	(20)	9	**19**	114
Preferred share dividends and other equity distributions	**-**	-	-	-	-	**-**	-
Common shareholders' net income (loss)	**$ -**	$ 26	$ 13	$ (20)	$ 9	**$ 19**	$ 114
Net income (loss) attributed to shareholders, CER basi s							
Asia	**$ 623**	$ 913	$ 836	$ 596	$ 595	**$ 2,968**	$ 2,426
Canada	**252**	449	390	222	439	**1,313**	1,232
U.S.	**81**	(74)	36	(554)	101	**(511)**	145
Global WAM	**452**	530	485	430	383	**1,897**	1,619
Corporate and Othe r	**91**	7	55	(229)	129	**(76)**	77
Total net income (loss) attributed to shareholders, CER basis	**1,499**	1,825	1,802	465	1,647	**5,591**	5,499
Preferred share dividends and other equity distributions, CER basis	**(103)**	(58)	(103)	(57)	(101)	**(321)**	(311)
Common shareholders' net income (loss), CER basi s	**$ 1,396**	$ 1,767	$ 1,699	$ 408	$ 1,546	**$ 5,270**	$ 5,188
Asia net income attributed to shareholders, U.S. dollar s							
Asia net income (loss) attributed to shareholders, US $[2]	**$ 447**	$ 649	$ 600	$ 435	$ 417	**$ 2,131**	$ 1,717
CER adjustment, US $[1]	**-**	6	1	(9)	9	**(2)**	23
Asia net income (loss) attributed to shareholders, U.S. $, CER basis[1]	**$ 447**	$ 655	$ 601	$ 426	$ 426	**$ 2,129**	$ 1,740
Net income (loss) attributed to shareholders (pre-tax)							
Net income (loss) attributed to shareholders (post-tax)	**$ 1,499**	$ 1,799	$ 1,789	$ 485	$ 1,638	**$ 5,572**	$ 5,385
Tax on net income attributed to shareholders	**292**	283	307	47	388	**929**	1,102
Net income (loss) attributed to shareholders (pre-tax)	**1,791**	2,082	2,096	532	2,026	**6,501**	6,487
CER adjustment[1]	**-**	5	1	(11)	(2)	**(5)**	75
Net income (loss) attributed to shareholders (pre-tax), CER basis	**$ 1,791**	$ 2,087	$ 2,097	$ 521	$ 2,024	**$ 6,496**	$ 6,562

(1) The impact of updating foreign exchange rates to that which was used in 4Q25.

(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 provid investment management services, consisting of mutual fund, institutional asset management and other fund net assets. AUA ar assets for which we provide administrative services only. Assets under management and administration is a common industr metric for wealth and asset management businesses .

Our Global WAM business also manages assets on behalf of other segments of the Compan **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 AUMA is a measure of the relative AUMA from each segment, expressed as a percentage. It i calculated as the AUMA in that segment divided by the total Company AUMA. This measure is reported for our operatin segments and as at December 31, 2025, the segment share of total Company AUMA for Asia, Canada, U.S. and Global WA was 13%, 9%, 12% and 65%, respectively (as at December 31, 2024 – 12%, 9%, 13% and 64%, 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 $[5]	
	December 31, 2025						December 31, 2025	
As at	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
Total invested assets								
Manulife Bank[1]	$ -	$ 29,896	$ -	$ -	$ -	$ 29,896	$ -	$ -
Derivative reclassification[2]	-	-	-	-	4,737	4,737	-	-
Other	185,848	84,587	122,591	9,787	22,482	425,295	135,597	89,434
Total	185,848	114,483	122,591	9,787	27,219	459,928	135,597	89,434
Segregated funds net assets								
Institutional	-	-	-	3,075	-	3,075	-	-
Other[3]	32,245	38,218	77,272	310,491	(47)	458,179	23,527	56,372
Total	32,245	38,218	77,272	313,566	(47)	461,254	23,527	56,372
AUM per financial statements	218,093	152,701	199,863	323,353	27,172	921,182	159,124	145,806
Mutual funds	-	-	-	338,443	-	338,443	-	-
Institutional asset management[4]	-	-	-	176,402	-	176,402	-	-
Other funds	-	-	-	22,371	-	22,371	-	-
Total AUM	218,093	152,701	199,863	860,569	27,172	1,458,398	159,124	145,806
Assets under administration	-	-	-	246,021	-	246,021	-	-
Total AUMA	$218,093	$152,701	$199,863	$1,106,590	$ 27,172	$1,704,419	$159,124	$145,806
Total AUMA, US $ [5]						$1,243,422		
Total AUMA	$218,093	$152,701	$199,863	$1,106,590	$ 27,172	$1,704,419		
CER adjustment[6]	-	-	-	-	-	-		
Total AUMA, CER basis	$218,093	$152,701	$199,863	$1,106,590	$ 27,172	$1,704,419		

Global WAM Managed AUMA	
Global WAM AUMA	**$1,106,590**
AUM managed by Global WAM for Manulife's other segments	**234,370**
Total	**$1,340,960**

(1) Represents net lending assets.
(2) 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.
(3) Corporate and Other segregated funds net assets represent elimination of amounts held by the Company.
(4) Institutional asset management excludes Institutional segregated funds net assets.
(5) US $ AUMA is calculated as total AUMA in Canadian $ divided by the US $ exchange rate in effect at the end of the quarter.
(6) The impact of updating foreign exchange rates to that which was used in 4Q25.

AUM and AUMA reconciliations

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

			September 30, 2025					September 30, 2025	
As at	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
Total invested assets								
Manulife Bank[1]	$ -	$ 29,112	$ -	$ -	$ -	$ 29,112	$ -	$ -
Derivative reclassification[2]	-	-	-	-	3,308	3,308	-	-
Other	184,344	84,860	124,710	10,999	21,634	426,547	132,487	89,629
Total	184,344	113,972	124,710	10,999	24,942	458,967	132,487	89,629
Segregated funds net assets								
Institutional	-	-	-	3,106	-	3,106	-	-

Other[3]	31,646	38,654	78,304	CAD $ 311,195	(51)	459,748	22,747	US $[5] 56,277
Total	31,646	38,654	78,304	314,301	(51)	462,854	22,747	56,277
AUM per financial statements	215,990	152,626	203,014	325,300	24,891	921,821	155,234	145,906
Mutual funds	-	-	-	350,545	-	350,545	-	-
Institutional asset management	-	-	-	159,321	-	159,321	-	-
Other funds	-	-	-	21,518	-	21,518	-	-
Total AUM	215,990	152,626	203,014	856,684	24,891	1,453,205	155,234	145,906
Assets under administration	-	-	-	241,359	-	241,359	-	-
Total AUMA	$215,990	$152,626	$203,014	$ 1,098,043	$ 24,891	$ 1,694,564	$155,234	$145,906
Total AUMA, US $ [5]						$ 1,217,884		
Total AUMA	$215,990	$152,626	$203,014	$ 1,098,043	$ 24,891	$ 1,694,564		
CER adjustment[6]	(3,570)	-	(3,008)	(12,907)	-	(19,485)		
Total AUMA, CER basis	$212,420	$152,626	$200,006	$ 1,085,136	$ 24,891	$ 1,675,079		

Global WAM Managed AUMA	
Global WAM AUMA	$ 1,098,043
AUM managed by Global WAM for Manulife's other segments	233,702
Total	$ 1,331,745

Note: For footnotes (1) to (6), refer to the "AUM and AUMA reconciliation" table as at December 31, 2025 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)

	June 30, 2025						June 30, 2025	
As at	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
Total invested assets								
Manulife Bank[1]	$ -	$ 28,138	$ -	$ -	$ -	$ 28,138	$ -	$ -
Derivative reclassification[2]	-	-	-	-	4,531	4,531	-	-
Other	173,265	83,059	119,981	10,352	19,140	405,797	126,978	87,930
Total	173,265	111,197	119,981	10,352	23,671	438,466	126,978	87,930
Segregated funds net assets								
Institutional	-	-	-	3,045	-	3,045	-	-
Other[3]	29,239	37,567	74,322	292,416	(31)	433,513	21,433	54,468
Total	29,239	37,567	74,322	295,461	(31)	436,558	21,433	54,468
AUM per financial statements	202,504	148,764	194,303	305,813	23,640	875,024	148,411	142,398
Mutual funds	-	-	-	331,290	-	331,290	-	-
Institutional asset management	-	-	-	156,878	-	156,878	-	-
Other funds	-	-	-	19,697	-	19,697	-	-
Total AUM	202,504	148,764	194,303	813,678	23,640	1,382,889	148,411	142,398
Assets under administration	-	-	-	225,360	-	225,360	-	-
Total AUMA	$202,504	$148,764	$194,303	$ 1,039,038	$ 23,640	$ 1,608,249	$148,411	$142,398
Total AUMA, US $ [5]						$ 1,178,636		

	CAD $						US $[5]
Total AUMA	$202,504	$148,764	$194,303	$1,039,038	$ 23,640	$1,608,249	
CER adjustment[6]	(172)	-	902	2,266	-	2,996	
Total AUMA, CER basis	$202,332	$148,764	$195,205	$1,041,304	$ 23,640	$1,611,245	

Global WAM Managed AUMA	
Global WAM AUMA	$1,039,038
AUM managed by Global WAM for Manulife's other segments	222,676
Total	$1,261,714

Note: For footnotes (1) to (6), refer to the "AUM and AUMA reconciliation" table as at December 31, 2025 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 $[5]	
	March 31, 2025						March 31, 2025	
As at	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
Total invested assets								
Manulife Bank[1]	$ -	$ 27,135	$ -	$ -	$ -	$ 27,135	$ -	$ -
Derivative reclassification[2]	-	-	-	-	4,541	4,541	-	-
Other	171,732	84,180	125,793	9,983	22,373	414,061	119,318	87,401
Total	171,732	111,315	125,793	9,983	26,914	445,737	119,318	87,401
Segregated funds net assets								
Institutional	-	-	-	3,199	-	3,199	-	-
Other[3]	28,560	37,373	75,103	284,407	(32)	425,411	19,839	52,182
Total	28,560	37,373	75,103	287,606	(32)	428,610	19,839	52,182
AUM per financial statements	200,292	148,688	200,896	297,589	26,882	874,347	139,157	139,583
Mutual funds	-	-	-	334,612	-	334,612	-	-
Institutional asset management[4]	-	-	-	156,560	-	156,560	-	-
Other funds	-	-	-	19,057	-	19,057	-	-
Total AUM	200,292	148,688	200,896	807,818	26,882	1,384,576	139,157	139,583
Assets under administration	-	-	-	218,501	-	218,501	-	-
Total AUMA	$200,292	$148,688	$200,896	$1,026,319	$ 26,882	$1,603,077	$139,157	$139,583
Total AUMA, US $[5]						$1,113,827		
Total AUMA	$200,292	$148,688	$200,896	$1,026,319	$ 26,882	$1,603,077		
CER adjustment[6]	(7,547)	-	(9,496)	(36,044)	-	(53,087)		
Total AUMA, CER basis	$192,745	$148,688	$191,400	$ 990,275	$ 26,882	$1,549,990		

Global WAM Managed AUMA	
Global WAM AUMA	$1,026,319
AUM managed by Global WAM for Manulife's other segments	225,108
Total	$1,251,427

Note: For footnotes (1) to (6), refer to the "AUM and AUMA reconciliation" table as at December 31, 2025 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 $[5]	
	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[1]	$ -	$ 26,718	$ -	$ -	$ -	$ 26,718	$ -	$ -
Derivative reclassification[2]	-	-	-	-	5,600	5,600	-	-
Other	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								
Institutional	-	-	-	3,393	-	3,393	-	-
Other[3]	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[4]	-	-	-	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 $ [5]						$1,118,042		
Total AUMA	$195,212	$145,240	$214,273	$1,031,085	$ 22,157	$1,607,967		
CER adjustment[6]	(5,809)	-	(9,974)	(34,744)	-	(50,527)		
Total AUMA, CER basis	$189,403	$145,240	$204,299	$ 996,341	$ 22,157	$1,557,440		

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

Note: For footnotes (1) to (6), refer to the "AUM and AUMA reconciliation" table as at December 31, 2025 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, 2025	Sept 30, 2025	June 30, 2025	Mar 31, 2025	Dec 31, 2024
Global WAM AUMA by business line					
Retirement	**$ 572,613**	$ 575,220	$ 536,639	$ 522,751	$ 521,979
Retail	**350,180**	356,419	338,616	339,653	348,938
Institutional asset management	**183,797**	166,404	163,783	163,915	160,168
Total	**$1,106,590**	$1,098,043	$1,039,038	$1,026,319	$1,031,085
Global WAM AUMA by business line, CER basis[1]					
Retirement	**$ 572,613**	$ 568,533	$ 538,621	$ 503,175	$ 502,657
Retail	**350,180**	352,529	339,109	328,858	338,246
Institutional asset management	**183,797**	164,074	163,574	158,242	155,438
Total	**$1,106,590**	$1,085,136	$1,041,304	$ 990,275	$ 996,341
Global WAM AUMA by geographic source					
Asia	**$ 156,030**	$ 153,921	$ 143,573	$ 144,660	$ 141,098
Canada	**273,978**	275,486	266,913	259,446	260,651
U.S.	**676,582**	668,636	628,552	622,213	629,336
Total	**$1,106,590**	$1,098,043	$1,039,038	$1,026,319	$1,031,085
Global WAM AUMA by geographic source, CER basis[1]					
Asia	**$ 156,030**	$ 150,560	$ 142,575	$ 137,824	$ 135,823
Canada	**273,978**	275,486	266,913	259,446	260,651
U.S.	**676,582**	659,090	631,816	593,005	599,867
Total	**$1,106,590**	$1,085,136	$1,041,304	$ 990,275	$ 996,341
Global WAM Managed AUMA by business line					
Retirement	**$ 572,613**	$ 575,220	$ 536,639	$ 522,751	$ 521,979
Retail	**432,834**	440,149	419,133	419,844	431,047
Institutional asset management	**335,513**	316,376	305,942	308,832	304,811
Total	**$1,340,960**	$1,331,745	$1,261,714	$1,251,427	$1,257,837
Global WAM Managed AUMA by business line, CER basis					
Retirement	**$ 572,613**	$ 568,533	$ 538,621	$ 503,175	$ 502,657
Retail	**432,834**	429,822	414,068	400,754	417,933
Institutional asset management	**335,513**	312,164	306,296	297,308	294,316
Total	**$1,340,960**	$1,310,519	$1,258,985	$1,201,237	$1,214,906
Global WAM Managed AUMA by geographic source					
Asia	**$ 248,228**	$ 242,968	$ 227,797	$ 228,948	$ 225,325
Canada	**327,177**	328,891	317,864	311,252	312,816
U.S.	**765,555**	759,886	716,053	711,227	719,696
Total	**$1,340,960**	$1,331,745	$1,261,714	$1,251,427	$1,257,837
Global WAM Managed AUMA by geographic source, CER basis[1]					
Asia	**$ 248,228**	$ 238,193	$ 226,941	$ 218,091	$ 216,102
Canada	**327,177**	328,891	317,864	311,252	312,816
U.S.	**765,555**	743,435	714,180	671,894	685,988
Total	**$1,340,960**	$1,310,519	$1,258,985	$1,201,237	$1,214,906

(1) AUMA adjusted to reflect the foreign exchange rates for the Statement of Financial Position in effect for 4Q25.

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, 2025	Sept 30, 2025	June 30, 2025	Mar 31, 2025	Dec 31, 2024
Mortgages	**$ 57,119**	$ 56,747	$ 55,479	$ 55,105	$ 54,447
Less: mortgages not held by Manulife Bank	**29,958**	30,185	29,847	30,352	30,039
Total mortgages held by Manulife Bank	**27,161**	26,562	25,632	24,753	24,408
Loans to Bank clients	**2,735**	2,550	2,506	2,382	2,310
Manulife Bank net lending assets	**$ 29,896**	$ 29,112	$ 28,138	$ 27,135	$ 26,718
Manulife Bank average net lending assets					
Beginning of period	**$ 29,112**	$ 28,138	$ 27,135	$ 26,718	$ 26,371
End of period	**29,896**	29,112	28,138	27,135	26,718
Manulife Bank average net lending assets by quarter	**$ 29,504**	$ 28,625	$ 27,637	$ 26,927	$ 26,545
Manulife Bank average net lending assets – full year	**$ 28,307**				$ 26,020

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, 2025	Sept 30, 2025	June 30, 2025	Mar 31, 2025	Dec 31, 2024
Common shareholders' equity	**$ 43,461**	$ 44,056	$ 42,420	$ 44,475	$ 44,312
Post-tax CSM, net of NCI[1]	**20,733**	20,537	18,527	18,524	18,353
Adjusted book value	**$ 64,194**	$ 64,593	$ 60,947	$ 62,999	$ 62,665

(1) 2024 quarterly post-tax CSM, net of NCI has been updated to align with the presentation of GMT in 2025. See the "Global Minimum Taxes" section for more information.

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, 2025	Sept 30, 2025	June 30, 2025	Mar 31, 2025	Dec 31, 2024
Total equity	**$ 52,488**	$ 52,991	$ 51,253	$ 53,164	$ 52,960
Less: AOCI gain/(loss) on cash flow hedges	**87**	58	68	89	119
Total equity excluding AOCI on cash flow hedges	**52,401**	52,933	51,185	53,075	52,841
Post-tax CSM[1]	**22,165**	21,936	19,782	19,784	19,497
Qualifying capital instruments	**6,990**	7,011	6,985	7,542	7,532
Consolidated capital	**$ 81,556**	$ 81,880	$ 77,952	$ 80,401	$ 79,870

(1) 2024 quarterly post-tax CSM has been updated to align with the presentation of GMT in 2025. See the "Global Minimum Taxes" section for more information.

Core EBITDA is a financial measure which Manulife uses to better understand the long-term earnings capacity and valuation o our Global WAM business on a basis more comparable to how the profitability of global asset managers is generally measured Core EBITDA presents core earnings before the impact of interest, taxes, depreciation, and amortization. Core EBITDA exclude certain acquisition expenses related to insurance contracts in our retirement businesses which are deferred and amortized ove the expected lifetime of the customer relationship. Core EBITDA was selected as a key performance indicator for our Globa WAM business, as EBITDA is widely used among asset management peers, and core earnings is a primary profitability metric fo 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	
	4Q25	3Q25	2Q25	1Q25	4Q24	**2025**	2024
Global WAM core earnings (post-tax)	**$ 490**	$ 525	$ 463	$ 454	$ 459	**$1,932**	$1,673
Add back taxes, acquisition costs, other expenses and deferred sales commissions							
Core income tax (expenses) recoveries (see above)	**93**	82	89	86	83	**350**	234
Amortization of deferred acquisition costs and other depreciation	**61**	44	51	46	49	**202**	188
Amortization of deferred sales commissions	**24**	21	20	22	20	**87**	78
Core EBITDA	**$ 668**	$ 672	$ 623	$ 608	$ 611	**$2,571**	$2,173
CER adjustment[1]	**-**	6	3	(13)	(2)	**(4)**	24
Core EBITDA, CER basis	**$ 668**	$ 678	$ 626	$ 595	$ 609	**$2,567**	$2,197
Core EBITDA by business line							
Retirement	**$ 373**	$ 387	$ 358	$ 351	$ 330	**$1,469**	$1,199
Retail	**210**	204	191	190	214	**795**	773
Institutional asset management	**85**	81	74	67	67	**307**	201
Total	**$ 668**	$ 672	$ 623	$ 608	$ 611	**$2,571**	$2,173
Core EBITDA by geographic source							
Asia	**$ 153**	$ 185	$ 170	$ 186	$ 167	**$ 694**	$ 607
Canada	**174**	180	161	164	160	**679**	589
U.S.	**341**	307	292	258	284	**1,198**	977
Total	**$ 668**	$ 672	$ 623	$ 608	$ 611	**$2,571**	$2,173
Core EBITDA by business line, CER basis[2]							
Retirement	**$ 373**	$ 391	$ 360	$ 343	$ 330	**$1,467**	$1,213
Retail	**210**	205	192	187	213	**794**	780
Institutional asset management	**85**	82	74	65	66	**306**	204
Total, CER basis	**$ 668**	$ 678	$ 626	$ 595	$ 609	**$2,567**	$2,197
Core EBITDA by geographic source, CER basis[2]							
Asia	**$ 153**	$ 187	$ 171	$ 180	$ 166	**$ 691**	$ 615
Canada	**174**	180	161	164	160	**679**	589
U.S.	**341**	311	294	251	283	**1,197**	993
Total, CER basis	**$ 668**	$ 678	$ 626	$ 595	$ 609	**$2,567**	$2,197

(1) The impact of updating foreign exchange rates to that which was used in 4Q25.

(2) Core EBITDA adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 4Q25.

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 margi presents core earnings before the impact of interest, taxes, depreciation, and amortization divided by core revenue from thes businesses. **Core revenue** is used to calculate our core EBITDA margin, and is equal to the sum of pre-tax other revenue an investment income in Global WAM included in core EBITDA, and it excludes such items as revenue related to integration an acquisitions and market experience gains (losses). Core EBITDA margin was selected as a key performance indicator for ou Global WAM business, as EBITDA margin is widely used among asset management peers, and core earnings is a primar profitability metric for the Company overall

($ millions, unless otherwise stated)	**4Q25**	3Q25	2Q25	1Q25	4Q24	**2025**	2024
Core EBITDA margin							

	Quarterly Results					Full-Year Results	
Core EBITDA	**$ 668**	$ 672	$ 623	$ 608	$ 611	**$ 2,571**	$ 2,173
Core revenue	**$ 2,285**	$ 2,175	$ 2,069	$ 2,140	$ 2,140	**$ 8,669**	$ 8,016
Core EBITDA margin	**29.2%**	30.9%	30.1%	28.4%	28.6%	**29.7%**	27.1%
Global WAM core revenue							
Other revenue per financial statements	**$ 2,147**	$ 2,145	$ 1,851	$ 1,986	$ 2,003	**$ 8,129**	$ 7,588
Less: Other revenue in segments other than Global WAM	**28**	121	(53)	11	(2)	**107**	149
Other revenue in Global WAM (fee income)	**$ 2,119**	$ 2,024	$ 1,904	$ 1,975	$ 2,005	**$ 8,022**	$ 7,439
Investment income per financial statements	**$ 5,358**	$ 4,682	$ 4,740	$ 4,234	$ 5,250	**$ 19,014**	$ 18,249
Realized and unrealized gains (losses) on assets supporting insurance and investment contract liabilities per financial statements	**1,106**	3,784	2,377	(992)	(622)	**6,275**	2,210
Total investment income	**6,464**	8,466	7,117	3,242	4,628	**25,289**	20,459
Less: Investment income in segments other than Global WAM	**6,300**	8,275	6,924	3,089	4,550	**24,588**	19,877
Investment income in Global WAM	**$ 164**	$ 191	$ 193	$ 153	$ 78	**$ 701**	$ 582
Total other revenue and investment income in Global WAM	**$ 2,283**	$ 2,215	$ 2,097	$ 2,128	$ 2,083	**$ 8,723**	$ 8,021
Less: Total revenue reported in items excluded from core earnings							
Market experience gains (losses)	**(1)**	24	20	(14)	(28)	**29**	4
Revenue related to integration and acquisitions	**(1)**	16	8	2	(29)	**25**	1
Global WAM core revenue	**$ 2,285**	$ 2,175	$ 2,069	$ 2,140	$ 2,140	**$ 8,669**	$ 8,016

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 legal provisions for settlements, restructuring charges, amortization of acquisition-related intangible assets and expenses related to integration and acquisitions, that have been excluded from core earnings. Consistent with our definition of core earnings, amortization and impairment of intangible assets acquired in a business combination, except for amortization of software and distribution agreements is now excluded from core expenses commencing in 3Q25. For more information, please see above for details of our definition of core earnings.

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)	4Q25	3Q25	2Q25	1Q25	4Q24	2025	2024
Core expenses							
General expenses - Statements of Income	**$ 1,327**	$ 1,232	$ 1,140	$ 1,202	$ 1,328	**$ 4,901**	$ 4,859
Directly attributable acquisition expense for contracts measured using the PAA method and for other products without a CSM[1)]	**48**	42	40	42	43	**172**	156
Directly attributable maintenance expense[1)]	**542**	524	514	532	517	**2,112**	2,074
Total expenses	**1,917**	1,798	1,694	1,776	1,888	**7,185**	7,089
Less: General expenses included in items excluded from core earnings							
Restructuring charge	**16**	-	-	-	67	**16**	92
Amortization of acquisition-related intangible assets	**16**	8	-	-	-	**24**	-
Integration and acquisition	**7**	22	-	-	-	**29**	57
Legal provisions and Other expenses	**5**	10	5	-	24	**20**	41
Total	**44**	40	5	-	91	**89**	190
Core expenses	**$ 1,873**	$ 1,758	$ 1,689	$ 1,776	$ 1,797	**$ 7,096**	$ 6,899
CER adjustment[2)]	**-**	10	2	(24)	-	**(12)**	75
Core expenses, CER basis	**$ 1,873**	$ 1,768	$ 1,691	$ 1,752	$ 1,797	**$ 7,084**	$ 6,974
Total expenses	**$ 1,917**	$ 1,798	$ 1,694	$ 1,776	$ 1,888	**$ 7,185**	$ 7,089
CER adjustment[2)]	**-**	10	3	(25)	(1)	**(12)**	77

	Quarterly Results					Full Year Results	
Total expenses, CER basi	**$ 1,917**	$ 1,808	$ 1,697	$ 1,751	$ 1,887	**$ 7,173**	$ 7,166

(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 4Q25.

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)	4Q25	3Q25	2Q25	1Q25	4Q24	2025	2024
Income before income taxes	**$ 1,905**	$ 2,229	$ 2,261	$ 699	$ 2,113	**$ 7,094**	$ 7,090
Less: Income before income taxes for segments other than Global WAM	**1,363**	1,623	1,686	171	1,694	**4,843**	5,343
Global WAM income before income taxes	**542**	606	575	528	419	**2,251**	1,747
Items unrelated to net fee income	**834**	715	667	739	882	**2,955**	2,995
Global WAM net fee income	**1,376**	1,321	1,242	1,267	1,301	**5,206**	4,742
Less: Net fee income from other segments	**196**	176	171	170	181	**713**	674
Global WAM net fee income excluding net fee income from other segments	**1,180**	1,145	1,071	1,097	1,120	**4,493**	4,068
Net annualized fee income	**$ 4,682**	$ 4,543	$ 4,297	$ 4,451	$ 4,455	**$ 4,492**	$ 4,068
Average Assets under Management and Administration	**$1,115,108**	$1,065,832	$1,005,290	$1,041,116	$1,015,454	**$1,070,839**	$ 946,087
Net fee income yield (bps)	**42.0**	42.6	42.7	42.7	43.9	**41.9**	43.0

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, Global WAM, Manulife Bank, and the P&C Reinsurance business. 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, prior to payment of financing costs, dividends, and other capital deployments. It is a key metric used by management to evaluate our financial flexibility

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, 2025, 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]	**$ 11,541**	**$ 2,016**	**$ 1,391**	**$ 420**	**$ 7,714**
Liabilities for capital instruments[1]	**9,430**	**295**	**616**	**568**	**7,951**
Investment commitments	**16,879**	**4,952**	**5,322**	**4,447**	**2,158**
Lease liabilities	**334**	**101**	**138**	**49**	**46**
Insurance contract liabilities[2]	**1,439,208**	**3,783**	**12,296**	**26,264**	**1,396,865**
Reinsurance contract held liabilities[2]	**(8,944)**	**254**	**995**	**815**	**(11,008)**
Investment contract liabilities[3]	**347,497**	**340,567**	**2,372**	**1,183**	**3,375**
Deposits from Bank clients	**24,707**	**17,462**	**4,441**	**2,804**	**-**
Other	**7,703**	**2,885**	**2,926**	**1,829**	**63**
Total contractual obligations	**$ 1,848,355**	**$ 372,315**	**$ 30,497**	**$ 38,379**	**$ 1,407,164**

(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, 2026 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, 2025 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, 2025, plus a spread adjustment of 0.26161%, plus 1.647%. For the 2.818% MFC Subordinated notes, the reset rate is equal to the Canadian Overnight Repo Rate Average ("CORRA") as at December 31, 2025, plus a spread adjustment of 0.32138%, plus 1.82%. 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 2025 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, 2025	Sept 30, 2025	June 30, 2025	Mar 31, 2025	Dec 31, 2024	Sept 30, 2024	June 30, 2024	Mar 31, 2024
Revenue								
Insurance revenue	**$ 7,414**	$ 7,422	$ 6,990	$ 7,062	$ 6,834	$ 6,746	$ 6,515	$ 6,497
Net investment result	**6,008**	8,197	6,796	2,946	4,194	5,912	4,512	4,493
Other revenue	**2,147**	2,145	1,851	1,986	2,003	1,928	1,849	1,808
Total revenue	**$ 15,569**	$ 17,764	$ 15,637	$ 11,994	$ 13,031	$ 14,586	$ 12,876	$ 12,798
Income (loss) before income taxes	**$ 1,905**	$ 2,229	$ 2,261	$ 699	$ 2,113	$ 2,341	$ 1,384	$ 1,252
Income tax (expense) recovery	**(310)**	(310)	(338)	(76)	(406)	(274)	(252)	(280)
Net income (loss	**$ 1,595**	$ 1,919	$ 1,923	$ 623	$ 1,707	$ 2,067	$ 1,132	$ 972
Net income (loss) attributed to shareholder	**$ 1,499**	$ 1,799	$ 1,789	$ 485	$ 1,638	$ 1,839	$ 1,042	$ 866
Basic earnings (loss) per common shar	**$ 0.83**	$ 1.03	$ 0.99	$ 0.25	$ 0.88	$ 1.01	$ 0.53	$ 0.45
Diluted earnings (loss) per common shar	**$ 0.83**	$ 1.02	$ 0.98	$ 0.25	$ 0.88	$ 1.00	$ 0.52	$ 0.45
Segregated funds deposits	**$ 13,811**	$ 12,860	$ 12,408	$ 14,409	$ 11,927	$ 11,545	$ 11,324	$ 12,206
Total assets (in billions	**$ 1,025**	$ 1,027	$ 977	$ 981	$ 979	$ 953	$ 915	$ 907
Weighted average common shares (in millions	**1,683**	1,697	1,710	1,723	1,746	1,774	1,793	1,805
Diluted weighted average common shares (in millions)	**1,688**	1,701	1,715	1,729	1,752	1,780	1,799	1,810
Dividends per common share	**$ 0.440**	$ 0.440	$ 0.440	$ 0.440	$ 0.400	$ 0.400	$ 0.400	$ 0.400
CDN$ to US$1 - Statement of Financial Positio	**1.3707**	1.3914	1.3645	1.4393	1.4382	1.3510	1.3684	1.3533
CDN$ to US$1 - Statement of Incom	**1.3939**	1.3773	1.3837	1.4349	1.3987	1.3639	1.3682	1.3485

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)	2025	2024	2023
Revenue			
Asia	**$ 18,148**	$ 13,641	$ 11,996
Canada	**15,657**	14,624	13,793
U.S.	**18,317**	16,279	15,322
Global Wealth and Asset Management	**7,395**	6,698	5,896
Corporate and Other	**1,447**	2,049	1,732
Total revenue	**$ 60,964**	$ 53,291	$ 48,739
Total assets	**$1,025,433**	$ 978,818	$ 875,574
Long-term financial liabilities			
Long-term debt	**$ 7,685**	$ 6,629	$ 6,071
Capital instruments	**6,990**	7,532	6,667
Total financial liabilities	**$ 14,675**	$ 14,161	$ 12,738
Dividend per common share	**$ 1.76**	$ 1.60	$ 1.46
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	**1.0010**	1.5578	1.4946
Cash dividend per Class 1 Share, Series 9	**1.4945**	1.4945	1.4945
Cash dividend per Class 1 Share, Series 11	**1.5398**	1.5398	1.4505
Cash dividend per Class 1 Share, Series 13	**1.5875**	1.5875	1.2245
Cash dividend per Class 1 Share, Series 15	**1.4438**	1.1951	0.9465
Cash dividend per Class 1 Share, Series 17	**1.386**	0.950	0.950
Cash dividend per Class 1 Share, Series 19	**1.2923**	0.9188	0.9188
Cash dividend per Class 1 Share, Series 25	**1.4855**	1.4855	1.3303

Revenue

Total revenue in 4Q25 was $15.6 billion compared with $13.0 billion in 4Q24. The increase in total revenue of $2.6 billion was due to higher net investment income, insurance revenue and other revenue.

By segment, the increase in total revenue in 4Q25 compared to 4Q24 reflected higher net investment income primarily in Asia, the U.S., Global WAM and Canada, partially offset by lower investment income in Corporate and Other, higher insurance revenue in Asia, Canada and the U.S., and higher other revenue in Global WAM and Corporate and Other.

On a full year basis, total revenue in 2025 was $61.0 billion compared with $53.3 billion in 2024. The increase in total revenue of $7.7 billion was due to higher net investment income, insurance revenue and other revenue.

By segment, the increase in total revenue in 2025 compared with 2024 reflected higher net investment income primarily in Asia, the U.S., Canada and Global WAM, partially offset lower investment income in Corporate and Other, higher insurance revenue in Asia, the U.S and Canada, and higher other revenue in Global WAM, partially offset by lower other revenue in Asia.

Revenue

	Quarterly Results		Full Year Results	
($ millions)	**4Q25**	4Q24	**2025**	2024
Insurance revenue	**$ 7,414**	$ 6,834	**$ 28,888**	$ 26,592
Net investment income	**6,008**	4,194	**23,947**	19,111
Other revenue	**2,147**	2,003	**8,129**	7,588
Total revenue	**$ 15,569**	$ 13,031	**$ 60,964**	$ 53,291
Asia	**$ 4,385**	$ 2,927	**$ 18,148**	$ 13,641
Canada	**3,919**	3,682	**15,657**	14,624
U.S.	**4,918**	4,055	**18,317**	16,279
Global Wealth and Asset Management	**1,935**	1,738	**7,395**	6,698
Corporate and Other	**412**	629	**1,447**	2,049
Total revenue	**$ 15,569**	$ 13,031	**$ 60,964**	$ 53,291

Outstanding Common Shares

As at January 31, 2026, MFC had 1,676,743,043 common shares outstanding[1].

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 Form

February 11, 2026

Table of Contents

TABLE OF CONTENT	Annual Information Form	Management's Discussion & Analysis Reference
CORPORATE STRUCTURE	4	
GENERAL DEVELOPMENT OF THE BUSINESS	4	3-13
BUSINESS OPERATIONS	5	3-38
RISK MANAGEMENT	8	43-80
GOVERNMENT REGULATION	8	
GENERAL DESCRIPTION OF CAPITAL STRUCTURE	16	
DIVIDENDS	20	
CONSTRAINTS ON OWNERSHIP OF SHARES	21	
RATINGS	21	
MARKET FOR SECURITIES	24	
ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER	27	
DIRECTORS AND EXECUTIVE OFFICERS	28	
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	31	
TRANSFER AGENT AND REGISTRAR	31	
INTERESTS OF EXPERTS	32	
AUDIT COMMITTEE	33	
ADDITIONAL INFORMATION	34	
SCHEDULE 1 - AUDIT COMMITTEE CHARTER	35	

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, 2025

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, 2025 (2025 MD&A"); and
- MFC's audited annual consolidated financial statements and accompanying notes as at and for the ye ended December 31, 2025 (2025 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 and the documents incorporated by reference in this document. In addition, the Company's representatives m make forward-looking statements orally to analysts, investors, the media and others. All such statements are pursuant to the "safe harbour" provisions of Canadian provincial securities laws and the U.S. *Private Securities Litigation Reform Act of 1995*.

The forward-looking statements in this document 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 Development of the Business, "Business Operations" and "Government Regulation", statements with respect possible share buybacks, the Company's strategic priorities and targets, its medium-term financial and operating targets, the probability and impact of the Life Insurance Capital Adequacy Test scenario switches, the anticipa benefits of the acquisitions of Comvest Credit Partners and PT Schroder Investment Management Indonesia, entry into the Indian insurance market and its anticipated benefits, the anticipated benefits and value derived use of AI, future premium increases, and exposure limit estimates for our property and casualty reinsurance business, and also relate to, among other things, our objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and can generally be identified by the use of words such as "may", "will", "could", "should", "would", "likely", "suspect", "outlook", "expect", "intend", "estimate", "anticipate", "believe", "plan", "for "objective", "seek", "aim", "continue", "goal", "restore", "embark" and "endeavour" (or the negative thereof) and and expressions of similar import, and include statements concerning possible or assumed future results. Alth we believe that the expectations reflected in such forward-looking statements are reasonable, such statemen involve risks and uncertainties, and undue reliance should not be placed on such statements and they should interpreted as confirming market or analysts' expectations in any way.

Certain material factors or assumptions are applied in making forward-looking statements, and actual results differ materially from those expressed or implied in such statements. Important factors that could cause actua

results to differ materially from expectations include, but are not limited to, the factors identified under "Cautio regarding forward-looking statements" in the 2025 MD&A. Additional information about material risk factors that could cause actual results to differ materially from expectations and about material factors or assumptions ap making forward-looking statements may be found under "Risk Management and Risk Factors" and "Critical A and Accounting Policies" in the 2025 MD&A, in the "Risk Management" note to the 2025 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 demutualization. MLI was incorporated on June 23, 1887, by a Special Act of Parliament of the Dominion of C and was converted into a mutual life insurance company in 1968. Pursuant to Letters Patent of Conversion, e

September 23, 1999, MLI implemented a plan of demutualization under the ICA and converted to a life insura company with common 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 2025 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 2025, we sustained our momentum and delivered solid operating and financial results across the business introduced a refreshed ambition underpinned by five new strategic priorities to build on our strong foundation meet the demands of a fast-changing world. We announced new milestones to strengthen our presence in th largest economies and augment our capabilities to deliver differentiated products and solutions for our custon We progressed our digital and AI agenda, focusing on scaling use cases piloted in 2024 while accelerating th development of the next wave of AI capabilities. We remain on track to deliver on our medium-term targets se 2024 Investor Day. Further highlights on our new strategic priorities, recent transactions, and financial targets outlined in our 2025 MD&A. The following changes were made or announced in 2025 to the executive leader team: Steve Finch was appointed CEO, Asia Segment, succeeding Phil Witherington after his appointment to President and CEO, effective May 2025; Stephanie Fadous was appointed Chief Actuary succeeding Steve F effective May 2025; Mike Coyne was appointed General Counsel, effective September 2025, succeeding Jim Gallagher after his retirement; and Marc Costantini, Global Head of Strategy and Inforce Management, resigr his mandate redistributed across Colin Simpson, Chief Financial Officer, and Naveed Irshad, CEO, Canada S

In 2024, we continued our momentum with disciplined execution against our prior strategic priorities and deliv strong results across the business despite a persistently uncertain economic and geopolitical environment. W achieved further milestones with the execution of two more reinsurance transactions, made significant progre

against our digital agenda, and raised the bar with bold new targets announced at our Investor Day in June 2 Further highlights with respect to our then applicable strategic priorities and financial targets are outlined in ou MD&A. The following changes were made or announced in 2024 to the executive leadership team: Roy Gori, President and Chief Executive Officer, announced his retirement effective May 2025, with Phil Witherington appointed as his successor; Pam Kimmet, Chief Human Resources Officer, announced her retirement effecti 2025, and was succeeded by Pragashini Fox, Chief People Officer; and Trevor Kreel was appointed Chief Inv Officer, effective August 2024, 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 then applicable strategic priorities are outlined in our 2023 MD&A. The following changes were in 2023 to the executive leadership team: Colin Simpson was appointed Chief Financial Officer succeeding P Witherington who was appointed CEO, Asia Segment; Halina von dem Hagen was appointed Chief Risk Offic Rahim Hirji was appointed Chief Auditor and Head of Advisory Services; and Brooks Tingle was appointed Cl Segment.

Additional information about our business can be found in the "Business Operations" section below, and in M 2025 MD&A, on pages 3 to 38 inclusive.

BUSINESS OPERATIONS

Information about our business and operating segments, our strategy, products, and investment activities, is i in MFC's 2025 MD&A, on pages 3 to 38 inclusive.

DISTRIBUTION METHODS

The Company has a multi-channel distribution network in all the segments in which it operates, with different emphasis depending on the product line and geography. Our four operating segments are: Asia, Canada, U.S

Global Wealth and Asset Management.

Asia We have insurance operations in 12[1] 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, investment, 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 our regional exclusive bancassurance partnership with D Bank Ltd. in Singapore, Hong Kong, mainland China and Indonesia. In November 2025 we announced our in to establish a new insurance joint venture in India with Mahindra and Mahindra, subject to regulatory approva

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 thr proprietary sales agents, independent agencies or managing general agents and bancassurance partners. In Bermuda, Singapore, mainland China, Vietnam, Indonesia, the Philippines, Malaysia, Cambodia and Myanma products are primarily marketed and sold through agents, bank channels (including exclusive partnerships), b and independent financial advisors.

Canada Our Canada segment has been committed to customers in our home market for over 135 years. Toge with our Global Wealth and Asset Management segment, we support more than 7 million customers in Canada,

[1] This represents our International High Net Worth business

including members of approximately 27,000 businesses and organizations in our group benefits business, thr diverse and competitive suite of financial and health-protection offerings tailored to individuals, families, and b owners.

Our Canadian business lines are: group life, health, and disability insurance solutions for employers; individua insurance and guaranteed investment products including life, critical illness, segregated funds, and annuities 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 associations. Through Manulife Bank, we offer flexible banking products and solutions to both individual custo and businesses.

We aim to be the leading life and health insurer in Canada, by focusing on four key areas: continuing to strengther our core operations; accelerating digital transformation; differentiating through health; and expanding distribut

U.S. Our U.S. segment is committed to a future of dynamic growth by helping our customers live longer, healthier better lives through an array of life insurance and insurance-based wealth accumulation that meet a variety of their planning needs and offer a behavioural insurance component through the John Hancock Vitality Prog

We operate under the brand of John Hancock with more than 160 years of history in the U.S., where we have lifelong customer relationships and created a vast distribution network of licensed financial advisors who help bring the benefits of life insurance, wellness, and wealth planning to more individuals and their families. Our li insurance solutions are designed to meet customers' estate, business, income-protection, and wealth accumu needs, while also helping them prepare to spend more years in good health. We also leverage the expertise a solutions of 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 for taking small, everyday steps toward better long-term health. We have integrated behavioural insurance ac suite of solutions, offering customers tools, resources, education, and rewards through John Hancock Vitality them make more informed decisions about their overall health. The program continuously evolves to include t latest advances in science and technology and is built on a network of collaborators including GRAIL, Apple, Prenuvo, and the Massachusetts Institute of Technology ("MIT") AgeLab.

Additionally, we have in-force LTC and annuity businesses. Our proven record of organically managing our LT blocks as well as our LTC, variable and fixed annuity reinsurance transactions over the last few years have b 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 20 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 700 investment professionals worldwide, including Manulife | CQS Investment Management and Manulife | Comvest credit partners.

Our philosophy across our entire platform is anchored on good stewardship, engaging with companies and in with a view to addressing material risks, which in turn allows us to deliver resilient, alpha-generating investme solutions to our customers.

[2] United States, Canada, Japan, Hong Kong, Singapore, Taiwan, Indonesia, Vietnam, Malaysia, India, the Philippines, Brazil, England, Ir d, Switzerland, Germany, and mainland China. In addition, we have timberland/farmland operations in Australia, New Zealand, and Chile .

Our Retirement business serves more than 9 million investors in North America and Asia through retirement plan solutions, with investments managed by 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 retire or leave their employer plan.

Our Retail business serves more than 11 million investors through third-party intermediaries in North America Asia, and through an affiliated wealth management network in North America. Our product platform consists predominantly of internally managed solutions. We also supplement our solutions by partnering with third-par managers through sub-advisory agreements.

Our Institutional Asset Management business serves more than 650 clients around the world, including pensi plans, foundations, endowments, financial institutions, and other institutional investors as well as our own insu business. We believe that the combination of our global footprint, broad investment expertise, and diversifiec distribution channels position us strongly to capitalize on high-growth opportunities in the most attractive mark globally.

COMPETITION

We operate in highly competitive markets and compete for customers with other insurance companies, securities firms, investment advisors, asset managers, banks and other financial institutions. Customer loyalty and retention, and access to distributors, are important to the Company's success and are influenced by many factors, inclu distribution practices, regulations, product features, service levels, prices, and our financial strength ratings a 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 a pan-Asian life insurance and wealth 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 we are one, while certain regional or smaller carriers focused on specialty products or niche segments are ex competitive in some markets.

U.S. Competition in the U.S. is primarily with other large insurance firms, as well as mutual insurance compan that 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 STATEMENT

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 These reports provide information on priorities and performance and can be found on the Sustainability sectio

Company's website at www.manulife.com/sustainability.

[3] Based on annualized premium equivalent ("APE") sales. For more information about APE sales, see "Non-GAAP and other financi measures" in our 2025 MD&A
.

In connection with our sustainability efforts, we actively engage with various internationally recognized initiativ frameworks. Our 2025 MD&A includes disclosures on sustainability matters in the "Strategic Risk - ESG fram section, including Manulife's approach to climate risk. Please also refer to our Sustainability Report, published second quarter of each year, for detailed climate risk disclosure and our sustainability performance.

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 2025 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, insurance risk, operational risk, and technology & cyber r the six principal categories of risk described in our 2025 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 supervisory regimes in each of the Asian jurisdictions in which the Company operates, which vary in degree o regulation and 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 periodic examinations of the Company's affairs, imposes restrictions on transactions with related parties, and forth requirements governing reserves for actuarial liabilities and the safekeeping of assets and other matters 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") guideline, with LICAT ratios prepared on a consolidated basis. LICAT uses a risk-based approach to measure aggregate specified risks to calculate the amount of regulatory capital required to support these risks. It meas capital adequacy of a life insurer and is one of several indicators used by OSFI to assess a life insurer's finan condition. The LICAT ratio compares capital resources to the Base Solvency Buffer, the latter being the risk- capital 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 reinsurers). Available Capital includes adjusted retained earnings (which as defined in the LICAT guideline in the contractual service margin), as well as common equity, qualifying preferred shares, qualifying innovative t instruments, limited recourse capital notes, subordinated debt, contributed surplus, adjusted Accumulated Otl Comprehensive Income ("AOCI") and the participating account. Under LICAT, certain deductions are made fr 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.

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 2025 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 2025 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, unless otherwise exempted.

The Canadian federal government's *Bill C-15 An Act to implement certain provisions of the budget tabled in Parliament on November 4, 2025* proposes to amend the ICA (the "Amendments") to repeal overall limits on real property, equities and commercial loans and replace these provisions with a new provision that permits OSFI an insurance company to reduce the aggregate value of its interests in real property, equities (other than whe insurance company has a substantial investment (as defined in the ICA)) and commercial loans. OSFI will be permitted to make such an order on the basis of prudential considerations that it considers relevant. The Amendments are not yet in force.

Additional restrictions (and in some cases, the need for regulatory approvals) limit the types of investments th Company can make in excess of 10% of the voting rights or 25% of the equity of a body corporate, or in exce 25% of the ownership interests of an unincorporated entity, subject to certain available exceptions under the

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 to be in contravention of any regulation made under the ICA respecting the maintenance of adequate capital 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 Superintendent of the declaration of a dividend at least 15 days prior to the date fixed for its payment. Similar ICA prohibits the purchase for cancellation of any shares issued by an insurance company, or the redemption 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 purchase or payment would cause the company to be, in contravention of any regulation made under the ICA respecting t maintenance of adequate capital and adequate and appropriate forms of liquidity, or any direction made to th company by the Superintendent. These latter transactions would require the prior approval of the Superintend There is currently no direction against MFC or MLI paying a dividend or redeeming or purchasing their shares cancellation.

Chief Actuary

In accordance with the ICA, the Board of Directors of MFC (the "Board") has appointed the Chief Actuary who be a Fellow of the Canadian Institute of Actuaries. The Chief Actuary is required to value the policy liabilities o Manulife as at the end of each financial year in accordance with accepted actuarial practices[4] and with such changes as may be determined by the Superintendent and any direction that may be made by the Superintendent, includ selection of appropriate assumptions and methods. The Chief Actuary must make a report in the prescribed the valuation including providing an opinion as to whether the consolidated financial statements fairly present results of the valuation. At least once in each financial year, the Chief Actuary must meet with the Board, or th Committee, to report, in accordance with accepted actuarial practice and any direction that may be made by t Superintendent, on the current and expected future financial condition of the Company. The Chief Actuary is required to report to the President and Chief Executive Officer and the Chief Financial Officer of the Company Chief Actuary identifies any matters that, in the Chief Actuary's opinion, have material adverse effects on the 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 and reports concerning the Company made by or at the request of the Superintendent, orders of the Superint with respect to capital and liquidity, certain regulatory actions taken with respect to the Company, prudential agreements between the Company and the Superintendent, and directions of the Superintendent that we cea refrain from 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 which it carries on business. While mainly subject to direct governance by provincial insurance regulation, wh 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 sales and agent compensation are also subject to guidelines established by the Canadian Insurance Services

[4] Accepted actuarial practices means Canadian accepted actuarial practices as established by the Actuarial Standards Board .

Regulatory Organization, which have been incorporated into the criteria by which provincial insurance regulat undertake supervision. Individual variable insurance contracts and the underlying segregated funds to which relate are also subject to guidelines established by the Canadian Life and Health Insurance Association Inc. w have been incorporated into regulation in Ontario, are consistent with guidelines in Quebec adopted under th authority of Québec insurance legislation, and are generally followed by the regulators of all other provinces. guidelines govern a number of matters relating to the sale of these products and the administration of the unc segregated 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 portfolio manager with the securities commissions in all Canadian provinces and territories, as an investment manager in the provinces of Ontario, Newfoundland and Labrador and Québec, as a commodity trading mana Ontario, and 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 territories. MIML and MIMDI are subject to regulation by the applicable provincial securities regulators. Manu Wealth Inc. ("MWI") is registered under provincial and territorial securities laws to sell investments across Ca and is subject to regulation by the applicable provincial and territorial securities regulators. MWI is regulated b 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 companies, including MLI and Manulife Assurance Company of Canada. Member companies of Assuris are assessed to build and maintain a liquidity fund at a minimum level of $100 million. Members are then primarily to assessment on an "as needed" basis. The assessment base for member companies is calculated using ea 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 and their affiliates are subject to regulation by the states in which such insurance subsidiaries are domiciled a certain limited matters, states in which they transact business. Most states have enacted legislation that requ each insurance holding company and each insurance subsidiary in an insurance holding company system to with, and be subject to regulation by, the insurance regulatory authority of the insurance subsidiary's state of domicile. The Company's principal U.S. life insurance subsidiaries are John Hancock Life Insurance Compan (U.S.A.) ("JHUSA"), John Hancock Life Insurance Company of New York ("JHNY") and John Hancock Life & Insurance Company ("JHLH"). They are domiciled in Michigan, New York and Massachusetts, respectively. such laws, the insurance subsidiaries are required to annually furnish financial and related information concer

operations of companies within the holding company system that may materially affect the operations, manag or financial condition of insurers within the system. These reports are also filed with other insurance departme request. In addition, such laws provide that all transactions within an insurance holding company system mus and equitable, and following any such transactions, each insurer's policyholder surplus must be both reasona relation 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 power to approve policy forms, grant and revoke licenses to transact business, regulate trade practices, licen agents, require financial statements and prescribe the type and amount of investment permitted. State insura regulatory authorities regularly make inquiries, hold investigations and administer market conduct examinatio respect to 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 regulat any time. Quarterly statements must also be filed with the state insurance regulator in the insurer's state of do and with the insurance departments of many of the states in which the insurer does business. Insurance regu may periodically examine an insurer's financial condition, adherence to statutory accounting practices and compliance with 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 subsic 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 of their investment portfolios and limit the amount of investments in certain investment categories such as bel 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 the data utilizing 12 ratios, each with defined "usual ranges." Having ratios that fall outside the usual range d necessarily indicate that a company experienced unfavourable results. An insurance company may fall out of usual range for one or more ratios because of transactions that are favourable (such as large increases in su are immaterial or eliminated at the consolidated level. Each company's ratios are reviewed annually and are a a ranking by a team of examiners and financial analysts at the NAIC for the purpose of identifying companies 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 c 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 of asset and liability cash flows due to changing interest rates; and (iv) general business risk. Insurers having 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 U.S. domiciled insurance company subsidiaries exceeded the RBC capital requirements as at December 31,

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 on the receipt of sufficient funds from its operating subsidiaries. Our U.S. operating subsidiaries are indirectly by MLI. The payment of dividends by JHUSA is subject to restrictions set forth in the insurance laws of Michig 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 shareholder dividend distributions exceed certain thresholds. In addition, general regulations relating to an ins financial condition and solvency may also preclude or restrict the amount of dividends that may be paid by the Company's U.S. 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

the *Investment Company Act of 1940*, certain other funds managed by subsidiaries of the Company. Interests in segregated funds and certain variable annuity contracts and variable insurance policies issued by the Co insurance subsidiaries are also registered under the *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 *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 and Comvest Credit Advisors, LLC is an investment adviser regist under the U.S. *Investment Advisers Act of 1940*. Certain investment companies advised or managed by these subsidiaries are registered with the SEC under 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 aspe the investment advisory activities of the Company's subsidiaries are subject to various federal and state laws regulations in jurisdictions in which they conduct business. These laws and regulations are primarily intended benefit investment advisory clients and investment company shareholders and generally grant supervisory ag broad administrative powers, including the power to limit or restrict the carrying on of business for failure to co with such laws and regulations. In such event, the possible sanctions that may be imposed include the suspe individual employees, limitations on the activities in which the investment advisor may engage, suspension or revocation of the investment advisor's registration as an 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 in the state to participate in a guaranty association which, like Assuris in Canada, is organized to protect policyholders 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 v by member insurers in the lines of business in which the impaired or insolvent insurer is engaged. Assessmer 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 underwriters approved by the IA. The Insurance Ordinance stipulates certain requirements for authorized insu including robust corporate governance, enhanced "fit and proper person" requirements for directors, controlle several key persons in control functions such as financial control, compliance, risk management, intermediary management, actuary and internal audit, minimum capital and solvency margin requirements, adequate reins arrangement requirements and statutory reporting requirements. The Insurance Ordinance also confers powe inspection, investigation and intervention on the IA for the protection of policyholders and potential policyhold

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 was until recently conducted through a branch of a wh owned Bermuda subsidiary, Manulife (International) Limited ("MIL"). MIL was authorized to carry on the busin "long-term" insurance by the IA and the Bermuda Monetary Authority. On December 5, 2025, MIL, pursuant t newly introduced re-domiciliation regime in Hong Kong and upon obtaining all requisite approvals from the re governments and regulatory bodies, discontinued in Bermuda and re-domiciled to Hong Kong as a Hong Kon company. Upon re-domiciliation, MIL is no longer under supervision of the Bermuda Monetary Authority, and status as a wholly owned indirect subsidiary of MFC and an authorized insurer under the regulatory remit of t remains unchanged. MIL continues to be authorized by the IA to carry on the business of "long-term" insuran

Long-term insurance companies are required under the Insurance Ordinance to maintain certain capital requirements. The prescribed capital amount is based on the risk capital amounts for its risk exposures to ma risk, life insurance risk, counterparty default risk, operational risk and other risk(s) if applicable, as prescribed the Insurance (Valuation and Capital) Rules (Cap.41R), enacted pursuant to the Insurance Ordinance. For a term insurance company, the value of its assets must not be less than the amount of its liabilities by the presc capital amount, subject to a minimum of Hong Kong $20 million. Compliance with the capital requirements is quarterly to the IA. Currently, all capital requirements are being met.

Investment managers and distributors in Hong Kong, including Manulife Investment Management (Hong Kon Limited (entity and staff)("MIMHK"), and the sale of mutual funds and the issuance of advertisements, invitatio documents in relation to collective investment schemes which contain an invitation to acquire an interest (pro and selling) are highly regulated and are subject to Hong Kong securities laws as administered by the Securit Futures Commission ("SFC"). The promotion and sale of pension schemes fund products is undertaken by M scheme sponsor (known as MPF Scheme Provider), with Manulife Provident Funds Trust Company Limited a MPF approved trustee, and all such activities are subject to the supervision of the Mandatory Provident Fund Schemes Authority ("MPFA") and the IA. Management of the relevant pension funds is undertaken by MIMHK investment manager, which is subject to the supervision of the MPFA and the SFC. The sales of long term in 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 of Voluntary Health Insurance Scheme products is subject to the regulatory scrutiny of the Food and Health B of the Hong Kong Government. MIL also conducts long term insurance business and pension business in the 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 divi and distributions. The administration and application of the IB Law is supervised by the Financial Services Ag ("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 comparison

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
fees and expenses of financial products to customers; (iii) provide important information in an easy to underst

manner; and (iv) provide services suited to each customer. Manulife Japan established a policy known as a "Customer 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 *Investment 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 impose solvency or other financial tests, which could affect the ability of these subsidiaries to pay dividends ir circumstances.

GENERAL DESCRIPTION OF CAPITAL STRUCTUR E

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, 2025, MFC had the following Common Shares, Class A Shares and Class 1 Shares issued:

Common Shares	1,677,180,680
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 Class 1 Shares with respect to dividends and return of capital. The Class A Shares shall be entitled to a prefe over the Class B Shares, the Common Shares and any other shares ranking junior to the Class A Shares witl respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, disso or winding-up of MFC, whether voluntary or involuntary, or any other distribution of the assets of MFC among shareholders for the 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 winding-up of MFC, whether voluntary or involuntary, or any other distribution of the assets of MFC among its

5 On February 17, 2021, 2,000,000 Non-Cumulative Fixed Rate Reset Class 1 Shares Series 27 were issued to the Limited Recourse Trustee, Computershare Trust Company of Canada, in connection with MFC's Limited Recourse Capital Notes Series 1. These shares are not listed 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 Recourse Trustee, Computershare Trust Company of Canada, in connection with MFC's Limited Recourse Capital Notes Series 2. These shares are 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 Trustee, Computershare Trust Company of Canada, in connection with MFC's Limited Recourse Capital Notes Series 3. These shares are not listed on the TSX.

shareholders for the specific purpose of winding up its affairs, but the Class B Shares shall be entitled to a pr over the Common Shares and any other shares ranking junior to the Class B Shares with respect to priority ir payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of whether 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 Class A Shares with respect to dividends and return of capital. The Class 1 Shares shall be entitled to a prefe over the Class B Shares, the Common Shares and any other shares ranking junior to 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 winding-up of MFC, whether 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 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 of, 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 1 Shares as a class may be added to, changed or removed but only with the approval of the holders of such 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 of the holders of such class of Preferred Shares duly called for that purpose. Notwithstanding any other condi

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 the holders of Class A Shares, Class B Shares, Class 1 Shares and any other shares ranking senior to the C 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) time to time issued and outstanding, except for such indebtedness which by its terms ranks equally in right of payment with, 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”) on behalf 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 on 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 their to pay dividends or make other upstream distributions. MFC has paid the following cash dividends in the perio January 1, 2023 to December 31, 2025:

Type of Shares	2025	2024	2023
Common Shares	$1.7600	$1.6000	$1.4600
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	$1.0010	$1.5578	$1.4946
Class 1 Shares Series 9	$1.4945	$1.4945	$1.4945
Class 1 Shares Series 11	$1.5398	$1.5398	$1.4505
Class 1 Shares Series 13	$1.5875	$1.5875	$1.2245
Class 1 Shares Series 15	$1.4438	$1.1951	$0.9465
Class 1 Shares Series 17	$1.3855	$0.9500	$0.9500
Class 1 Shares Series 19	$1.2923	$0.9188	$0.9188
Class 1 Shares Series 25	$1.4855	$1.4855	$1.3303
Class 1 Shares Series 27	-	-	-
Class 1 Shares Series 28	-	-	-
Class 1 Shares Series 29	-	-	-

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 2025, 2024 and 2023 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” MFC. In addition, MFC is not permitted to record in its securities register any transfer or issue of shares if the or issue would cause the person to breach the ownership restrictions. For these purposes, a person has a sig interest in a class of shares of MFC where the aggregate of any shares of that class beneficially owned by tha person, any entity controlled by that person and by any person associated or acting jointly or in concert with t person exceeds 10% of all the outstanding shares of that class of shares of MFC. A person is a major shareh the aggregate of any shares in a class of voting shares held by that person and by any entity controlled by tha person exceeds 20% of the outstanding shares of that class, or, for a class of non-voting shares, a holding ex 30% of that class. If a person contravenes any of these restrictions, the Minister of Finance (Canada) may, by direct such person to dispose of all or any portion of those shares. In addition, the ICA prohibits life insurance companies, including MFC, from recording in their securities register a transfer or issue of any share to His M right of Canada or of a province, an agent or agency of His Majesty, a foreign government or an agent or age foreign government and provides further that no person may exercise the voting rights attached to those shar 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

of such person. Thus, any person seeking to acquire 10% or more of the voting securities of MFC must obtai prior approval of the insurance regulatory authorities in certain states including Michigan, Massachusetts and York, or must demonstrate to the relevant insurance regulator's satisfaction that the acquisition of such secur not give them control of MFC. Under state law, the failure to obtain such prior approval would entitle MFC or t insurance regulatory authorities to seek judicial injunctive relief, including enjoining the proposed acquisition o voting of the 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 obligations, the termination of our relationships with broker-dealers, banks, agents, wholesalers and other dis of our products and services, an unfavourable impact on our ability to execute on our hedging strategy, a mat increase in the number of surrenders, for all or a portion of the net cash values, by the owners of policies and contracts we have issued, and a material increase in the number of withdrawals by policyholders of cash valu their policies, and a 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 5, 2026. Note that some of the rating organizations may not 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
Medium Term Notes and Senior Debt	a-	7 of 21	A (high)	5 of 22	A	6 of 21	A	6 of 22
Subordinated Debt	bbb+	8 of 21	A	6 of 22	A-	7 of 21	A-	7 of 22
Limited Recourse Capital Notes	bbb+	8 of 21	A (low)	7 of 22	BBB	9 of 21	BBB+	8 of 22
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

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 Company provides certain rating agencies with confidential, in-depth information in support of the rating proce

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 o 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 debt and preferred shares in a range from "aaa" to "c". These ratings provide an o of an entity's ability to meet ongoing financial obligations to security holders when due, and reflects the risk th issuer 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 particul category. The company's rating outlooks may be positive, stable, or negative, indicating the potential future d

a rating may move over a 36-month period. The Company's current rating outlook is stable.

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.

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

Morningstar DBRS Ratings

Morningstar DBRS assigns ratings for long-term obligations in a range from "AAA" to "D". The scale provides opinion on the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under an obligation has been issued. Morningstar DBRS assigns ratings for preferred shares in a range from "Pfd-1 The Morningstar DBRS preferred share rating scale is used in the Canadian securities market and is meant t an indication of the risk that a borrower will not fulfill its full obligations with respect to both dividend and princ

commitments. Every Morningstar DBRS rating is based on quantitative and qualitative considerations relevan borrowing entity. Some rating categories are denoted by the subcategories "high" and "low". The absence of "high" or "low" designation indicates the rating is in the middle of the category. The company's rating is appe with one of three rating trends: "Positive", "Stable", or "Negative". The Company's current rating trend is stabl

MFC's Medium Term Notes and Senior Debt have been assigned an "A (high)" rating, while MFC's Subordina Debt has been assigned an "A" rating and MFC's Limited Recourse Capital Notes have been assigned an "A rating. An obligation rated "A (high)", "A" or "A (low)" is of good credit quality, where the capacity for the payn financial obligations is substantial, but of lesser credit quality than "AA". The Company may be vulnerable to f events, but qualifying negative factors are considered manageable.

MFC's Class A Shares and Class 1 Shares have been assigned a "Pfd-2 (high)" rating as they are considered of good credit quality. Protection of dividends and principal is still substantial, but earnings, the balance sheet coverage ratios are not as strong as "Pfd-1" rated companies.

Fitch Ratings

Fitch assigns ratings for debt and preferred shares in a range from "AAA" to "C" and these ratings provide an on the relative ability of an entity to meet its financial commitments. These ratings are used by investors as indications of the likelihood of receiving the money owed to them in accordance with the terms on which they invested. These ratings do not directly address any risk other than credit risk. In particular, ratings do not dea the risk of a market value loss 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 outlook indicates the direction a rating is likely to move over a one- to two-y period. Rating outlooks may be positive, stable, negative or evolving. The Company's current rating outlook is

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 business or economic conditions than is the case for higher ratings.

MFC's Limited Recourse Capital Notes and MFC's Class A Shares and Class 1 Shares have been assigned a "BBB" rating. This rating indicates that expectations of credit risk are currently low. The capacity for p ayment of financial commitments is considered adequate but adverse business or economic conditions are more li kely to impair this capacit y.

S&P Ratings

S&P assigns ratings for long-term obligations in a range from "AAA" to "D". These ratings provide a forward-lo 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 commercial paper programs). S&P's long-term issue credit ratings may be modified by the addition of a plus (minus (-) sign to show relative standing within the major rating categories.

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 various 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 on both the global ratings scale and the Canadian national scale when listing the ratings for a particular issue S&P's Canadian scale preferred share ratings may be modified by the addition of "High" or "Low" to show rela

standing within the major rating categories. S&P's global scale preferred share ratings may be modified by th addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

The company's rating outlook may be positive, negative, stable, or developing. The Company's current rating is stable.

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 changes in circumstances and economic conditions than obligations in higher-rated categories, however, the obligor's capacity to meet its financial commitment on the obligation is still strong.

MFC's Limited Recourse Capital Notes have been assigned a "BBB+" rating while MFC's Class A Shares and 1 Shares have been assigned a "P-2 (High)" rating on the Canadian scale (which corresponds to a "BBB+" ra the global scale). Obligations rated "BBB+" or "P-2 (High)" exhibit adequate protection parameters; however, economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its fi commitment on the obligation.

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 of Hong Kong Limited. The Class A Shares Series 2 and Class A Shares Series 3 preferred shares are listed trading on the TSX under the symbols "MFC.PR.B" and "MFC.PR.C", respectively. The Class 1 Shares Serie Class 1 Shares Series 4, Class 1 Shares Series 9, Class 1 Shares Series 11, Class 1 Shares Series 13, Clas 1 Shares Series 15, Class 1 Shares Series 17, Class 1 Shares Series 19 and Class 1 Shares Series 25 preferr shares are listed for trading on the TSX under the symbols "MFC.PR.F", "MFC.PR.P", "MFC.PR.I", "MFC.PR. "MFC.PR.K", "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.

2025	TSX			NYSE		
	High (C$)	Low (C$)	Volume (000s)	High (U.S.$)	Low (U.S.$)	Volume (000s)
January	44.80	42.38	73,451	31.22	29.43	7,971
February	46.01	41.06	162,513	32.42	28.10	9,533
March	45.46	40.77	193,494	31.76	28.18	11,397
April	46.37	36.93	140,881	32.38	25.92	14,727
May	44.99	41.88	247,621	32.17	30.24	10,544
June	44.50	41.52	179,936	32.51	30.42	11,136
July	43.61	41.14	110,542	32.09	30.05	10,871
August	43.14	41.08	166,850	31.39	29.70	10,746
September	44.54	41.64	126,780	32.35	30.20	9,012
October	46.24	43.05	107,240	33.04	30.92	9,365
November	49.85	45.32	147,207	35.50	32.24	10,155
December	50.50	48.25	119,464	36.91	34.82	12,245

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.

2025	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	20.92	19.76	203	20.40	19.69	202
February	21.55	20.67	78	21.41	20.09	188
March	21.55	20.24	147	21.28	20.11	132
April	20.78	19.35	115	20.46	19.07	83
May	20.93	19.97	130	20.53	19.33	107
June	20.96	20.30	67	20.55	19.85	188
July	22.30	20.51	116	21.78	20.00	307
August	22.22	21.52	192	21.98	21.20	116
September	22.18	21.49	60	21.85	21.16	49
October	22.77	21.50	77	22.71	21.28	60
November	22.76	21.65	131	22.69	21.31	47
December	22.78	21.75	143	22.94	21.63	80

2025	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	18.38	16.85	168	18.84	17.00	37
February	17.98	17.31	129	18.70	17.45	16
March	17.30	16.35	66	18.20	16.86	10
April	16.45	14.91	56	17.49	15.55	16
May	16.98	15.40	67	17.25	16.00	15
June	17.93	16.93	48	18.07	17.25	3
July	19.46	17.57	133	18.67	18.00	22
August	18.51	18.02	118	19.20	18.10	5
September	18.43	17.87	100	18.60	18.00	4
October	18.46	17.92	55	18.45	18.00	3
November	18.46	17.88	63	18.30	18.00	15
December	19.06	18.40	63	19.00	18.10	9

2025	TSX – Class 1 Shares Series 9			TSX – Class 1 Shares Series 11		
	High (C$)	Low (C$)	Volume (000s)	High (C$)	Low (C$)	Volume (000s)
January	25.09	24.61	98	25.10	24.56	84
February	24.95	24.60	87	25.02	24.35	76
March	25.10	24.54	149	24.80	24.27	143
April	25.11	22.75	98	24.75	22.55	175
May	24.95	24.16	233	25.04	24.26	81
June	25.18	24.60	85	25.25	24.78	41
July	25.70	25.18	97	25.85	25.20	55
August	26.21	25.10	64	25.60	25.07	29
September	25.55	25.19	42	25.53	25.13	79
October	25.94	25.30	75	25.72	25.25	116
November	25.93	25.24	151	25.72	24.82	72
December	25.74	25.27	102	25.68	24.98	75

2025	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	24.64	24.20	172	23.40	22.97	181
February	24.30	24.06	124	23.37	22.90	114
March	24.20	23.35	119	23.45	22.48	139
April	23.90	22.51	177	22.70	19.91	76
May	24.50	23.69	172	22.85	21.60	95
June	24.88	24.20	52	24.49	22.60	85
July	25.15	24.85	99	24.65	23.68	127
August	25.00	24.52	80	24.50	23.75	124
September	25.19	24.54	107	24.20	24.00	35
October	25.15	24.76	203	24.63	23.89	69
November	25.43	24.81	132	24.99	24.18	304
December	25.99	25.00	41	24.92	24.38	170

January	23.44	22.71	175	23.17	21.61	196

	TSX – Class 1 Shares Series 66			TSX – Class 1 Shares Series 12		
February	23.04	20.77	227	22.59	21.53	227
March	23.59	22.47	150	22.45	21.81	79
April	23.30	20.75	95	22.58	20.00	55
May	23.30	21.80	321	21.98	20.95	18
June	23.75	22.80	134	22.74	21.68	105
July	25.08	23.49	111	24.49	22.66	170
August	24.68	23.68	128	24.33	23.34	245
September	24.38	23.79	169	23.87	23.49	209
October	24.61	23.74	179	24.28	23.60	91
November	24.90	24.08	323	24.52	23.96	210
December	25.00	24.65	132	24.74	24.18	210

2025	TSX – Class 1 Shares Series 25		
	High (C$)	Low (C$)	Volume (000s)
January	24.79	24.32	116
February	24.47	24.02	89
March	25.00	23.76	75
April	24.60	22.20	65
May	24.59	23.23	47
June	25.00	24.20	194
July	25.55	24.97	96
August	25.64	24.91	115
September	25.25	24.75	72
October	25.55	25.00	109
November	25.65	25.05	40
December	26.14	25.33	76

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 January 1, 2026, and for each Director, their place o 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 14, 2026.

Donald R. Lindsay British Columbia, Canada	Chair of the Board, MFC and MLI[2]	August 2010	CGNC[3]
Philip J. Witherington Ontario, Canada	President and Chief Executive Officer, MFC and MLI	May 2025	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
Nancy J. Carroll Ontario, Canada	Corporate Director[6]	February 2025	Audit CGNC
Julie E. Dickson Ontario, Canada	Corporate Director	August 2019	MRCC Risk (Chair)
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[7]	March 2024	MRCC Risk
Anna Manning	Corporate Director[8]	August 2024	MRCC

Name and Residence	Principal Occupation	Director Since	Board Committee Membership(1)
John Manferdelli British Columbia, Canada	Principal of Tower Beach Capital Ltd. (a private enterprise focused on venture capital investments)	February 2025	MRCC Risk
May Tan Hong Kong, People's Republic of China	Corporate Director	December 2024	Audit CGNC (Chair)
Leagh E. Turner Ontario, Canada	CEO, Coupa Software Inc. (software company)(9)	November 2020	MRCC Risk
John W. P-K. Wong Hong Kong, People's Republic of China	Corporate Director(10)	May 2024	Audit CGNC

Notes:

(1) In this table, Audit means Audit Committee, CGNC means Corporate Governance and Nominating Committee, MRCC mean Management Resources and Compensation Committee, and Risk means Risk Committee

(2) Donald Lindsay was appointed Chair of the Board effective February 15, 2023. Mr. Lindsay held the position of Vice-Chair of the Bo from November 2022 to February 2023. Prior to October 2022, Mr. Lindsay was President and Chief Executive Officer, Teck Resou 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 comm whenever possible

(4) From July 2023 to May 2025, Philip Witherington was the President and Chief Executive Officer, Manulife Asia. Prior to July 2023, I Witherington was the Chief Financial Officer of Manulife.

(5) Prior to May 2021, Nicole Arnaboldi was a corporate director.

(6) Prior to February 2025, Nancy Carroll was a partner in the Financial Services Group and head of the National Insurance and Reinsu Group at McCarthy Tetrault LLP.

(7) From April 2022 to December 2022, Donald Kanak was a private equity business advisor at Hillhouse Investment Management Ltd. November 2020 to October 2022, Mr. Kanak was the Chairman, Insurance Growth Markets at Prudential Holdings Ltd. Prior to Octo 2022, Mr. Kanak was the Chairman, Prudence Foundation at Prudential Holdings Ltd

(8) Prior to December 2023, Anna Manning was the President and Chief Executive Officer of Reinsurance Group of Americ

(9) From February 2022 to November 2023, Leagh Turner was Co-Chief Executive Officer, Ceridian HCM, Inc. Prior to February 2022 Ms.Turner was President and Chief Operating Officer at Ceridian HCM, Inc.

(10) 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 fo table as of January 1, 2026.

Philip J. Witherington Ontario, Canada	President and Chief Executive Officer(1)
Michael F. Coyne New York, United States	General Counsel(2)
Stephanie Fadous Ontario, Canada	Chief Actuary(3)
Steven A. Finch Hong Kong, People's Republic of China	President and Chief Executive Officer Asia(4)
Pragashini N. Fox Ontario, Canada	Chief People Officer(5)
Rahim Hirji Ontario, Canada	Chief Auditor and Head of Advisory Services(6)
Naveed Irshad Ontario, Canada	President and Chief Executive Officer, Manulife Canada(7)
Rahul M. Joshi Texas, United States	Chief Operations Officer
Trevor Kreel	Chief Investment Officer(8)

Name and Residence	Position with Manulife
Karen A. Leggett Ontario, Canada	Chief Marketing Officer
Paul R. Lorentz Ontario, Canada	President and Chief Executive Officer, Global Wealth and Asset Management
Colin L. Simpson[9] Ontario, Canada	Chief Financial Officer
Brooks E. Tingle[10] Massachusetts, United States	President and Chief Executive Officer, John Hancock
Halina K. von dem Hagen[11] Ontario, Canada	Chief Risk Officer
Shamus E. Weiland New York, United States	Chief Information Officer

Notes
(1) From July 2023 to May 2025, Philip Witherington was President and Chief Executive Officer, Manulife Asia. Prior to July 2023, Mr. Witherington was the Chief Financial Officer of Manulife.

(2) From November 2024 to September 2025, Michael Coyne was the Senior Fellow, Litigation Strategy Advisor at the Bank Policy Institute. Prior to November 2024, Mr. Coyne was the Executive Officer & General Counsel for the Americas at Mitsubishi UFJ Financial Group, Inc.
(3) From June 2023 to May 2025, Stephanie Fadous was the Global Treasurer and Head of Capital Management. Prior to June 2023, Ms. Fadous was Head of IFRS 17 Implementation
(4) Prior to May 2025, Steven Finch was the Chief Actuary
(5) From January 2025 to June 2025, Pragashini Fox was the Interim Chief People Officer of Manulife. Prior to January 2025, Ms. Fox was Head of HR, Product and Head of Talent & Diversity (Talent COE) at Thomson Reuters
(6) Prior to June 2023, Rahim Hirji was Chief Risk Officer
(7) From November 2021 to June 2022, Naveed Irshad was Global Head of Inforce Management. Prior to November 2021, Mr. Irshad was Head of North American Legacy Business.
(8) Prior to August 2024, Trevor Kreel was Global Head of Portfolio Management
(9) From November 2022 to July 2023, Colin Simpson was Chief Financial Officer, US Segment. Prior to November 2022, Mr. Simpson was Chief Financial Officer, Aviva Canada
(10) Prior to April 2023, Brooks Tingle was President and Chief Executive Officer, John Hancock Insurance
(11) Prior to June 2023, Halina von dem Hagen was Global Treasurer and Head of Capital Management.

SHARE OWNERSHIP

The number of Common Shares held by the Directors and executive officers of MFC as at December 31, 2025 was 880,122, 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 entitled "Legal Proceedings" in Note 18 to our 2025 Consolidated Financial Statements.

Since January 1, 2025, (i) there have been no penalties or sanctions imposed against us by a Canadian securities regulatory authority, other than nominal late filing fees, or by a court relating to Canadian securities legislation, (ii) there have been no other penalties or sanctions imposed by a court or regulatory body against us that would be considered important to a reasonable investor in making an investment decision, and (iii) we have not entered into any 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. MFC's 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 www.tsxtrust.com www.tsxtrust.com/fr
Co-Transfer Agents	
United States:	Equiniti Trust Company, LLC P.O. Box 500 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 and Board of Directors on the audited consolidated financial statements of the Company, and the Report of Independent Registered Public Accounting Firm to the Shareholders and Board of Directors on Internal Contr Financial Reporting under Standards of the Public Company Accounting Oversight Board (United States). Err Young LLP is independent with respect to the Company within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario, United States federal securities laws and the and regulations thereunder, including the independence rules adopted by the SEC pursuant to the Sarbanes- Act of 2002 ("SOX") and compliance with Rule 3520 of the Public Company Accounting Oversight Board (Uni States). Under Hong Kong Financial Reporting Council Ordinance, Ernst & Young is a Recognised Public Interest Entity Auditor.

Stephanie Fadous is the Appointed Actuary of the Company who prepared the Appointed Actuary's Report to Shareholders of the Company. The number of Common Shares of MFC held by Stephanie Fadous as at December 31, 2025 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
The 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, 2025: Guy Bainbridge
of the Audit Committee), Nancy Carroll, Michael Durland, May Tan and John Wong. The Board has reviewed
committee membership and determined that all members are financially literate as required by the NYSE List
Company Manual and the applicable instruments of the Canadian Securities Administrators. All committee m
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 co
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 t
Committee in 2025 had relevant education and experience. Guy Bainbridge is a member of the Institute of Ch
Accountants in England and Wales and holds an MA from the University of Cambridge. Mr. Bainbridge is a fo
partner of KPMG LLP. Nancy Carroll holds a JD from the University of Toronto and an MA from Queen
and is a former partner in the Financial Services Group and head of the National Insurance and Reinsurance
of McCarthy Tétrault LLP. 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 membe
Institute of Chartered Accountants in England and Wales and is a Certified Public Accountant in Hong Kong.
Wong holds an MBA from Harvard University and is a former Senior Partner and Chairman of Greater China,
Consulting Group.

Pre-Approval Policies and Procedures

Our auditor independence policy requires the Audit Committee to pre-approve all audit and permitted non-aud
services (including the fees and conditions) the external auditor provides. If a new service is proposed during
year that is outside the pre-approved categories or budget, it must be pre-approved by the Audit Committee C

All audit and permitted non-audit services provided by Ernst & Young LLP have been pre-approved by the Au
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	2025 ($ in millions)	2024 ($ 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.	45.6	39.5
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.	3.9	3.1
Tax Fees: Includes tax compliance, tax planning and tax advice services.	0.7	0.4
All Other Fees: Includes other advisory services.	0.7	0.2
Total	**50.8**	**43.2**

Note: Total fees above exclude fees of $19.6 million in 2025 and $17.7 million in 2024 for professional services provided by Ernst & Yo LLP to certain investment funds managed by subsidiaries of MFC. For certain funds, these fees are paid directly by the funds. For othe In addition to other administrative costs, the subsidiaries are responsible for the auditor's fees for professional services, in return for a fix administration fee.

ADDITIONAL INFORMATION

Additional information with respect to the Company, including directors' and officers' remuneration and indebt principal holders of MFC's securities, and securities authorized for issuance under MFC's equity compensatic 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 2025 Consolidated Financial Statements and our 2025 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 website, 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. 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 r

egulations.

2.8 As necessary, the Committee shall consider whether members of the Committee who serve on the audit committee of more than three public companies (including the Committee) have the ability to effectively serve on the Committee and, if it is determined that such member is 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 necessary. 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 sub committees.

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 deems appropriate. The report to the Board of Directors may take the form of an oral report by the Committee Chair 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, including the Chief Financial Officer, the Chief Actuary, the Chief Audit Executive and the Global Chief Compliance Officer, and the independent auditor, 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 of Directors 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, and recommend to the Board of Directors for approval, the scope and terms of each audit engagement, including the engagement letter and 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 independent auditor's 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 auditor and the Internal Audit function 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 and former partners and employees of the independent auditor.

4.2 Financial Reporting

(a) Review and discuss with management and the independent auditor the Company's annual and quarterly financial disclosures, prior to the approval by the Board of Directors and the publication of earnings, including:

(i) management's discussion and analysis;

(ii) financial statements;

(iii) earnings press rele

ases;

(iv) the results of the independent auditor's review of the quarterly financial statements;

(v) the results of the independent auditor's audit of the annual financial statements;

(vi) any changes to the audit scope or strategy;

(vii) the annual report of the auditors on the financial statements and any other returns or transactions required to be reviewed by the Committee and report to the Board of Directors; and

(viii) any matters required to be communicated by the independent auditor under applicable audit/review standards.

(b) Approve any reports for inclusion in the Company's Annual Report, as required by applicable legislation and make a recommendation thereon to the Board of Directors.

(c) Review such returns of the Company as the Superintendent of Financial Institutions (Canada) (the "Superintendent") may specify.

(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 auditor 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 of any officer of the Company may bring to the attention of the Committee.

(j) 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 decision and whether it is consistent with industry practice;

(iii) any significant changes in the Company's selection or application of accounting 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

(k) Review and discuss with management and the independent auditor at least annually reports from the independent audit firms or 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.

(l) 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.

(m) 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.

(n) Require management to implement and maintain adequate procedures for the review of the Company's public disclosure of financial information (other than the financial statements, MD&A and annual and interim earnings press releases, which are reviewed in accordance with s. 4.2(a)) extracted or derived from the Company's financial statements and periodically assess the adequacy of such procedures.

(o) Discuss with management the types of financial information and presentations to be made to rating agencies and analysts, including relating to earnings guidance.

(p) 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.

(q) Discuss with the independent auditor matters required to be discussed by Public Company Accounting Oversight Board on Auditing Standards No. 1300 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.

(r) 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, including disclosure made by the Chief Executive Officer and Chief Financial Officer about:

(i) any significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data or any material weaknesses in the internal controls; and

(ii) any fraud involving management or other employees who have a significant role in the Company's internal controls.

(s) 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, including the annual financial statement and the annual return filed under s. 665 of the Act, prepared by the Chief Actuary, and such other matters as the Committee may direct, including the report on the Financial Condition Testing, which is also reviewed by the Risk Committee.

(t) Receive reports from the Chief Actuary regarding material capital model modifications and new capital model applications.

(u) Discuss with the Company's General Counsel at least annually any legal matters that may have a material impact on the financial statements, operations, assets or compliance policies and any material reports or inquiries received by the Company or any of its subsidiaries from regulators or governmental agencies.

(v) Meet with the Chief Audit Executive and with management to discuss the effectiveness of the internal control procedure established pursuant to s. 4.2(e).

(w) Receive reports that highlight key areas of disclosure judgement considered by the Executive Disclosure Committee.

4.3 Oversight of the Finance Function

(a) At least annually review and approve the mandate of the Chief Financial Officer and the Finance function.

(b) At least annually, review and approve the budget, structure, skills and resources of the Finance function.

(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 effectiveness of the Chief Financial Officer and the Finance function.

(d) Recommend to the Board of Directors 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 function.

(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 effectiveness of the Chief Actuary and the Actuarial function.

(d) Recommend to the Board of Directors 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 mandate of the Chief Audit Executive and the Internal Audit function and the scope and types of internal audit services.

(b) At least annually, review and approve the budget, structure, skills, resources, independence and qualifications of the Internal Audit function.

(c) At least annually, review and approve the audit plan of the Internal Audit function (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.

(d) Review the periodic reports of the internal audit department on internal audit activities, including audit issues, recommendations and progress in meeting the annual audit plan (including the impact of any access, authority, scope or resource limitations).

(e) Determine the qualifications and competencies the Company expects in a Chief Audit Executive. At least annually, review the performance and compensation of the Chief Audit Executive, with the input of the Management Resources and Compensation Committee.

(f) Recommend to the Board of Directors for approval the appointment and, when considered appropriate, the dismissal of the Chief Audit Executive, who shall have unrestricted and direct access to the Committee, including private meetings without Executive Leadership 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 at least annually.

(h) At least annually, assess the effectiveness and efficiency of the Internal Audit function, including Internal Audit function's conformance with the Global Internal Audit Standards, achievement of performance objectives, alignment to the expectations of the Internal Audit function with OSFI's Supervisory Framework, and action plans to address any deficiencies and opportunities for improvement, if applicable.

(i) Review and approve the Chief Audit Executive's External Quality Assessment (EQA) 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 progress.

4.6 Risk Management Oversight

(a) Review reports from the Risk Committee respecting the Company's processes for assessing and managing risk.

4.7 Oversight of Regulatory Compliance and Complaint Handling

(a) Establish procedures for the receipt, retention and treatment of reports received by

(d) regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

(e) Discuss with management and the independent auditor at least annually any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting.

(f) Review at least annually with the Global Chief Compliance Officer, covering the function customarily associated with the Chief Compliance Officer role for the Company (the "Global Chief Compliance Officer"), the Company's compliance 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 Chief Compliance Officer 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 Chief Compliance Officer, with the input of the Management Resources and Compensation Committee, and assess the effectiveness of the Global Chief Compliance Officer and the Global Compliance function.

(d) Recommend to the Board of Directors for approval, the appointment and, when considered appropriate, the dismissal of the Global Chief Compliance Officer, 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) Review the Company's Anti-Money Laundering ("AML") and Anti-Terrorist Financing ("ATF") Policy.

(b) Meet with the Chief Anti-Money Laundering Officer as necessary to review the AML/ATF Program.

(c) The Committee shall meet with the Chief Audit Executive 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 f
on restricting the use of confidential infor
mation.

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) 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) 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 of Directors

(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
to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Com
The Committee shall have the authority to retain such external advisors as it may from time to time deem nec
or advisable for its purposes and to set the terms of the retainer. The expenses related to any such engagem
shall also be funded by the Company.

Exhibit 99.4

Certification of Annual Filings

Manulife Financial Corporation

I, Phil Witherington, 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 11, 2026

/s/ Phil Witherington
Phil Witherington
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 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 11, 2026

/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, 2025, 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 11, 2026

/s/ Phil Witherington
Name: Phil Witherington
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, 2025, 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 11, 2026

/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 11, 2026, with respect to the consolidated statements of financial position as at December 31, 2025 and December 31, 2024 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, 2025, filed with the Securities and Exchange Commission.

We also consent to the incorporation by reference of our reports dated February 11, 2026 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. 333-290499) 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 11, 2026

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, 2025 of my Appointed Actuary's Report to the Policyholders and Shareholders dated February 11, 2026 (the "report"), relating to the valuation of the policy liabilities of the Company for its Consolidated Statements of Financial Position as at December 31, 2025 and 2024 and their change in the Consolidated Statements of Income for the years then ended.

/s/ Stephanie Fadou
Stephanie Fadou
Chief Actuary
Fellow, Canadian Institute of Actuaries
Toronto, Canada

Date: February 11, 2026