



Manulife Financial Corporation

Management's Discussion and Analysis

For the three and six months ended June 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") is current as of August 9, 2023, unless otherwise noted. This MD&A should be read in conjunction with our unaudited Interim Consolidated Financial Statements for the three and six months ended June 30, 2023 and the MD&A and audited Consolidated Financial Statements contained in our 2022 Annual Report.

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

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

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A TOTAL COMPANY PERFORMANCE

A1 Implementation of IFRS 17 and IFRS 9

Manulife adopted IFRS 17 “Insurance Contracts” and IFRS 9 “Financial Instruments” effective for years beginning on or after January 1, 2023, to be applied retrospectively. See “Future Accounting and Reporting Changes” in the MD&A in our 2022 Annual Report (“2022 MD&A”). Our quarterly and year-to-date 2022 results have been restated in accordance with IFRS 17, including the other comprehensive income option¹, and IFRS 9. Audited restated consolidated financial statements for the year ended December 31, 2022 will be included in our 2023 Annual Report.

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

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

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

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

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

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

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

A2 Profitability

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22 Transitional	2023	2022 Transitional
Net income (loss) attributed to shareholders ⁽¹⁾	\$ 1,025	\$ 1,406	\$ 168	\$ 2,431	\$ 1,493
Return on common shareholders' equity ("ROE") ⁽¹⁾	9.3%	13.6%	1.1%	11.4%	7.1%
Diluted earnings (loss) per common share (\$) ⁽¹⁾	\$ 0.50	\$ 0.73	\$ 0.06	\$ 1.23	\$ 0.71

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22	2023	2022
Net income (loss) attributed to shareholders ⁽¹⁾	\$ 1,025	\$ 1,406	\$ (2,119)	\$ 2,431	\$ (3,339)
Core earnings ⁽²⁾	\$ 1,637	\$ 1,531	\$ 1,526	\$ 3,168	\$ 2,919
Diluted earnings (loss) per common share (\$)	\$ 0.50	\$ 0.73	\$ (1.13)	\$ 1.23	\$ (1.79)
Diluted core earnings per common share ("Core EPS") (\$) ⁽³⁾	\$ 0.83	\$ 0.79	\$ 0.76	\$ 1.63	\$ 1.45
ROE	9.3%	13.6%	(22.4)%	11.4%	(17.9)%
Core return on shareholders' equity ("Core ROE") ⁽³⁾	15.5%	14.8%	15.1%	15.2%	14.5%
Expense efficiency ratio ⁽³⁾	45.1%	47.1%	43.1%	46.1%	44.7%
Expenditure efficiency ratio ⁽³⁾	51.9%	54.0%	50.1%	52.9%	51.7%
General expenses	\$ 1,022	\$ 1,086	\$ 884	\$ 2,108	\$ 1,815
Core expenses ⁽²⁾	\$ 1,598	\$ 1,605	\$ 1,381	\$ 3,203	\$ 2,797
Core expenditures ⁽²⁾	\$ 2,099	\$ 2,112	\$ 1,835	\$ 4,211	\$ 3,707

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

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

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

Quarterly profitability

Manulife's net income attributed to shareholders was \$1,025 million in the second quarter of 2023 ("2Q23") compared with a net loss attributed to shareholders of \$2,119 million and transitional net income attributed to shareholders of \$168 million in the second quarter of 2022 ("2Q22"). The 2Q22 transitional net income attributed to shareholders includes \$2,287 million of IFRS 9 transitional impacts. Net income attributed to shareholders is comprised of core earnings (consisting of items we believe reflect the underlying earnings capacity of the business), which amounted to \$1,637 million in 2Q23 compared with \$1,526 million in 2Q22, and items excluded from core earnings, which amounted to a net charge of \$612 million in 2Q23 compared with a net charge of \$3,645 million in 2Q22. Items excluded from core earnings in 2Q22 on a transitional basis amounted to a net charge of \$1,358 million. The effective tax rate on net income (loss) attributed to shareholders was 19% in 2Q23 compared with 21% in 2Q22, reflecting differences in the jurisdictional mix of pre-tax profits and losses.

Net income attributed to shareholders in 2Q23 was \$857 million higher than 2Q22 transitional net income attributed to shareholders reflecting a smaller charge from market experience and growth in core earnings. The net charge from market experience in 2Q23 was driven by lower-than-expected returns (including fair value changes) on alternative long duration assets ("ALDA") mainly related to real estate and energy as well as changes in foreign currency exchange rates, partially offset by higher-than-expected returns on public equity. Net income attributed to shareholders in 2Q23 increased by \$3,144 million compared with 2Q22, driven by factors mentioned above and the \$2,287 million of IFRS 9 transitional impacts (transitional impacts are geography-related and do not impact total shareholders' equity as the corresponding offset is in other comprehensive income).

Core earnings increased \$111 million or 4% on a constant exchange rate basis¹ compared with 2Q22. The increase in core earnings compared with 2Q22 was driven by an increase in expected investment earnings related to higher investment yields and business growth, higher returns on surplus assets net of higher cost of debt

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

financing and a smaller net charge in the provision for ECL. These were partially offset by higher workforce related costs, a charge from net unfavourable insurance experience (compared with a net gain in 2Q22) and a slower CSM amortization on certain variable fee approach (“VFA”) contracts. In addition, lower core earnings in Global Wealth and Asset Management (“Global WAM”) were driven by an increase in workforce related costs and lower earnings from seed capital investments due to repatriations, partially offset by higher net fee income from increased fee spread and business mix.

Year-to-date profitability

Net income attributed to shareholders for the six months ended June 30, 2023 was \$2,431 million compared with a net loss attributed to shareholders of \$3,339 million and transitional net income attributed to shareholders of \$1,493 million for the six months ended June 30, 2022. The year-to-date 2022 transitional net income attributed to shareholders includes \$4,832 million of IFRS 9 transitional impacts. Year-to-date core earnings amounted to \$3,168 million in 2023 compared with \$2,919 million in the same period of 2022, and items excluded from year-to-date core earnings amounted to a net charge of \$737 million in 2023 compared with a net charge of \$6,258 million in the same period of 2022. Items excluded from year-to-date core earnings in the same period of 2022 on a transitional basis amounted to a net charge of \$1,426 million. The effective tax rate on year-to-date net income (loss) attributed to shareholders was 18% in 2023 compared with 23% for the same period in 2022, reflecting differences in the jurisdictional mix of pre-tax profits and losses.

The increase of \$938 million in year-to-date net income attributed to shareholders in 2023 compared with 2022 transitional net income attributed to shareholders reflects an increase in year-to-date core earnings of \$249 million and a net charge of \$737 million in items excluded from year-to-date core earnings in 2023 compared with a net charge in items excluded from year-to-date core earnings of \$1,426 million in 2022 on a transitional basis. Year-to-date net income attributed to shareholders in 2023 increased by \$5,770 million compared with the year-to-date net loss attributed to shareholders in 2022, driven by factors mentioned above and the \$4,832 million of IFRS 9 transitional impacts (transitional impacts are geography-related and do not impact total shareholders’ equity as the corresponding offset is in other comprehensive income).

Year-to-date core earnings in 2023 increased \$249 million or 5% compared with the same period of 2022. The increase in year-to-date core earnings compared with 2022 was driven by an increase in expected investment earnings related to higher investment yields and business growth, less unfavourable insurance experience primarily driven by the non-recurrence of excess mortality claims related to COVID-19 in the U.S. life insurance business in the first quarter of 2022 (“1Q22”), and higher returns on surplus assets net of higher cost of debt financing. These were partially offset by lower CSM amortization reflecting both a slower amortization on certain VFA contracts and the impact of the 2022 U.S. variable annuity reinsurance transactions, a large net charge in 2023 related to the provision for ECL primarily driven by commercial mortgages, and higher workforce related costs. In addition, lower year-to-date core earnings were driven by Global WAM reflecting an increase in workforce related costs, a decrease in net fee income from lower average AUMA¹ due to equity and fixed income market declines in 2022, and lower earnings from seed capital investments due to repatriation. Actions to improve the capital efficiency of our legacy business resulted in \$29 million lower year-to-date core earnings in 2023 compared with the same period of 2022.

On a year-to-date basis, the items excluded from year-to-date core earnings were a net charge of \$737 million in 2023 consisting primarily of a net charge from market experience and a net charge related to reinsurance transactions, tax related and other.

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

Core earnings by segment is presented in the table below.

Core earnings by segment ⁽¹⁾ (\$ millions, unaudited)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22	2023	2022
Asia	\$ 473	\$ 489	\$ 450	\$ 962	\$ 929
Canada	374	353	366	727	700
U.S.	458	385	428	843	721
Global Wealth and Asset Management	320	287	327	607	671
Corporate and Other	12	17	(45)	29	(102)
Total core earnings	\$ 1,637	\$ 1,531	\$ 1,526	\$ 3,168	\$ 2,919

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

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

(\$ millions, unaudited)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22	2023	2022
Core earnings	\$ 1,637	\$ 1,531	\$ 1,526	\$ 3,168	\$ 2,919
Items excluded from core earnings:					
Market experience gains (losses) ⁽¹⁾	(570)	(65)	(1,358)	(635)	(1,355)
<i>Realized gains (losses) on debt instruments</i>	(24)	(31)	(208)	(55)	(483)
<i>Derivatives and hedge ineffectiveness</i>	(13)	93	(442)	80	95
<i>Actual less expected long-term returns on public equity</i>	86	108	(866)	194	(1,190)
<i>Actual less expected long-term returns on ALDA</i>	(478)	(364)	497	(842)	715
<i>Other investment results</i>	(141)	129	(339)	(12)	(492)
Changes in actuarial methods and assumptions that flow directly through income	-	-	-	-	-
Reinsurance transactions, tax-related items and other ⁽²⁾	(42)	(60)	-	(102)	(71)
Total items excluded from core earnings	(612)	(125)	(1,358)	(737)	(1,426)
Transitional net income attributed to shareholders	n/a	n/a	\$ 168	n/a	\$ 1,493
Less: IFRS 9 transitional impacts:					
Change in expected credit loss			(19)		1
Hedge accounting			3,099		6,457
Total IFRS 9 transitional impacts (pre-tax)			3,080		6,458
Tax on IFRS 9 transitional impacts			(793)		(1,626)
Total IFRS 9 transitional impacts (post-tax)			2,287		4,832
Net income (loss) attributed to shareholders	\$ 1,025	\$ 1,406	\$ (2,119)	\$ 2,431	\$ (3,339)

⁽¹⁾ Market experience was a net charge of \$570 million in 2Q23 primarily driven by lower-than-expected returns (including fair value changes) on ALDA mainly related to real estate and energy, changes in foreign currency exchange rates, net realized losses from the sale of debt instruments which are classified as fair value through other comprehensive income ("FVOCI") and a modest net charge from derivatives and hedge ineffectiveness. These were partially offset by higher-than-expected returns on public equity. Market experience was a net charge of \$1,358 million in 2Q22 consisting of a net loss from lower-than-expected returns on public equity, a loss from derivatives and hedge ineffectiveness due to unusually large interest rate movements, changes in foreign currency exchange rates, and net realized losses from the sale of debt instruments which are classified as FVOCI. These were partially offset by higher-than-expected returns (including fair value changes) on ALDA related to private equity.

⁽²⁾ The 2Q23 net charge of \$42 million mainly included a provision for the cancellation of certain policies in our Vietnam operation of \$46 million.

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

Transitional net income attributed to shareholders by segment ⁽¹⁾ (\$ millions, unaudited)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22 Transitional	2023	2022 Transitional
Asia	\$ 130	\$ 519	\$ (227)	\$ 649	\$ (22)
Canada	227	309	271	536	597
U.S.	183	186	355	369	1,240
Global Wealth and Asset Management	317	297	150	614	433
Corporate and Other	168	95	(381)	263	(755)
Total transitional net income attributed to shareholders	\$ 1,025	\$ 1,406	\$ 168	\$ 2,431	\$ 1,493

Net income attributed to shareholders by segment ⁽¹⁾ (\$ millions, unaudited)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22	2023	2022
Asia	\$ 130	\$ 519	\$ (51)	\$ 649	\$ 88
Canada	227	309	(611)	536	(1,283)
U.S.	183	186	(1,226)	369	(1,825)
Global Wealth and Asset Management	317	297	150	614	433
Corporate and Other	168	95	(381)	263	(752)
Total net income attributed to shareholders	\$ 1,025	\$ 1,406	\$ (2,119)	\$ 2,431	\$ (3,339)

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

Expenditure efficiency ratio and expense efficiency ratio

We introduced our strategic priority of expense efficiency in 2018.

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

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

Quarterly expenditure efficiency ratio and expense efficiency ratio

The **expenditure efficiency ratio** was 51.9% in 2Q23, compared with 50.1% in 2Q22. The 1.8 percentage point increase in the ratio compared with 2Q22 was driven by a 12% increase in core expenditures partially offset by a 3% increase in pre-tax core earnings¹. 2Q23 core expenditures increased as a result of higher distribution costs reflecting topline growth, higher workforce related costs reflecting inflationary pressures, the tight labour market, and a return to pre-pandemic activities, and additional expenses related to the consolidation of 100% of Manulife TEDA Fund Management Co, LTD. Costs directly attributable to the acquisition of new business represented approximately 24% and 25% of total core expenditures in 2Q23 and 2Q22, respectively.

The **expense efficiency ratio** was 45.1% in 2Q23, compared with 43.1% in 2Q22. The 2.0 percentage point increase in the ratio compared with 2Q22 was driven by the items noted above related to the increase in the core expenditure efficiency ratio but is net of costs directly attributable to the acquisition of new business.

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

Total 2Q23 general expenses increased 16% on an actual exchange rate basis and 12% on a constant exchange rate basis compared with 2Q22 driven by the items noted above related to the increase in the expenditure efficiency ratio and items outside of core earnings, which were not material in 2Q23. However, general expenses are also net of directly attributable maintenance expenses and directly attributable acquisition expenses for products measured using the premium allocation approach (“PAA”) which are included in insurance service expenses on our financial statements. Directly attributable maintenance expenses and directly attributable acquisition expenses for products measured using the PAA increased 15% in 2Q23 compared with 2Q22.

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

On a year-to-date basis, the **expenditure efficiency ratio** was 52.9% in 2023 compared with 51.7% in the same period of 2022. The 1.2 percentage point increase in the year-to-date ratio compared with 2022 was driven by an 11% increase in year-to-date core expenditures partially offset by a 5% increase in year-to-date pre-tax core earnings. 2023 year-to-date core expenditures increased as a result of higher distribution costs reflecting topline growth, higher workforce related costs reflecting inflationary pressures, the tight labour market, higher travel and a return to pre-pandemic activities, and additional expenses related to the consolidation of 100% of Manulife TEDA Fund Management Co, LTD. Year-to-date costs directly attributable to the acquisition of new business represented approximately 24% of total year-to-date core expenditures in both 2023 and 2022.

The year-to-date **expense efficiency ratio** was 46.1% in 2023, compared with 44.7% in the same period of 2022. The 1.4 percentage point increase in the year-to-date ratio compared with 2022 was driven by the items noted above related to the increase in the year-to-date expenditure efficiency ratio but is net of year-to-date costs directly attributable to the acquisition of new business.

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

A3 Business performance¹

(\$ millions, unless otherwise stated) (unaudited)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22	2023	2022
Asia APE sales	\$ 1,181	\$ 1,173	\$ 900	\$ 2,354	\$ 1,987
Canada APE sales	322	293	361	615	724
U.S. APE sales	130	134	147	264	307
Total APE sales ⁽¹⁾	1,633	1,600	1,408	3,233	3,018
Asia new business value	424	372	393	796	762
Canada new business value	106	92	82	198	186
U.S. new business value	55	45	35	100	76
Total new business value ^{(1),(2)}	585	509	510	1,094	1,024
Asia new business CSM ⁽³⁾	432	301	328	733	645
Canada new business CSM	57	46	47	103	108
U.S. new business CSM	103	95	118	198	230
Total new business CSM ⁽³⁾	592	442	493	1,034	983
Asia CSM net of NCI	9,630	9,678	9,025	9,630	9,025
Canada CSM	3,656	3,659	3,626	3,656	3,626
U.S. CSM	4,106	4,080	4,026	4,106	4,026
Corporate and Other CSM	31	50	34	31	34
Total CSM net of NCI	17,423	17,467	16,711	17,423	16,711
Post-tax CSM net of NCI ⁽⁴⁾	14,877	14,850	14,224	14,877	14,224
Global WAM gross flows (\$ billions) ⁽¹⁾	35.2	38.8	34.1	74.0	72.5
Global WAM net flows (\$ billions) ⁽¹⁾	2.2	4.4	1.7	6.6	8.5
Global WAM assets under management and administration (\$ billions) ⁽⁴⁾	819.6	814.5	746.8	819.6	746.8
Global WAM total invested assets (\$ billions)	5.5	5.6	5.7	5.5	5.7
Global WAM segregated funds net assets (\$ billions)	238.7	235.6	213.3	238.7	213.3
Total assets under management and administration (\$ billions) ^{(4),(5)}	1,344.8	1,349.9	1,253.8	1,344.8	1,253.8
Total invested assets (\$ billions) ⁽⁵⁾	403.4	412.5	391.1	403.4	391.1
Total segregated funds net assets (\$ billions) ⁽⁵⁾	366.0	364.0	334.9	366.0	334.9

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

⁽²⁾ Quarterly 2022 NBV has not been restated as a result of the adoption of IFRS 17. The impact of not restating 2022 is not material.

⁽³⁾ New business contractual service margin is net of NCI.

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

⁽⁵⁾ See section A5 below for more information.

Annualized premium equivalent (“APE”) sales were \$1.6 billion in 2Q23, an increase of 12%² compared with 2Q22. In Asia, APE sales increased 26% compared with 2Q22, driven by growth in Hong Kong and Asia Other³, partially offset by lower sales in Japan. In Hong Kong, APE sales doubled compared with 2Q22, reflecting strong growth in our broker and bancassurance channels, primarily driven by a return of demand from mainland Chinese visitor (“MCV”) customers following the reopening of the border between Hong Kong and mainland China since February 2023. In Japan, APE sales decreased 17% compared with 2Q22, driven by lower sales in other wealth and corporate-owned life insurance (“COLI”) products. Asia Other APE sales increased 12% compared with 2Q22, as higher sales in mainland China through our bancassurance channel were partially offset by lower sales in Vietnam and international high net worth business. In Canada, APE sales decreased 11% compared with 2Q22, driven by usual variability in the group insurance market with lower large-case sales partially offset by higher mid-size business sales, as well as lower sales of segregated fund products. In the U.S., APE sales decreased 15% compared with 2Q22 due to the adverse impact of higher short-term interest rates on accumulation insurance

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

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

³ Asia Other excludes Hong Kong and Japan.

products, particularly for our higher net worth customers. APE sales of products with the John Hancock Vitality PLUS feature represented 75% of overall U.S. sales in 2Q23, an increase from 71% in 2Q22.

Year-to-date APE sales of \$3.2 billion in 2023 were 4% higher than the same period of 2022, driven by higher year-to-date sales in Asia partially offset by lower year-to-date sales in Canada and the U.S.

New business value (“NBV”) was \$585 million in 2Q23, an increase of 10%¹ compared with 2Q22. In Asia, NBV increased 3% compared with 2Q22 driven by higher sales volumes partially offset by business mix. In Canada, NBV increased 29% compared with 2Q22 driven by higher margins in all business lines largely due to product mix, partially offset by lower sales volumes in Annuities and Group Insurance. In the U.S., NBV increased 43% compared with 2Q22 due to pricing actions, higher interest rates, and product mix, partially offset by lower sales volumes.

Year-to-date NBV was \$1,094 million in 2023, an increase of 3% compared with the same period of 2022. In Asia, year-to-date NBV in 2023 was in line with the same period of 2022 as higher sales volumes were offset by business mix. In Canada, year-to-date NBV increased 6% driven by higher margins in all business lines largely due to product mix, partially offset by lower sales volumes in Annuities and Group Insurance. In the U.S., year-to-date NBV increased 23% compared with 2022 due to pricing actions, higher interest rates and product mix, partially offset by lower sales volumes.

New business contractual service margin (“New Business CSM”) was \$592 million in 2Q23, an increase of 15% compared with 2Q22. In Asia, new business CSM increased 26% compared with 2Q22 driven by higher sales volumes and model refinements, partially offset by business mix. In Canada, new business CSM increased 21% compared with 2Q22 driven by product mix in Individual Insurance. Under IFRS 17, the majority of Group Insurance and affinity products are classified as PAA and do not generate CSM. In the U.S., new business CSM decreased 17% compared with 2Q22 consistent with lower sales volumes.

Year-to-date new business CSM was \$1,034 million in 2023, an increase of 1% compared with the same period of 2022. In Asia, year-to-date new business CSM in 2023 increased 9% compared with the same period of 2022, driven by higher sales volumes, partially offset by business mix. In Canada, year-to-date new business CSM decreased 5% compared with 2022 due to lower segregated fund sales volumes, partially offset by product mix in Retail Insurance. As noted above, under IFRS 17, the majority of group insurance and affinity products are classified as PAA and do not generate CSM. In the U.S., year-to-date new business CSM decreased 19% compared with 2022 consistent with lower sales volumes.

The contractual service margin (“CSM”) net of NCI was \$17,423 million as at June 30, 2023, an increase of \$140 million compared with December 31, 2022. The increase in CSM net of NCI reflects an increase in total CSM movement of \$126 million, net of a decrease in NCI of \$14 million. Organic CSM movement was an increase of \$468 million for the first half of 2023 driven by the impact of new insurance business and expected movements related to finance income or expenses, partially offset by amounts recognized for service provided in year-to-date earnings and a net loss from insurance experience. Inorganic CSM movement was a decrease of \$342 million for the first half of 2023 driven by changes in foreign currency exchange rates, partially offset by net positive equity market experience and higher interest rates on VFA contracts. Post-tax CSM net of NCI was \$14,877 million as at June 30, 2023.

Global WAM reported net inflows were \$2.2 billion in 2Q23 compared with net inflows of \$1.7 billion in 2Q22. Net inflows in Retirement were \$0.7 billion in 2Q23 compared with net inflows of \$1.0 billion in 2Q22, driven by higher pension plan redemptions and member withdrawals, partially offset by higher new pension plan sales and growth in member contributions. Net outflows in Retail were \$0.1 billion in 2Q23 compared with net outflows of \$1.9 billion in 2Q22, reflecting lower mutual fund redemption rates, partially offset by lower sales due to reduced investor demand amid continued equity market and interest rate volatility. Net inflows in Institutional Asset Management were \$1.6 billion in 2Q23 compared with net inflows of \$2.5 billion in 2Q22, driven by higher redemptions and the non-recurrence of a \$1.9 billion equity mandate sale in 2Q22, partially offset by higher sales

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

in mainland China from acquiring full ownership interest of Manulife Fund Management (“MFM”), and higher fixed income and timberland mandate sales.

Year-to-date net inflows were \$6.6 billion in 2023, compared with \$8.5 billion in same period of 2022. The decrease was primarily due to lower retail net inflows from lower investor demand, and lower retirement net inflows from higher pension plan redemptions. This was partially offset by higher institutional net inflows in mainland China from acquiring full ownership interest of MFM and new product launches in the first quarter of 2023 (“1Q23”).

A4 Financial strength

(unaudited)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22	2023	2022
MLI’s LICAT ratio ⁽¹⁾	136%	138%	137%	136%	137%
Financial leverage ratio ⁽²⁾	25.8%	26.0%	26.0%	25.8%	26.0%
Consolidated capital (\$ billions) ⁽³⁾	\$ 69.3	\$ 71.6	\$ 69.5	\$ 69.3	\$ 69.5
Book value per common share (\$)	\$ 21.30	\$ 22.01	\$ 20.62	\$ 21.30	\$ 20.62
Adjusted book value per common share (\$) ⁽²⁾	\$ 29.42	\$ 30.04	\$ 28.06	\$ 29.42	\$ 28.06

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

⁽²⁾ This item is a non-GAAP ratio. See “Non-GAAP and other financial measures” 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.

The Life Insurance Capital Adequacy Test (“LICAT”) ratio for The Manufacturers Life Insurance Company (“MLI”) as at June 30, 2023 was 136% compared with 138% as at March 31, 2023. The two percentage point decrease was driven by the redemption of subordinated debt and common share buybacks.

MFC’s LICAT ratio was 123% as at June 30, 2023 compared with 125% as at March 31, 2023 with the decrease driven by similar factors that impacted the movement in MLI’s LICAT ratio. The difference between the MLI and MFC ratios as at June 30, 2023 was largely due to the \$6.1 billion of MFC senior debt outstanding that does not qualify as available capital at the MFC level but, based on the form it was down-streamed, qualifies as regulatory capital for MLI.

MFC’s financial leverage ratio¹ as at June 30, 2023 was 25.8%, a decrease of 0.2 percentage points from 26.0% as at March 31, 2023. The decrease in the ratio was driven by the redemption of subordinated debt², partially offset by the impact of a stronger Canadian dollar and common share buybacks.

MFC’s consolidated capital¹ was \$69.3 billion as at June 30, 2023, a decrease of \$0.3 billion compared with \$69.6 billion as at December 31, 2022. The decrease was primarily driven by the impact of a stronger Canadian dollar and common share buybacks, partially offset by growth in retained earnings, the net issuance of subordinated debt³ and higher post-tax CSM.

Cash and cash equivalents and marketable securities⁴ was \$242.9 billion as at June 30, 2023 compared with \$241.0 billion as at December 31, 2022. The increase was primarily driven by higher market value of public equities due to higher equity markets.

Book value per common share as at June 30, 2023 was \$21.30, a 1% decrease compared with \$21.56 as at December 31, 2022. The number of common shares outstanding was 1,833 million as at June 30, 2023, a decrease of 32 million shares from 1,865 million as at December 31, 2022, primarily due to common share buybacks.

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

² The redemption of subordinated debt in 2Q23 was \$0.6 billion.

³ The net issuance of subordinated debt consists of the issuance of \$1.2 billion in 1Q23 and the redemption of \$0.6 billion in 2Q23.

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

Adjusted book value per common share as at June 30, 2023 was \$29.42, in line with \$29.42 as at December 31, 2022 driven by a reduction in adjusted book value¹ partially offset by a lower number of common shares outstanding. The adjusted book value declined by \$1.0 billion driven by the impact of a stronger Canadian dollar and common share buybacks, partially offset by growth in retained earnings and higher post-tax CSM.

A5 Assets under management and administration (“AUMA”)

AUMA as at June 30, 2023 was \$1.3 trillion, an increase of 6% compared with December 31, 2022, primarily due to the favourable impact of markets and net inflows. Total invested assets and segregated funds net assets increased 1% and 5%, respectively, on an actual exchange rate basis primarily due to the favourable impact of markets.

A6 Impact of foreign currency exchange rates

Changes in foreign currency exchange rates from 2Q22 to 2Q23 increased core earnings by \$52 million in 2Q23, primarily due to a weaker Canadian dollar compared with the U.S. dollar. Changes in foreign currency exchange rates increased year-to-date core earnings by \$107 million in 2023 compared with the same period of 2022 primarily due to a weaker Canadian dollar compared with the U.S. dollar. The impact of foreign currency exchange rates on items excluded from core earnings does not provide relevant information given the nature of those items.

A7 Business highlights

To continue helping our customers live longer, healthier, better lives, we:

- launched enhanced healthcare coverage in Hong Kong to better address the growing demand for health and protection services. Customers can now use our expanded hospital network covering over 3,000 hospitals across mainland China. We are the first life insurer in the market to cover all Grade III public hospitals;
- continued to expand our behavioural insurance program in Canada by making Manulife *Vitality* available on new Manulife Par individual insurance policies; and
- deepened our collaboration with ÖURA to offer John Hancock Vitality members discounts on ÖURA rings and the ability to earn points for healthy sleep habits and mindfulness.

We remain committed to our Environmental, Social and Governance (“ESG”) strategy:

- We strengthened our commitment to reducing emissions by disclosing science-based² targets, including an increased ambition to reduce absolute scope 1 and 2 emissions 40% by 2035, and a combination of sector-specific and asset-class specific interim targets to reduce the General Account’s financed emissions as outlined in our [2022 ESG Report](#) published in May 2023.³ Currently, Manulife’s owned timberland and agriculture properties remove more carbon from the atmosphere than emitted in our operations;
- We announced the launch of our industry-first ESG themed funds in Manulife Mandatory Provident Fund (“MPF”) in Hong Kong Retirement. This makes our flagship MPF scheme the first in the MPF market to provide both sustainable equity and fixed income investment options; and
- Manulife was named one of Corporate Knights’ Best 50 Corporate Citizens in Canada for the third consecutive year.

We continue to make progress on our digital journey:

- In Global WAM, we announced a new partnership with Envestnet in Canada Retail that will provide advisors with a leading-edge portfolio management platform to deliver a better client experience and improve advisor productivity. The Envestnet platform is a market tested portfolio management solution which will give advisors access to advanced trading and modelling capabilities, streamlined workflows and

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

² Targets developed in alignment with the methodology for financial institutions outlined by the Science-based Targets Initiative (SBTi), in combination with Partnership for Carbon Accounting Financials (PCAF) methodologies for emissions accounting.

³ See “Caution regarding forward-looking statements” below.

automated tasks, more robust and client-friendly reporting, and the ability to manage accounts in a unified structure. These benefits will enable advisors to increase their efficiency and focus on their client relationships and business growth. This partnership signifies another successful step in our digital transformation journey as a leader of advice in Canada;

- In Asia, we continued to drive utilization of connected agent profiles in Manulife Shop, our proprietary online channel in the Philippines, to enable us to enhance customer experience, fulfill a wider range of customer needs, and improve agent activity and productivity. In 2Q23, this contributed to a 16% increase quarter-over-quarter in organic lead submissions through the channel. We plan to roll out connected agent profiles to additional markets in the second half of 2023;
- In Canada, we reduced our call transfer rates by nearly half compared with 2Q22 in our Group Benefits contact centre, by leveraging Amazon AWS Connect, which contributed to a 14% improvement in the contact centre's transactional NPS. We continue to expand the use of this technology, which enables a more holistic digital customer experience and drives operational efficiency; and
- In the U.S., we received recognition from LIBRA Insurance Partners, the largest independently owned life insurance marketing organization in the U.S.¹, as one of the carriers who provide a best-in-class experience on an electronic platform for permanent life insurance products. We also eliminated over 3 million pieces of paper by completing our first e-delivery of life insurance policy prospectuses.

¹ Based on gross annual production according to Paradigm Partners International, a third-party research firm specializing in the insurance landscape.

B PERFORMANCE BY SEGMENT

B1 Asia¹

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22 Transitional	2023	2022 Transitional
<i>Canadian dollars</i>					
Net income attributed to shareholders ⁽¹⁾	\$ 130	\$ 519	\$ (227)	\$ 649	\$ (22)
<i>U.S. dollars</i>					
Net income attributed to shareholders ⁽¹⁾	US\$ 96	US\$ 384	US\$ (177)	US\$ 480	US\$ (16)
<hr/>					
(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22	2023	2022
<i>Canadian dollars</i>					
Profitability:					
Net income attributed to shareholders ⁽¹⁾	\$ 130	\$ 519	\$ (51)	\$ 649	\$ 88
Core earnings ⁽¹⁾	473	489	450	962	929
Business performance:					
Annualized premium equivalent sales	1,181	1,173	900	2,354	1,987
New business value	424	372	393	796	762
New business contractual service margin net of NCI	432	301	328	733	645
Contractual service margin net of NCI	9,630	9,678	9,025	9,630	9,025
Assets under management (\$ billions) ⁽²⁾	159.3	162.2	145.8	159.3	145.8
Total invested assets (\$ billions)	135.2	138.0	123.9	135.2	123.9
Total segregated funds net assets (\$ billions)	24.1	24.2	21.9	24.1	21.9
<hr/>					
<i>U.S. dollars</i>					
Profitability:					
Net income attributed to shareholders ⁽¹⁾	US\$ 96	US\$ 384	US\$ (41)	US\$ 480	US\$ 69
Core earnings ⁽¹⁾	353	361	353	714	731
Business performance:					
Annualized premium equivalent sales	879	868	706	1,747	1,563
New business value	315	275	307	590	598
New business contractual service margin net of NCI	323	222	258	545	507
Contractual service margin net of NCI	7,273	7,156	7,004	7,273	7,004
Assets under management (\$ billions) ⁽²⁾	120.3	119.9	113.0	120.3	113.0
Total invested assets (\$ billions)	102.1	102.0	96.0	102.1	96.0
Total segregated funds net assets (\$ billions)	18.2	17.9	17.0	18.2	17.0

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

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

Asia's net income attributed to shareholders was \$130 million in 2Q23 compared with a net loss attributed to shareholders of \$51 million and a transitional net loss attributed to shareholders of \$227 million in 2Q22. The 2Q22 transitional net loss includes a \$176 million charge from IFRS 9 transitional impacts. Net income attributed to shareholders is comprised of core earnings, which were \$473 million in 2Q23 compared with \$450 million in 2Q22, and items excluded from core earnings, which amounted to a net charge of \$343 million in 2Q23 compared with a net charge of \$501 million in 2Q22. Items excluded from core earnings in 2Q22 on a transitional basis amounted to a net charge of \$677 million. See section E3 "Non-GAAP and other financial measures" below, for a reconciliation of quarterly core earnings to net income (loss) attributed to shareholders for 2Q23 and quarterly core earnings and transitional net income (loss) attributed to shareholders to net income (loss) attributed to shareholders for 2Q22. See section A2 "Profitability" above, for explanations of the items excluded from core earnings. The changes in core earnings expressed in Canadian dollars were due to the factors described below and additionally, reflected a net \$16 million favourable impact due to changes in foreign currency exchange rates versus the Canadian dollar.

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

Expressed in U.S. dollars, the presentation currency of the segment, net income attributed to shareholders was US\$96 million in 2Q23 compared with a net loss attributed to shareholders of US\$41 million and a transitional net loss attributed to shareholders of US\$177 million in 2Q22. Core earnings were US\$353 million in 2Q23 compared with US\$353 million in 2Q22 and items excluded from core earnings were a net charge of US\$257 million in 2Q23 compared with a net charge of US\$394 million in 2Q22. Items excluded from core earnings in 2Q22 on a transitional basis were a net charge of US\$530 million.

Core earnings in 2Q23 were in line with 2Q22 driven by higher expected investment income due to higher investment yields and business growth, offset by a slower CSM amortization on certain VFA contracts. Claims experience was relatively neutral across the segment in both periods.

Year-to-date net income attributed to shareholders was US\$480 million in 2023 compared with net income attributable to shareholders of US\$69 million and a transitional net loss attributed to shareholders of US\$16 million in the same period of 2022. The year-to-date transitional net loss includes a charge of US\$85 million from IFRS 9 transitional adjustments. Year-to-date core earnings of US\$714 million in 2023 were in line with 2022 driven by higher expected investment income due to higher investment yields and business growth and lower maintenance expenses, offset by a slower CSM amortization on certain VFA contracts and less favourable claims experience. Items excluded from year-to-date core earnings were a net charge of US\$234 million in 2023 compared with a net charge of US\$662 million for the same period of 2022. Items excluded from core earnings in 2022 on a transitional basis amounted to a net charge of US\$747 million. See section E3 “Non-GAAP and other financial measures” below, for a reconciliation of year-to-date core earnings to year-to-date net income (loss) attributed to shareholders for 2023, and year-to-date core earnings and year-to-date transitional net income (loss) to shareholders to year-to-date net income (loss) attributed to shareholders for 2022. Expressed in Canadian dollars, year-to-date core earnings reflected a net \$31 million unfavourable impact of changes in foreign currency exchange rates versus the Canadian dollar.

APE sales in 2Q23 were US\$879 million, an increase of 26% compared with 2Q22, driven by growth in Hong Kong and Asia Other, partially offset by lower sales in Japan. NBV in 2Q23 was US\$315 million, an increase of 3% compared with 2Q22, driven by higher sales volumes, partially offset by business mix. New business value margin (“NBV margin”)¹ was 40.3% in 2Q23 compared with 46.5% in 2Q22. New business CSM in 2Q23 was US\$323 million, an increase of 26% compared with 2Q22, driven by higher sales volumes and model refinements, partially offset by business mix. Year-to-date APE sales were US\$1,747 million in 2023, an increase of 14%, compared with the same period of 2022, driven by strong growth in our broker and bancassurance channels in Hong Kong and higher bancassurance sales in Asia Other. Year-to-date NBV in 2023 was US\$590 million, in line with the same period of 2022. Higher sales volumes were offset by business mix. Year-to-date new business CSM in 2023 was US\$545 million, an increase of 9% compared with the same period of 2022, driven by higher sales volumes, partially offset by business mix.

- Hong Kong APE sales in 2Q23 were US\$268 million, double that of 2Q22. The increase reflected strong growth in our broker and bancassurance channels, primarily driven by a return of demand from MCV customers following the reopening of the border between Hong Kong and mainland China since February 2023. Hong Kong NBV in 2Q23 was US\$140 million, an increase of 31% compared with 2Q22 due to higher sales volumes, partially offset by higher proportion of lower margin savings products. Hong Kong NBV margin was 52.3% in 2Q23, a decrease of 28.2 percentage points compared with 2Q22. Hong Kong new business CSM in 2Q23 was US\$142 million, an increase of 92% compared with 2Q22 due to higher sales volumes and model refinements, partially offset by higher proportion of lower margin savings products.
- Japan APE sales in 2Q23 were US\$59 million, a decrease of 17% compared with 2Q22 reflecting lower sales in other wealth and COLI products. Japan NBV was US\$26 million in 2Q23, an increase of 20% compared with 2Q22 due to product management actions, partially offset by lower sales volume. Japan NBV margin was 43.3% in 2Q23, an increase of 13.4 percentage points compared with 2Q22. Japan new business CSM was US\$14 million in 2Q23, a decrease of 49% compared with 2Q22 due to lower sales volume and model refinements.

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

- Asia Other APE sales in 2Q23 were US\$552 million, an increase of 12% compared with 2Q22. Higher sales in mainland China through our bancassurance channel, were partially offset by lower sales in Vietnam and international high net worth business. Asia Other NBV in 2Q23 was US\$149 million, a decrease of 16% compared with 2Q22 due to product mix, partially offset by higher sales volumes. Asia Other NBV margin was 32.8% in 2Q23, a decrease of 6.5 percentage points compared with 2Q22. Asia Other new business CSM in 2Q23 was US\$167 million in 2Q23, an increase of 7% compared with 2Q22, driven by higher sales volumes and model refinements, partially offset by product mix.

CSM net of NCI was US\$7,273 million as at June 30, 2023, an increase of US\$322 million, net of a US\$2 million increase attributed to NCI compared with December 31, 2022. Organic CSM movement was an increase of US\$313 million for the first half of 2023 driven by the impact of new insurance business and expected movements related to finance income or expenses partially offset by amounts recognized for service provided in year-to-date earnings and a net loss from insurance experience. Inorganic CSM movement was an increase of US\$11 million for the first half of 2023 largely due to the impact of markets from a reduction in interest rates and net positive equity market performance on VFA contracts partially offset by strengthening of the U.S. dollar against Asian currencies.

Assets under management were US\$120.3 billion as at June 30, 2023, an increase of US\$5.2 billion or 6% compared with December 31, 2022, driven by lower interest rates and positive equity market performance in 2023 on invested assets and segregated funds net assets.

Business highlights – In 2Q23, we:

- launched enhanced healthcare coverage in Hong Kong to better address the growing demand for health and protection services. Customers can now use our expanded hospital network covering over 3,000 hospitals across mainland China. We are the first life insurer in the market to cover all Grade III public hospitals;
- continued to drive agency productivity across the region, with the initial roll out of Manulife Pro in Singapore, a comprehensive premier recognition program, providing our 200 top-performing financial consultants and financial advisers, representing approximately 10% of our Singapore agency force, with differentiated resources and tools, including dedicated underwriting support and enhanced customer engagement services with access to customer leads; and
- continued to drive utilization of connected agent profiles in Manulife Shop, our proprietary online channel in the Philippines, to enable us to enhance customer experience, fulfill a wider range of customer needs, and improve agent activity and productivity. In 2Q23, this contributed to a 16% increase quarter-over-quarter in organic lead submissions through the channel. We plan to roll out connected agent profiles to additional markets in the second half of 2023.

B2 Canada¹

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22 Transitional	2023	2022 Transitional
Net income attributed to shareholders ⁽¹⁾	\$ 227	\$ 309	\$ 271	\$ 536	\$ 597

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22	2023	2022
Profitability:					
Net income attributed to shareholders ⁽¹⁾	\$ 227	\$ 309	\$ (611)	\$ 536	\$ (1,283)
Core earnings ⁽¹⁾	374	353	366	727	700
Business performance:					
Annualized premium equivalent sales	322	293	361	615	724
Contractual service margin	3,656	3,659	3,626	3,656	3,626
Manulife Bank average net lending assets (\$ billions) ⁽²⁾	24.9	24.8	24.3	24.9	24.0
Assets under management (\$ billions) ⁽²⁾	144.0	143.9	139.8	144.0	139.8
Total invested assets (\$ billions)	108.0	107.5	104.2	108.0	104.2
Segregated funds net assets (\$ billions)	36.0	36.4	35.6	36.0	35.6

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

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

Canada’s net income attributed to shareholders was \$227 million in 2Q23 compared with a net loss attributed to shareholders of \$611 million and transitional net income attributed to shareholders of \$271 million in 2Q22. The 2Q22 transitional net income includes a \$882 million gain from IFRS 9 transitional impacts. Net income attributed to shareholders is comprised of core earnings, which were \$374 million in 2Q23 compared with \$366 million in 2Q22, and items excluded from core earnings, which amounted to a net charge of \$147 million in 2Q23 compared with a net charge of \$977 million in 2Q22. Items excluded from core earnings in 2Q22 on a transitional basis amounted to a net charge of \$95 million. See section E3 “Non-GAAP and other financial measures” below, for a reconciliation of quarterly core earnings to net income (loss) attributed to shareholders for 2Q23 and quarterly core earnings and transitional net income (loss) attributed to shareholders to net income (loss) attributed to shareholders for 2Q22. See section A2 “Profitability” above, for explanations of the items excluded from core earnings.

Core earnings in 2Q23 increased \$8 million or 2% compared with 2Q22, primarily reflecting higher expected investment earnings due to higher investment yields and business growth, and higher Manulife Bank earnings, largely offset by a slower CSM amortization on certain VFA contracts and less favourable net insurance experience driven by unfavourable experience in Individual Insurance partially offset by higher experience gains in Group Insurance.

Year-to-date net income attributed to shareholders was \$536 million in 2023 compared with a year-to-date net loss attributable to shareholders of \$1,283 million and year-to-date transitional net income attributed to shareholders of \$597 million in the same period of 2022. The year-to-date transitional net income includes a gain of \$1,880 million from IFRS 9 transitional adjustments. Year-to-date core earnings were \$727 million in 2023 compared with \$700 million in the same period of 2022. The increase in year-to-date core earnings of \$27 million or 4% reflected higher expected investment earnings due to higher investment yields and business growth, higher Manulife Bank earnings, and favourable insurance experience gains, partially offset by a slower CSM amortization on certain VFA contracts and the impact of an increase in the corporate tax rate enacted in the fourth quarter of 2022 (“4Q22”). Items excluded from year-to-date core earnings were a net charge of \$191 million in 2023 compared with a net charge of \$1,983 million for the same period of 2022. Items excluded from year-to-date core earnings in 2022 on a transitional basis amounted to a net charge of \$103 million. See section E3 “Non-GAAP and other financial measures” below, for a reconciliation of year-to-date core earnings to year-to-date net income (loss) attributed to shareholders for 2023, and year-to-date core earnings and year-to-date transitional net income (loss) attributed to shareholders to year-to-date net income (loss) attributed to shareholders for 2022.

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

APE sales of \$322 million in 2Q23 decreased by \$39 million or 11% compared with 2Q22.

- Individual insurance APE sales in 2Q23 of \$106 million were in line with 2Q22.
- Group insurance APE sales in 2Q23 of \$173 million decreased \$20 million or 10% compared with 2Q22, primarily due to usual variability in the group insurance market, as lower large-case sales were partially offset by higher mid-size business sales.
- Annuities APE sales in 2Q23 of \$43 million decreased \$18 million or 30% compared with 2Q22, primarily due to lower sales of segregated fund products.

Year-to-date APE sales in 2023 were \$615 million, \$109 million or 15% lower than in the same period of 2022, primarily due to lower sales of segregated fund products and usual variability in the large-case group insurance market.

CSM was \$3,656 million as at June 30, 2023, a decrease of \$19 million compared with December 31, 2022. Organic CSM movement was an increase of \$30 million for the first half of 2023 driven by the impact of new insurance business, expected movements related to finance income or expenses and insurance experience gains partially offset by amounts recognized for service provided in year-to-date earnings. Inorganic CSM movement was a decrease of \$49 million for the first half of 2023 reflecting unfavourable impact of markets from equity market experience and unfavourable real estate experience on VFA contracts, partially offset by an in-force reinsurance transaction in 1Q23 in Individual Insurance.

Manulife Bank average net lending assets for the quarter were \$24.9 billion as at June 30, 2023, up \$0.2 billion or 1% compared with December 2022, driven by growth in residential mortgages.

Assets under management were \$144.0 billion as at June 30, 2023, an increase of \$1.4 billion or 1% compared with December 31, 2022, primarily reflecting the favourable market impacts and business growth.

Business highlights – In 2Q23, we:

- continued to expand our behavioural insurance program by making Manulife *Vitality* available on new Manulife Par individual insurance policies, enabling more customers to get rewarded for making healthier lifestyle choices;
- released our annual Wellness Report, which highlights the need for Canadian employers to offer more internal health and wellness programs and services, as employees across Canada continue to struggle with the after-effects of the pandemic. Following the release of the report, we added new mental health tools and resources to our website for Group Benefits plan sponsors to help them support their employees and develop workplace strategies to enhance company culture; and
- reduced our call transfer rates by nearly half compared with 2Q22 in our Group Benefits contact centre, by leveraging Amazon AWS Connect, which contributed to a 14% improvement in the contact centre's transactional NPS. We continue to expand the use of this technology, which enables a more holistic digital customer experience and drives operational efficiency.

B3 U.S.¹

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22 Transitional	2023	2022 Transitional
<i>Canadian dollars</i>					
Net income attributed to shareholders ⁽¹⁾	\$ 183	\$ 186	\$ 355	\$ 369	\$ 1,240
<i>U.S. dollars</i>					
Net income attributed to shareholders ⁽¹⁾	US\$ 136	US\$ 138	US\$ 278	US\$ 274	US\$ 977
<hr/>					
(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22	2023	2022
<i>Canadian dollars</i>					
Profitability:					
Net income attributed to shareholders ⁽¹⁾	\$ 183	\$ 186	\$ (1,226)	\$ 369	\$ (1,825)
Core earnings ⁽¹⁾	458	385	428	843	721
Business performance:					
Annualized premium equivalent sales	130	134	147	264	307
Contractual service margin	4,106	4,080	4,026	4,106	4,026
Assets under management (\$ billions)	199.4	204.4	195.7	199.4	195.7
Total invested assets (\$ billions)	132.1	136.5	131.5	132.1	131.5
Total segregated funds invested net assets (\$ billions)	67.3	67.9	64.2	67.3	64.2
<hr/>					
<i>U.S. dollars</i>					
Profitability:					
Net income attributed to shareholders ⁽¹⁾	US\$ 136	US\$ 138	US\$ (961)	US\$ 274	US\$ (1,434)
Core earnings ⁽¹⁾	341	285	334	626	566
Business performance:					
Annualized premium equivalent sales	97	99	114	196	241
Contractual service margin	3,104	3,016	3,121	3,104	3,121
Assets under management (\$ billions)	150.7	151.0	151.7	150.7	151.7
Total invested assets (\$ billions)	99.8	100.8	101.9	99.8	101.9
Total segregated funds invested net assets (\$ billions)	50.9	50.2	49.8	50.9	49.8

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

U.S.'s net income attributed to shareholders was \$183 million in 2Q23 compared with a net loss attributed to shareholders of \$1,226 million and transitional net income attributed to shareholders of \$355 million in 2Q22. The 2Q22 transitional net income includes a \$1,581 million gain from IFRS 9 transitional impacts. Net income attributed to shareholders is comprised of core earnings, which were \$458 million in 2Q23 compared with \$428 million in 2Q22, and items excluded from core earnings, which amounted to a net charge of \$275 million in 2Q23 compared with a net charge of \$1,654 million in 2Q22. Items excluded from core earnings in 2Q22 on a transitional basis amounted to a net charge of \$73 million. See section E3 "Non-GAAP and other financial measures" below, for a reconciliation of quarterly core earnings to net income (loss) attributed to shareholders for 2Q23 and quarterly core earnings and transitional net income (loss) attributed to shareholders to net income (loss) attributed to shareholders for 2Q22. See section A2 "Profitability" above, for explanations of the items excluded from core earnings. The changes in core earnings expressed in Canadian dollars were due to the factors described below. The change in core earnings reflected a \$23 million favourable impact from the strengthening of the U.S. dollar compared with the Canadian dollar.

Expressed in U.S. dollars, the functional currency of the segment, net income attributed to shareholders was US\$136 million in 2Q23 compared with a net loss attributed to shareholders of US\$961 million and transitional net income attributed to shareholders of US\$278 million in 2Q22. Core earnings were US\$341 million in 2Q23 compared with US\$334 million in 2Q22 and items excluded from core earnings were a net charge of US\$205

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

million in 2Q23 compared with a net charge of US\$1,295 million in 2Q22. Items excluded from core earnings on a transitional basis in 2Q22 were a net charge of US\$56 million.

Core earnings increased US\$7 million or 2% compared with 2Q22 reflecting increased expected investment earnings driven by higher investment yields and business growth. This is partially offset by net unfavourable insurance claims experience and a slower CSM amortization on certain VFA contracts. Net unfavourable insurance claims experience was primarily due to less favourable life mortality experience and modestly more unfavourable long-term care claims experience.

Year-to-date net income attributed to shareholders was US\$274 million in 2023 compared with a net loss attributable to shareholders of US\$1,434 million and transitional net income attributed to shareholders of US\$977 million in the same period of 2022. The year-to-date transitional net income includes a gain of US\$2,411 million from IFRS 9 transitional adjustments. Year-to-date core earnings were US\$626 million in 2023 compared with US\$566 million in the same period of 2022. Year-to-date core earnings increased US\$60 million mainly due to less unfavourable insurance claims experience, primarily driven by the non-recurrence of excess mortality claims related to COVID-19 in 1Q22, and increased expected investment earnings due to higher investment yields and business growth. These favourable drivers were partially offset by an increase in the ECL provision in 1Q23, driven by commercial mortgages, and lower CSM recognized into earnings in variable annuities due to the reinsurance of a significant portion of the block in the prior year and a slower CSM amortization on certain VFA contracts. Items excluded from year-to-date core earnings were a net charge of US\$352 million in 2023 compared with a net charge of US\$2,000 million for the same period of 2022. Items excluded from core earnings in 2022 on a transitional basis amounted to a net gain of US\$411 million. See section E3 “Non-GAAP and other financial measures” below, for a reconciliation of year-to-date core earnings to year-to-date net income (loss) attributed to shareholders for 2023 and year-to-date core earnings and year-to-date transitional net income (loss) to shareholders to year-to-date net income (loss) attributed to shareholders for 2022. Expressed in Canadian dollars, year-to-date core earnings reflected a \$48 million favourable impact of changes in foreign currency exchange rates versus the Canadian dollar.

APE sales in 2Q23 of US\$97 million decreased 15% compared with 2Q22 due to the adverse impact of higher short-term interest rates on accumulation insurance products, particularly for our higher net worth customers. Year-to-date APE sales in 2023 of US\$196 million decreased 19% compared with the same period of 2022 due to the reasons outlined above. APE sales of products with the John Hancock Vitality PLUS feature represented 75% and 74% of overall U.S. sales in 2Q23 and year-to-date 2023, respectively, an increase from 71% in the same periods in 2022.

CSM was US\$3,104 million as at June 30, 2023, an increase of US\$51 million compared with December 31, 2022. Organic CSM movement was an increase of US\$28 million for the first half of 2023 driven by the impact of new insurance business and expected movements related to finance income or expenses, partially offset by amounts recognized for service provided in year-to-date earnings and net unfavourable insurance experience. The net unfavourable insurance experience in organic CSM movement was due to unfavourable life insurance lapse and claims experience partially offset by favourable long-term care and annuities claims and lapse experience. Inorganic CSM movement was an increase of US\$23 million for the first half of 2023 due to favourable market impacts from an increase in equity markets and higher interest rates on VFA contracts.

Assets under management were US\$150.7 billion as at June 30, 2023, an increase of US\$3.7 billion or 3% compared with December 31, 2022. The increase in total invested assets and segregated funds net assets was primarily due to the impact from markets, reflecting changes in interest rates and an increase in equity markets.

Business highlights – In 2Q23, we:

- furthered our mission of helping customers live longer, healthier, better lives by:
 - deepening our collaboration with ŌURA to offer John Hancock Vitality members discounts on ŌURA rings and the ability to earn points for healthy sleep habits and mindfulness; and
 - offering upgraded underwriting opportunities to eligible life insurance applicants who demonstrate favorable health and lifestyle behaviors.

- enhanced our digital capabilities which resulted in the following contributions:
 - receiving recognition from LIBRA Insurance Partners, the largest independently owned life insurance marketing organization in the U.S.,¹ as one of the carriers who provide a best-in-class experience on an electronic platform for permanent life insurance products;
 - eliminating over 3 million pieces of paper by completing our first e-delivery of life insurance policy prospectuses; and
 - achieving a significant year-over-year increase in customer satisfaction specific to our life insurance website reflecting enhanced self-service capabilities.

B4 Global Wealth and Asset Management²

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22	2023	2022
Profitability:					
Net income attributed to shareholders ⁽¹⁾	\$ 317	\$ 297	\$ 150	\$ 614	\$ 433
Core earnings ⁽¹⁾	320	287	327	607	671
Core EBITDA ⁽²⁾	424	393	448	817	919
Core EBITDA margin (%) ⁽³⁾	24.6%	22.4%	28.1%	23.5%	28.2%
Business performance:					
Sales					
Wealth and asset management gross flows	35,152	38,815	34,050	73,967	72,460
Wealth and asset management net flows	2,187	4,440	1,662	6,627	8,496
Assets under management and administration (\$ billions)	819.6	814.5	746.8	819.6	746.8
Total invested assets (\$ billions)	5.5	5.6	5.7	5.5	5.7
Segregated funds net assets (\$ billions)	238.7	235.6	213.3	238.7	213.3
Average assets under management and administration (\$ billions) ⁽²⁾	814.9	804.5	778.2	809.5	801.2

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

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

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

Global WAM’s net income attributed to shareholders was \$317 million in 2Q23 compared with \$150 million in 2Q22. Net income attributed to shareholders is comprised of core earnings, which were \$320 million in 2Q23 compared with \$327 million in 2Q22, and items excluded from core earnings, which amounted to a net charge of \$3 million in 2Q23 compared with a net charge of \$177 million in 2Q22. See section E3 “Non-GAAP and other financial measures” below, for a reconciliation of quarterly core earnings to net income (loss) attributed to shareholders for 2Q23 and quarterly core earnings and transitional net income (loss) attributed to shareholders to net income (loss) attributed to shareholders for 2Q22. See section A2 “Profitability” above, for explanations of the items excluded from core earnings.

Core earnings in 2Q23 decreased \$7 million or 6% compared with 2Q22, driven by an increase in workforce related costs, and lower earnings from seed capital investments due to repatriations. This was partially offset by an increase in net fee income from higher fee spread and business mix.

Core EBITDA was \$424 million in 2Q23, a decrease of 8% compared with 2Q22, and core EBITDA margin was 24.6% in 2Q23, a decrease of 350 basis points compared with 2Q22, both driven by similar factors as noted above for core earnings. See section E3 “Non-GAAP and other financial measures” below, for additional information on core EBITDA and core EBITDA margin.

¹ Based on gross annual production according to Paradigm Partners International, a third-party research firm specializing in the insurance landscape.

² Effective January 1, 2023, we have made a number of changes to the composition of reporting segments to better align our financial reporting with our business strategy and operations. Our investment in the start-up capital of segregated and mutual funds, and investment-related revenue and expense were reclassified from the Corporate and Other segment to the Global WAM segment to more closely align with Global WAM’s management practices. Refinements were made to the allocations of corporate overhead and interest on surplus among segments. Prior period comparative information has been restated to reflect the changes in segment reporting.

Year-to-date net income attributed to shareholders was \$614 million in 2023 compared with \$433 million in the same period of 2022 and year-to-date core earnings were \$607 million in 2023 compared with \$671 million in the same period of 2022. The decrease in year-to-date core earnings of \$64 million or 13% reflected an increase in workforce related costs, as well as a decrease in net fee income from lower average AUMA due to equity and fixed income market declines in 2022, and lower earnings from seed capital investments due to repatriations. This was partially offset by an increase in net fee income from higher fee spread. Items excluded from year-to-date core earnings were a net gain of \$7 million in 2023 compared with a net charge of \$238 million in the same period of 2022. See section E3 “Non-GAAP and other financial measures” below, for a reconciliation of year-to-date core earnings to year-to-date net income (loss) attributed to shareholders for 2023 and year-to-date core earnings and year-to-date transitional net income (loss) attributed to shareholders to year-to-date net income (loss) attributed to shareholders for 2022.

Year-to-date core EBITDA was \$817 million in 2023 compared with \$919 million in the same period of 2022. The decrease in year-to-date core EBITDA of \$102 million or 14% was driven by similar factors as noted above for year-to-date core earnings. Year-to-date core EBITDA margin was 23.5% in 2023 compared with 28.2% in the same period of 2022. The decrease of 470 basis points was driven by similar factors as noted above for year-to-date core earnings. See section E3 “Non-GAAP and other financial measures” below, for additional information on year-to-date core EBITDA and year-to-date core EBITDA margin.

Gross flows were \$35.2 billion in 2Q23, in line¹ with 2Q22. By business line, the results were:

- Retirement gross flows in 2Q23 were \$13.8 billion, an increase of 8% compared with 2Q22, driven by higher new pension plan sales and growth in member contributions.
- Retail gross flows in 2Q23 were \$13.6 billion, a decrease of 21% compared with 2Q22, due to lower investor demand amid continued equity market and interest rate volatility. This was partially offset by higher sales in mainland China where 2Q23 gross flows reflected the impact of acquiring full ownership interest of Manulife Fund Management² (“MFM”) in 4Q22.
- Institutional Asset Management gross flows in 2Q23 were \$7.7 billion, an increase of 47% compared with 2Q22, primarily driven by higher sales in mainland China from acquiring full ownership interest of MFM as mentioned above, and higher fixed income and timberland sales, partially offset by the non-recurrence of a \$1.9 billion equity mandate sale in 2Q22.

Year-to-date gross flows were \$74.0 billion in 2023, a decrease of 2% compared with the same period of 2022, mainly driven by lower retail sales from lower investor demand. This was partially offset by higher retail and institutional sales in mainland China from acquiring full ownership interest of MFM and new institutional product launches totaling \$1.6 billion in 1Q23.

Net inflows were \$2.2 billion in 2Q23 compared with net inflows of \$1.7 billion in 2Q22. By business line, the results were:

- Net inflows in Retirement were \$0.7 billion in 2Q23 compared with net inflows of \$1.0 billion in 2Q22. The decrease reflected higher pension plan redemptions and member withdrawals, partially offset by higher gross flows as mentioned above.
- Net outflows in Retail were \$0.1 billion in 2Q23 compared with net outflows of \$1.9 billion in 2Q22, driven by lower mutual fund redemption rates, partially offset by lower gross flows as mentioned above.
- Net inflows in Institutional Asset Management were \$1.6 billion in 2Q23 compared with inflows of \$2.5 billion in 2Q22, mainly driven by higher redemptions and the non-recurrence of a \$1.9 billion equity mandate sale in 2Q22. This was partially offset by higher sales in mainland China from acquiring full ownership interest of MFM, and higher fixed income and timberland gross flows.

Year-to-date net inflows were \$6.6 billion in 2023, compared with \$8.5 billion in same period of 2022. The decrease was primarily due to lower retail net inflows from lower investor demand, and lower retirement net inflows

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

² Manulife Fund Management was formerly known as Manulife TEDA Fund Management Co, LTD (“MTEDA”). In 4Q22, we acquired full ownership in MTEDA by purchasing the remaining 51% of the shares from our joint venture partner. Starting in 1Q23, we report 100% of the gross and net flows from MFM, compared with reporting only 49% of the joint venture’s gross and net flows in 2022.

from higher pension plan redemptions. This was partially offset by higher institutional net inflows in mainland China from acquiring full ownership interest of MFM and new product launches in 1Q23.

Assets under management and administration of \$819.6 billion as at June 30, 2023 increased 8% compared with December 31, 2022. The increase was driven by the favourable year-to-date impact of markets and net inflows. As at June 30, 2023, Global WAM also managed \$203.8 billion in assets for the Company's non-WAM reporting segments. Including those managed assets, AUMA managed by Global WAM¹ was \$1,023.4 billion compared with \$984.3 billion as at December 31, 2022.

Segregated funds net assets were \$238.7 billion as at June 30, 2023, 6% higher compared with December 31, 2022 on an actual exchange rate basis, driven by the favourable year-to-date impact of markets. Total invested assets in our general fund form a small portion of Global WAM AUMA.

Business highlights – In 2Q23, we:

- announced the launch of our industry-first ESG themed funds in Manulife Mandatory Provident Fund (“MPF”) in Hong Kong Retirement. This makes our flagship MPF scheme the first in the MPF market to provide both sustainable equity and fixed income investment options; and
- announced a new partnership with Envestnet in Canada Retail that will provide advisors with a leading-edge portfolio management platform to deliver a better client experience and improve advisor productivity. The Envestnet platform is a market tested portfolio management solution which will give advisors access to advanced trading and modelling capabilities, streamlined workflows and automated tasks, more robust and client-friendly reporting, and the ability to manage accounts in a unified structure. These benefits will enable advisors to increase their efficiency and focus on their client relationships and business growth. This partnership signifies another successful step in our digital transformation journey as a leader of advice in Canada.

B5 Corporate and Other²

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22 Transitional	2023	2022 Transitional
Net income (loss) attributed to shareholders ⁽¹⁾	\$ 168	\$ 95	\$ (381)	\$ 263	\$ (755)

(\$ millions, unless otherwise stated)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22	2023	2022
Net income (loss) attributed to shareholders ⁽¹⁾	\$ 168	\$ 95	\$ (381)	\$ 263	\$ (752)
Core earnings (loss) ⁽¹⁾	12	17	(45)	29	(102)

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

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

Corporate and Other reported a net income attributed to shareholders of \$168 million in 2Q23 compared with a net loss and transitional net loss attributed to shareholders of \$381 million for 2Q22. The 2Q22 transitional net loss includes \$nil million from IFRS 9 transitional impacts. Net income attributed to shareholders is comprised of core earnings, which was \$12 million in 2Q23 compared with a core loss of \$45 million in 2Q22, and the items excluded from core earnings which amounted to a net gain of \$156 million in 2Q23 compared with a net charge of

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

² Effective January 1, 2023, we have made a number of changes to the composition of reporting segments to better align our financial reporting with our business strategy and operations. Our investment in the start-up capital of segregated and mutual funds, and investment-related revenue and expense were reclassified from the Corporate and Other segment to the Global WAM segment to more closely align with Global WAM's management practices. Refinements were made to the allocations of corporate overhead and interest on surplus among segments. Prior period comparative information has been restated to reflect the changes in segment reporting.

\$336 million in 2Q22. Items excluded from core earnings in 2Q22 on a transitional basis amounted to a charge of \$336 million. See section E3 “Non-GAAP and other financial measures” below, for a reconciliation of quarterly core earnings to net income (loss) attributed to shareholders for 2Q23 and quarterly core earnings and transitional net income (loss) attributed to shareholders to net income (loss) attributed to shareholders for 2Q22. See section A2 “Profitability” above, for explanations of the items excluded from core earnings.

The \$57 million increase in core earnings was primarily related to higher yields on debt instruments net of higher cost of debt financing, and gains in our P&C Reinsurance business from updates to the provisions for estimated losses recorded in prior years. These items were partially offset by higher core expenses due to higher workforce related costs and investments in technologies, and lower expected investment income from a reduced public equity portfolio.

Year-to-date net income attributed to shareholders was \$263 million in 2023 compared with a net loss attributable to shareholders of \$752 million and a transitional net loss attributed to shareholders of \$755 million in the same period of 2022. The year-to-date transitional net income includes a charge of \$3 million from IFRS 9 transitional adjustments. The year-to-date core earnings was \$29 million in 2023 compared with a core loss of \$102 million in the same period of 2022. The increase in the year-to-date core earnings of \$131 million was primarily driven by similar reasons mentioned above. Items excluded from the year-to-date core earnings were a net charge of \$234 million in 2023 compared with a net charge of \$650 million in the same period of 2022. Items excluded from year-to-date core earnings in 2022 on a transitional basis amounted to a net charge of \$653 million. See section E3 “Non-GAAP and other financial measures” below, for a reconciliation of year-to-date core earnings to year-to-date net income (loss) attributed to shareholders for 2023 and year-to-date core earnings and year-to-date transitional net income (loss) attributed to shareholders to year-to-date net income (loss) attributed to shareholders for 2022.

C RISK MANAGEMENT AND RISK FACTORS UPDATE

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

C1 Variable annuity and segregated fund guarantees

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

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

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

Variable annuity and segregated fund guarantees, net of reinsurance

As at (\$ millions)	June 30, 2023			December 31, 2022		
	Guarantee value ⁽¹⁾	Fund value	Amount at risk ^{(1),(2),(3)}	Guarantee value ⁽¹⁾	Fund value	Amount at risk ^{(1),(2),(3)}
Guaranteed minimum income benefit	\$ 4,043	\$ 2,752	\$ 1,305	\$ 4,357	\$ 2,723	\$ 1,639
Guaranteed minimum withdrawal benefit	36,120	33,644	4,568	38,319	34,203	5,734
Guaranteed minimum accumulation benefit	19,530	19,516	161	20,035	19,945	221
Gross living benefits ⁽⁴⁾	59,693	55,912	6,034	62,711	56,871	7,594
Gross death benefits ⁽⁵⁾	9,691	16,725	1,407	10,465	15,779	2,156
Total gross of reinsurance	69,384	72,637	7,441	73,176	72,650	9,750
Living benefits reinsured	25,357	23,532	3,812	26,999	23,691	4,860
Death benefits reinsured	3,618	2,635	706	3,923	2,636	1,061
Total reinsured	28,975	26,167	4,518	30,922	26,327	5,921
Total, net of reinsurance	\$ 40,409	\$ 46,470	\$ 2,923	\$ 42,254	\$ 46,323	\$ 3,829

⁽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 June 30, 2023 was \$2,923 million (December 31, 2022 – \$3,829 million) of which: US\$509 million (December 31, 2022 – US\$737 million) was on our U.S. business, \$1,810 million (December 31, 2022 – \$2,154 million) was on our Canadian business, US\$150 million (December 31, 2022 – US\$275 million) was on our Japan business and US\$181 million (December 31, 2022 – US\$224 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 standalone guarantees and guarantees in excess of living benefit guarantees where both death and living benefits are provided on a policy.

C2 Caution related to sensitivities

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

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

C3 Publicly traded equity performance risk

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

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

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

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

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

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

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

As at June 30, 2023 (\$ millions)	Net income attributed to shareholders					
	-30%	-20%	-10%	+10%	+20%	+30%
Underlying sensitivity						
Variable annuity guarantees ⁽²⁾	\$ (2,400)	\$ (1,470)	\$ (680)	\$ 570	\$ 1,040	\$ 1,430
General fund equity investments ⁽³⁾	(1,490)	(930)	(460)	450	900	1,350
Total underlying sensitivity before hedging	(3,890)	(2,400)	(1,140)	1,020	1,940	2,780
Impact of macro and dynamic hedge assets ⁽⁴⁾	840	510	230	(180)	(330)	(440)
Net potential impact on net income attributed to shareholders after impact of hedging and before impact of reinsurance	(3,050)	(1,890)	(910)	840	1,610	2,340
Impact of reinsurance	1,550	960	450	(380)	(710)	(980)
Net potential impact on net income attributed to shareholders after impact of hedging and reinsurance	\$ (1,500)	\$ (930)	\$ (460)	\$ 460	\$ 900	\$ 1,360
As at December 31, 2022 (\$ millions)	Net income attributed to shareholders					
	-30%	-20%	-10%	+10%	+20%	+30%
Underlying sensitivity						
Variable annuity guarantees ⁽²⁾	\$ (2,110)	\$ (1,310)	\$ (610)	\$ 530	\$ 980	\$ 1,360
General fund equity investments ⁽³⁾	(1,450)	(920)	(420)	400	780	1,170
Total underlying sensitivity before hedging	(3,560)	(2,230)	(1,030)	930	1,760	2,530
Impact of macro and dynamic hedge assets ⁽⁴⁾	930	570	260	(220)	(400)	(540)
Net potential impact on net income attributed to shareholders after impact of hedging and before impact of reinsurance	(2,630)	(1,660)	(770)	710	1,360	1,990
Impact of reinsurance	1,170	740	350	(310)	(580)	(810)
Net potential impact on net income attributed to shareholders after impact of hedging and reinsurance	\$ (1,460)	\$ (920)	\$ (420)	\$ 400	\$ 780	\$ 1,180

⁽¹⁾ See "Caution related to sensitivities" above.

⁽²⁾ 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.

⁽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 hedge represents the impact of equity hedges offsetting 95% of the dynamically hedged variable annuity liability movement that occurs as a result of market changes, but does not include any impact in respect of other sources of hedge ineffectiveness (e.g. fund tracking, realized volatility and equity, interest rate correlations different from expected among other factors).

Potential immediate impact on contractual service margin, other comprehensive income to shareholders, total comprehensive income to shareholders and MLI's LICAT ratio from changes to public equity market values^{(1),(2),(3)}

As at June 30, 2023	-30%	-20%	-10%	+10%	+20%	+30%
Variable annuity guarantees reported in CSM	\$ (3,790)	\$ (2,360)	\$ (1,100)	\$ 950	\$ 1,760	\$ 2,470
Impact of risk mitigation - hedging ⁽⁴⁾	1,090	660	300	(240)	(430)	(570)
Impact of risk mitigation - reinsurance ⁽⁴⁾	1,960	1,220	560	(480)	(900)	(1,250)
VA net of risk mitigation	(740)	(480)	(240)	230	430	650
General fund equity	(720)	(520)	(260)	260	520	780
Contractual service margin (\$ millions, pre-tax)	\$ (1,460)	\$ (1,000)	\$ (500)	\$ 490	\$ 950	\$ 1,430
Other comprehensive income attributed to shareholders (\$ millions, post-tax)⁽⁵⁾	\$ (790)	\$ (530)	\$ (270)	\$ 260	\$ 510	\$ 750
Total comprehensive income attributed to shareholders (\$ millions, post-tax)	\$ (2,290)	\$ (1,460)	\$ (730)	\$ 720	\$ 1,410	\$ 2,110
MLI's LICAT ratio (change in percentage points)	(3)	(2)	(1)	1	3	4
As at December 31, 2022, except MLI LICAT, which is as at January 1, 2023⁽⁶⁾	-30%	-20%	-10%	+10%	+20%	+30%
Variable annuity guarantees reported in CSM	\$ (3,410)	\$ (2,140)	\$ (1,010)	\$ 890	\$ 1,670	\$ 2,360
Impact of risk mitigation - hedging ⁽⁴⁾	1,200	740	340	(280)	(510)	(690)
Impact of risk mitigation - reinsurance ⁽⁴⁾	1,480	930	440	(390)	(730)	(1,030)
VA net of risk mitigation	(730)	(470)	(230)	220	430	640
General fund equity	(520)	(370)	(210)	240	490	730
Contractual service margin (\$ millions, pre-tax)	\$ (1,250)	\$ (840)	\$ (440)	\$ 460	\$ 920	\$ 1,370
Other comprehensive income attributed to shareholders (\$ millions, post-tax)⁽⁵⁾	\$ (620)	\$ (410)	\$ (210)	\$ 210	\$ (400)	\$ 600
Total comprehensive income attributed to shareholders (\$ millions, post-tax)	\$ (2,080)	\$ (1,330)	\$ (630)	\$ 610	\$ (1,180)	\$ 1,780
MLI's LICAT ratio (change in percentage points)⁽⁶⁾	(3)	(2)	(1)	1	2	3

⁽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 guarantee liabilities. It assumes that the hedge assets are based on the actual position at the period end, and that equity hedges in the dynamic program offset 95% of the hedged variable annuity liability movement that occur as a result of market changes.

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

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

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

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

C4 Interest rate and spread risk sensitivities and exposure measures

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

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

The disclosed interest rate sensitivities reflect the accounting designations of our financial assets and corresponding insurance contract liabilities. In most cases these assets and liabilities are designated as fair value through other comprehensive income ("FVOCI") and as a result, impacts from changes to interest rates are largely in other comprehensive income. There are also changes in interest rates that impact the CSM for VFA contracts

that relate to amounts that are not passed through to policyholders. In addition, changes in interest rates impacts net income as it relates to derivatives not in hedge accounting relationships and on VFA contracts where the CSM has been exhausted.

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

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

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

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

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

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

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

As at June 30, 2023 (\$ millions, post-tax except CSM)	Interest rates ^{(2),(3)}		Corporate spreads ⁽⁴⁾		Swap spreads ⁽⁴⁾	
	-50bp	+50bp	-50bp	+50bp	-20bp	+20bp
CSM	\$ -	\$ -	\$ (100)	\$ -	\$ -	\$ -
Net income attributed to shareholders	100	(100)	-	-	200	(200)
Other comprehensive income attributed to shareholders	(300)	300	(300)	300	(200)	200
Total comprehensive income attributed to shareholders	(200)	200	(300)	300	-	-

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

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

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

Potential impact on MLI's LICAT ratio of an immediate parallel change in interest rates, corporate spreads or swap spreads relative to current rates^{(1),(2),(3),(4),(5)}

As at June 30, 2023 (change in percentage points)	Interest rates		Corporate spreads		Swap spreads	
	-50bp	+50bp	-50bp	+50bp	-20bp	+20bp
MLI's LICAT ratio	(1)	1	(4)	3	-	-

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

⁽¹⁾ See "Caution related to sensitivities" above.

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

⁽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 do not reflect the impact of the scenario switch discussed below.

⁽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 do not reflect the impact of the scenario switch discussed below.

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

LICAT Scenario Switch

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

The LICAT guideline specifies four stress scenarios for interest rates and prescribes the methodology to determine the most adverse scenario to apply for each LICAT geographic region¹ based on current market inputs and the Company's balance sheet.

¹ LICAT geographic locations include North America, the United Kingdom, Europe, Japan, and Other Region.

With the current level of interest rates in 2Q23, the probability of a scenario switch has decreased significantly. We do not expect IFRS17 to materially affect the previously disclosed estimate of a potential switch in the scenarios of approximately a one-time six percentage point decrease in MLI's LICAT ratio. Should a scenario switch be triggered in a LICAT geographic region, the full impact would be reflected immediately for non-participating products while the impact for participating products would be reflected over six quarters using a rolling average of interest rate risk capital, in line with the smoothing approach prescribed in the OSFI Advisory effective January 1, 2021 and the LICAT Guideline effective January 1, 2023.

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

C5 Alternative long-duration asset performance risk

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

ALDA includes commercial real estate, timber and farmland real estate, infrastructure, and private equities, some of which relate to energy¹.

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

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

As at (\$ millions, post-tax except CSM)	June 30, 2023		December 31, 2022	
	-10%	+10%	-10%	+10%
CSM excluding NCI	\$ (100)	\$ 100	\$ (100)	\$ 100
Net income attributed to shareholders ⁽²⁾	(2,500)	2,400	(2,500)	2,500
Other comprehensive income attributed to shareholders	(100)	100	(100)	100
Total comprehensive income attributed to shareholders	(2,600)	2,500	(2,600)	2,600

⁽¹⁾ See "Caution related to sensitivities" above.

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

Potential immediate impact on MLI LICAT ratio arising from changes in ALDA market values⁽¹⁾

(change in percentage points)	June 30, 2023		January 1, 2023 ⁽²⁾	
	-10%	+10%	-10%	+10%
MLI's LICAT ratio	(3)	3	(3)	3

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

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

C6 Foreign exchange risk sensitivities and exposure measures

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

¹ Energy includes Oil & Gas equity interests related to upstream and midstream assets, and Energy Transition private equity interests in areas supportive of the transition to lower carbon forms of energy, such as wind, solar, batteries, magnets, etc.

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

Potential impact on core earnings of changes in foreign exchange rates^{(1),(2)}

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

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

⁽²⁾ See “Caution Related to Sensitivities” above.

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

C7 Credit risk exposure measures

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

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

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

C8 Risk factors – strategic risk from changes in tax laws¹

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

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

¹ See “Caution regarding forward-looking statements” below.

property. The affected property is a small component of the investment portfolio that supports the Company's business. Should this rule be enacted as proposed, the Company would expect its tax expense on investment income to increase starting in 2024, though not significantly. The resulting lower net investment income would also reduce the value of certain in-force insurance policies and put pressure on policy pricing going forward.

D CRITICAL ACTUARIAL AND ACCOUNTING POLICIES

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

D1 Critical actuarial and accounting policies

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

D2 Sensitivity of earnings to changes in assumptions

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

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

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

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

⁽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 to the contractual service margin 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 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, 2022 (\$ millions, post-tax except CSM)	CSM net of NCI		Net income attributed to shareholders		Other comprehensive income attributed to shareholders		Total comprehensive income attributed to shareholders	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Policy related assumptions								
2% adverse change in future mortality rates^{(2),(3)}	\$ (400)	\$ (400)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5% adverse change in future morbidity incidence rates^{(2),(3)}	(700)	(700)	(1,100)	(1,100)	200	200	(900)	(900)
5% adverse change in future morbidity claims termination rates^{(2),(3)}	(700)	(700)	(1,800)	(1,800)	300	300	(1,500)	(1,500)
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⁾ Translated from US\$ at 1.3549 for 2022.

⁽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 June 30, 2023 (\$ millions, post-tax except CSM)	CSM net of NCI	Net income attributed to shareholders	Other comprehensive income attributed to shareholders	Total comprehensive income attributed to shareholders
Financial assumptions				
10 basis point reduction in ultimate spot rate	\$ (300)	\$ -	\$ (300)	\$ (300)
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, 2022 (\$ millions, post-tax except CSM)	CSM net of NCI	Net income attributed to shareholders	Other comprehensive income attributed to shareholders	Total comprehensive income attributed to shareholders
Financial assumptions				
10 basis point reduction in ultimate spot rate	\$ (300)	\$ -	\$ (300)	\$ (300)
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 are 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.

D3 Accounting and reporting changes

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

E OTHER

E1 Outstanding common shares – selected information

As at July 31, 2023, MFC had 1,828,737,429 common shares outstanding.

E2 Legal and regulatory proceedings

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

E3 Non-GAAP and other financial measures

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

Non-GAAP financial measures include core earnings (loss); pre-tax core earnings; core earnings available to common shareholders; core earnings before income taxes, depreciation and amortization (“core EBITDA”); total expenses; core expenses; total expenditures; core expenditures; transitional net income (loss) attributed to shareholders; transitional net income (loss) attributed to shareholders before tax; transitional net income (loss) before income taxes; transitional net income (loss); common shareholders’ transitional net income; Drivers of Earnings (“DOE”) line items for net investment result, other, income tax (expense) recovery and transitional net income attributed to participating policyholders and NCI; core DOE line items for core net insurance service result,

core net investment result, other core earnings, and core income tax (expense) recovery; post-tax contractual service margin (“post-tax CSM”); post-tax contractual service margin net of NCI (“post-tax CSM net of NCI”); Manulife Bank net lending assets; Manulife Bank average net lending assets; assets under management (“AUM”); assets under management and administration (“AUMA”); Global WAM managed AUMA; core revenue; adjusted book value; and net annualized fee income. In addition, non-GAAP financial measures include the following stated on a constant exchange rate (“CER”) basis: any of the foregoing non-GAAP financial measures, net income attributed to shareholders, and common shareholders’ net income.

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

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

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

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

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

amounts may not be realized if markets move in the opposite direction in a subsequent period. This makes it very difficult for investors to evaluate how our businesses are performing from period-to-period and to compare our performance with other issuers.

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

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

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

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

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

Items included in core earnings:

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

Net income items excluded from core earnings:

1. Market experience gains (losses) including the items listed below:
 - Gains (charges) on general fund public equity and ALDA investments from returns being different than expected.
 - Gains (charges) on derivatives not in hedging relationships, or gains (charges) resulting from hedge accounting ineffectiveness.
 - Realized gains (charges) from the sale of FVOCI debt instruments.
 - Market related gains (charges) on onerous contracts measured using the variable fee approach (e.g. variable annuities, unit linked, participating insurance) net of the performance on any related hedging instruments.
 - Gains (charges) related to certain changes in foreign exchange rates.
2. Changes in actuarial methods and assumptions used in the measurement of insurance contract liabilities that flow directly through income.
 - The Company reviews actuarial methods and assumptions annually, and this process is designed to reduce the Company's exposure to uncertainty by ensuring assumptions remain appropriate. This is accomplished by monitoring experience and selecting assumptions which represent a current view of expected future experience and ensuring that the risk adjustment is appropriate for the risks assumed.
 - Changes related to the ultimate spot rate within the discount curves are included in the market experience gains (losses).
3. The impact on the measurement of insurance and investment contract liabilities from changes in product features and new or changes to in-force reinsurance contracts, if material.
4. The fair value changes in long-term investment plan ("LTIP") obligations for Global WAM investment management.
5. Goodwill impairment charges.
6. Gains or losses on acquisition and disposition of a business.
7. Material one-time only adjustments, including highly unusual / extraordinary and material legal settlements and restructuring charges, or other items that are material and exceptional in nature.
8. Tax on the above items.
9. Net income (loss) attributed to participating shareholders and non-controlling interests.
10. Impact of enacted or substantially enacted income tax rate changes.

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

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

Reconciliation of core earnings to net income attributed to shareholders

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

Core earnings, CER basis and U.S. dollars

(Canadian \$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	2Q23					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	\$ 473	\$ 374	\$ 458	\$ 320	\$ 12	\$ 1,637
CER adjustment ⁽¹⁾	-	-	-	-	-	-
Core earnings, CER basis (post-tax)	\$ 473	\$ 374	\$ 458	\$ 320	\$ 12	\$ 1,637
Income tax on core earnings, CER basis ⁽²⁾	73	97	110	45	(18)	307
Core earnings, CER basis (pre-tax)	\$ 546	\$ 471	\$ 568	\$ 365	\$ (6)	\$ 1,944
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)⁽³⁾, US \$	\$ 353		\$ 341			
CER adjustment US \$ ⁽¹⁾	-		-			
Core earnings, CER basis (post-tax), US \$	\$ 353		\$ 341			

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

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

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

Reconciliation of core earnings to net income attributed to shareholders

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

Core earnings, CER basis and U.S. dollars

	1Q23					
(Canadian \$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	\$ 489	\$ 353	\$ 385	\$ 287	\$ 17	\$ 1,531
CER adjustment ⁽¹⁾	(8)	-	(3)	(1)	-	(12)
Core earnings, CER basis (post-tax)	\$ 481	\$ 353	\$ 382	\$ 286	\$ 17	\$ 1,519
Income tax on core earnings, CER basis ⁽²⁾	67	85	85	45	(14)	268
Core earnings, CER basis (pre-tax)	\$ 548	\$ 438	\$ 467	\$ 331	\$ 3	\$ 1,787
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)⁽³⁾, US \$	\$ 361		\$ 285			
CER adjustment US \$ ⁽¹⁾	(2)		-			
Core earnings, CER basis (post-tax), US \$	\$ 359		\$ 285			

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

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

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

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

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

Core earnings, CER basis and U.S. dollars

(Canadian \$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	4Q22					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	\$ 496	\$ 296	\$ 408	\$ 274	\$ 69	\$ 1,543
CER adjustment ⁽¹⁾	3	-	(5)	(2)	-	(4)
Core earnings, CER basis (post-tax)	\$ 499	\$ 296	\$ 403	\$ 272	\$ 69	\$ 1,539
Income tax on core earnings, CER basis ⁽²⁾	80	82	94	48	(71)	233
Core earnings, CER basis (pre-tax)	\$ 579	\$ 378	\$ 497	\$ 320	\$ (2)	\$ 1,772
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)⁽³⁾, US \$	\$ 365		\$ 301			
CER adjustment US \$ ⁽¹⁾	8		-			
Core earnings, CER basis (post-tax), US \$	\$ 373		\$ 301			

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

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

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

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

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

Core earnings, CER basis and U.S. dollars

	3Q22					
(Canadian \$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	\$ 387	\$ 391	\$ 437	\$ 354	\$ (230)	\$ 1,339
CER adjustment ⁽¹⁾	13	-	12	7	(5)	27
Core earnings, CER basis (post-tax)	\$ 400	\$ 391	\$ 449	\$ 361	\$ (235)	\$ 1,366
Income tax on core earnings, CER basis ⁽²⁾	56	94	86	51	(13)	274
Core earnings, CER basis (pre-tax)	\$ 456	\$ 485	\$ 535	\$ 412	\$ (248)	\$ 1,640
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)⁽³⁾, US \$	\$ 296		\$ 335			
CER adjustment US \$ ⁽¹⁾	2		-			
Core earnings, CER basis (post-tax), US \$	\$ 298		\$ 335			

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

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

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

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

	2Q22					
(\$ 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	\$ 49	\$ (923)	\$ (1,561)	\$ 170	\$ (391)	\$ (2,656)
Income tax (expense) recovery						
Core earnings	(64)	(88)	(101)	(60)	12	(301)
Items excluded from core earnings	(35)	415	436	40	(2)	854
Income tax (expense) recovery	(99)	327	335	(20)	10	553
Net income (post-tax)	(50)	(596)	(1,226)	150	(381)	(2,103)
Less: Net income (post-tax) attributed to						
Non-controlling interests	52	-	-	-	-	52
Participating policyholders	(51)	15	-	-	-	(36)
Net income (loss) attributed to shareholders (post-tax)	(51)	(611)	(1,226)	150	(381)	(2,119)
IFRS 9 transitional impacts (post-tax)	(176)	882	1,581	-	-	2,287
Transitional net income (loss) attributed to shareholders (post-tax)	(227)	271	355	150	(381)	168
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	(677)	(95)	(73)	(177)	(336)	(1,358)
Changes in actuarial methods and assumptions that flow directly through income	-	-	-	-	-	-
Restructuring charge	-	-	-	-	-	-
Reinsurance transactions, tax related items and other	-	-	-	-	-	-
Core earnings (post-tax)	\$ 450	\$ 366	\$ 428	\$ 327	\$ (45)	\$ 1,526
Income tax on core earnings (see above)	64	88	101	60	(12)	301
Core earnings (pre-tax)	\$ 514	\$ 454	\$ 529	\$ 387	\$ (57)	\$ 1,827

Core earnings, CER basis and U.S. dollars

	2Q22					
(Canadian \$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	\$ 450	\$ 366	\$ 428	\$ 327	\$ (45)	\$ 1,526
CER adjustment ⁽¹⁾	18	-	22	12	-	52
Core earnings, CER basis (post-tax)	\$ 468	\$ 366	\$ 450	\$ 339	\$ (45)	\$ 1,578
Income tax on core earnings, CER basis ⁽²⁾	65	88	106	62	(12)	309
Core earnings, CER basis (pre-tax)	\$ 533	\$ 454	\$ 556	\$ 401	\$ (57)	\$ 1,887
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)⁽³⁾, US \$	\$ 353		\$ 334			
CER adjustment US \$ ⁽¹⁾	(5)		-			
Core earnings, CER basis (post-tax), US \$	\$ 348		\$ 334			

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

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

⁽³⁾ Core earnings (post-tax) in Canadian \$ is translated to US \$ using the US \$ Statement of Income exchange rate for 2Q22.

Reconciliation of core earnings to net income attributed to shareholders

	YTD 2023					
(\$ 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	\$ 958	\$ 735	\$ 439	\$ 707	\$ 316	\$ 3,155
Income tax (expense) recovery						
Core earnings	(141)	(182)	(196)	(90)	32	(577)
Items excluded from core earnings	(55)	19	126	(2)	(85)	3
Income tax (expense) recovery	(196)	(163)	(70)	(92)	(53)	(574)
Net income (post-tax)	762	572	369	615	263	2,581
Less: Net income (post-tax) attributed to						
Non-controlling interests	79	-	-	1	-	80
Participating policyholders	34	36	-	-	-	70
Net income (loss) attributed to shareholders (post-tax)	649	536	369	614	263	2,431
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	(267)	(191)	(441)	2	262	(635)
Changes in actuarial methods and assumptions that flow directly through income	-	-	-	-	-	-
Restructuring charge	-	-	-	-	-	-
Reinsurance transactions, tax related items and other	(46)	-	(33)	5	(28)	(102)
Core earnings (post-tax)	\$ 962	\$ 727	\$ 843	\$ 607	\$ 29	\$ 3,168
Income tax on core earnings (see above)	141	182	196	90	(32)	577
Core earnings (pre-tax)	\$ 1,103	\$ 909	\$ 1,039	\$ 697	\$ (3)	\$ 3,745

Core earnings, CER basis and U.S. dollars

	YTD 2023					
(Canadian \$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	\$ 962	\$ 727	\$ 843	\$ 607	\$ 29	\$ 3,168
CER adjustment ⁽¹⁾	(8)	-	(2)	(1)	(1)	(12)
Core earnings, CER basis (post-tax)	\$ 954	\$ 727	\$ 841	\$ 606	\$ 28	\$ 3,156
Income tax on core earnings, CER basis ⁽²⁾	140	182	195	90	(32)	575
Core earnings, CER basis (pre-tax)	\$ 1,094	\$ 909	\$ 1,036	\$ 696	\$ (4)	\$ 3,731
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)⁽³⁾, US \$	\$ 714		\$ 626			
CER adjustment US \$ ⁽¹⁾	(2)		-			
Core earnings, CER basis (post-tax), US \$	\$ 712		\$ 626			

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

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

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

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

	YTD 2022					
(\$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Income (loss) before income taxes	\$ 241	\$ (1,961)	\$ (2,336)	\$ 506	\$ (769)	\$ (4,319)
Income tax (expense) recovery						
Core earnings	(128)	(160)	(162)	(124)	32	(542)
Items excluded from core earnings	(44)	870	673	51	(15)	1,535
Income tax (expense) recovery	(172)	710	511	(73)	17	993
Net income (post-tax)	69	(1,251)	(1,825)	433	(752)	(3,326)
Less: Net income (post-tax) attributed to						
Non-controlling interests	54	-	-	-	-	54
Participating policyholders	(73)	32	-	-	-	(41)
Net income (loss) attributed to shareholders (post-tax)	88	(1,283)	(1,825)	433	(752)	(3,339)
IFRS 9 transitional impacts (post-tax)	(110)	1,880	3,065	-	(3)	4,832
Transitional net income (loss) attributed to shareholders (post-tax)	(22)	597	1,240	433	(755)	1,493
Less: Items excluded from core earnings (post-tax)						
Market experience gains (losses)	(951)	(103)	519	(238)	(582)	(1,355)
Changes in actuarial methods and assumptions that flow directly through income	-	-	-	-	-	-
Restructuring charge	-	-	-	-	-	-
Reinsurance transactions, tax related items and other	-	-	-	-	(71)	(71)
Core earnings (post-tax)	\$ 929	\$ 700	\$ 721	\$ 671	\$ (102)	\$ 2,919
Income tax on core earnings (see above)	127	160	162	124	(32)	541
Core earnings (pre-tax)	\$ 1,056	\$ 860	\$ 883	\$ 795	\$ (134)	\$ 3,460

Core earnings, CER basis and U.S. dollars

	YTD 2022					
(Canadian \$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	\$ 929	\$ 700	\$ 721	\$ 671	\$ (102)	\$ 2,919
CER adjustment ⁽¹⁾	27	-	40	25	2	94
Core earnings, CER basis (post-tax)	\$ 956	\$ 700	\$ 761	\$ 696	\$ (100)	\$ 3,013
Income tax on core earnings, CER basis ⁽²⁾	130	160	171	127	(32)	556
Core earnings, CER basis (pre-tax)	\$ 1,086	\$ 860	\$ 932	\$ 823	\$ (132)	\$ 3,569
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)⁽³⁾, US \$	\$ 731		\$ 566			
CER adjustment US \$ ⁽¹⁾	(19)		-			
Core earnings, CER basis (post-tax), US \$	\$ 712		\$ 566			

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

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

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

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

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

Core earnings, CER basis and U.S. dollars

(Canadian \$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	2022					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Core earnings (post-tax)	\$ 1,812	\$ 1,387	\$ 1,566	\$ 1,299	\$ (263)	\$ 5,801
CER adjustment ⁽¹⁾	43	-	48	30	(4)	117
Core earnings, CER basis (post-tax)	\$ 1,855	\$ 1,387	\$ 1,614	\$ 1,329	\$ (267)	\$ 5,918
Income tax on core earnings, CER basis ⁽²⁾	267	335	351	226	(116)	1,063
Core earnings, CER basis (pre-tax)	\$ 2,122	\$ 1,722	\$ 1,965	\$ 1,555	\$ (383)	\$ 6,981
Core earnings (U.S. dollars) – Asia and U.S. segments						
Core earnings (post-tax)⁽³⁾, US \$	\$ 1,392		\$ 1,202			
CER adjustment US \$ ⁽¹⁾	(9)		-			
Core earnings, CER basis (post-tax), US \$	\$ 1,383		\$ 1,202			

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

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

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

Segment core earnings by business line or geographic source

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

Asia

(US \$ millions)	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
Hong Kong	\$ 161	\$ 159	\$ 153	\$ 127	\$ 184	\$ 320	\$ 388	\$ 668
Japan	81	62	76	71	81	143	161	308
Asia Other ⁽¹⁾	119	137	126	102	93	256	191	419
International High Net Worth								75
Mainland China								29
Singapore								136
Vietnam								109
Other Emerging Markets ⁽²⁾								70
Regional Office	(8)	3	10	(4)	(5)	(5)	(9)	(3)
Total Asia core earnings	\$ 353	\$ 361	\$ 365	\$ 296	\$ 353	\$ 714	\$ 731	\$ 1,392

⁽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.

(US \$ millions), CER basis ⁽¹⁾	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
Hong Kong	\$ 161	\$ 159	\$ 152	\$ 127	\$ 184	\$ 320	\$ 388	\$ 668
Japan	81	60	79	72	76	141	144	294
Asia Other ⁽²⁾	119	137	132	103	93	256	189	424
International High Net Worth								75
Mainland China								28
Singapore								141
Vietnam								111
Other Emerging Markets ⁽³⁾								69
Regional Office	(8)	3	10	(4)	(5)	(5)	(9)	(3)
Total Asia core earnings, CER basis	\$ 353	\$ 359	\$ 373	\$ 298	\$ 348	\$ 712	\$ 712	\$ 1,383

⁽¹⁾ Core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 2Q23.

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

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

Canada

(Canadian \$ millions)	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
Insurance	\$ 276	\$ 257	\$ 206	\$ 283	\$ 268	\$ 533	\$ 495	\$ 984
Annuities	55	53	45	57	61	108	136	238
Manulife Bank	43	43	45	51	37	86	69	165
Total Canada core earnings	\$ 374	\$ 353	\$ 296	\$ 391	\$ 366	\$ 727	\$ 700	\$ 1,387

U.S.

(US \$ millions)	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
U.S. Insurance	\$ 293	\$ 257	\$ 259	\$ 291	\$ 297	\$ 550	\$ 466	\$ 1,016
U.S. Annuities	48	28	42	44	37	76	100	186
Total U.S. core earnings	\$ 341	\$ 285	\$ 301	\$ 335	\$ 334	\$ 626	\$ 566	\$ 1,202

Global WAM by business line

(Canadian \$ millions)	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
Retirement	\$ 186	\$ 164	\$ 156	\$ 186	\$ 161	\$ 350	\$ 331	\$ 673
Retail	119	121	130	149	137	240	292	571
Institutional asset management	15	2	(12)	19	29	17	48	55
Total Global WAM core earnings	\$ 320	\$ 287	\$ 274	\$ 354	\$ 327	\$ 607	\$ 671	\$ 1,299

(Canadian \$ millions), CER basis ⁽¹⁾	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
Retirement	\$ 186	\$ 164	\$ 154	\$ 191	\$ 167	\$ 350	\$ 345	\$ 690
Retail	119	120	130	151	141	239	300	581
Institutional asset management	15	2	(12)	19	31	17	51	58
Total Global WAM core earnings, CER basis	\$ 320	\$ 286	\$ 272	\$ 361	\$ 339	\$ 606	\$ 696	\$ 1,329

⁽¹⁾ Core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 2Q23.

Global WAM by geographic source

(Canadian \$ millions)	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
Asia	\$ 103	\$ 84	\$ 79	\$ 82	\$ 82	\$ 187	\$ 175	\$ 336
Canada	96	88	78	113	104	184	210	401
U.S.	121	115	117	159	141	236	286	562
Total Global WAM core earnings	\$ 320	\$ 287	\$ 274	\$ 354	\$ 327	\$ 607	\$ 671	\$ 1,299

(Canadian \$ millions), CER basis ⁽¹⁾	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
Asia	\$ 103	\$ 83	\$ 79	\$ 85	\$ 86	\$ 186	\$ 184	\$ 348
Canada	96	88	78	112	104	184	210	401
U.S.	121	115	115	164	149	236	302	580
Total Global WAM core earnings, CER basis	\$ 320	\$ 286	\$ 272	\$ 361	\$ 339	\$ 606	\$ 696	\$ 1,329

⁽¹⁾ Core earnings adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 2Q23.

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

(\$ millions, and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
Core earnings	\$ 1,637	\$ 1,531	\$ 1,543	\$ 1,339	\$ 1,526	\$ 3,168	\$ 2,919	\$ 5,801
Less: Preferred share dividends	(98)	(52)	(97)	(51)	(60)	(150)	(112)	(260)
Core earnings available to common shareholders	1,539	1,479	1,446	1,288	1,466	3,018	2,807	5,541
CER adjustment ⁽¹⁾	-	(12)	(4)	27	52	(12)	94	117
Core earnings available to common shareholders, CER basis	\$ 1,539	\$ 1,467	\$ 1,442	\$ 1,315	\$ 1,518	\$ 3,006	\$ 2,901	\$ 5,658

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

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

(\$ millions, unless otherwise stated)	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
Core earnings available to common shareholders	\$ 1,539	\$ 1,479	\$ 1,446	\$ 1,288	\$ 1,466	\$ 3,018	\$ 2,807	\$ 5,541
Annualized core earnings available to common shareholders	\$ 6,173	\$ 5,998	\$ 5,737	\$ 5,110	\$ 5,880	\$ 6,086	\$ 5,661	\$ 5,541
Average common shareholders' equity (see below)	\$ 39,881	\$ 40,465	\$ 40,667	\$ 40,260	\$ 39,095	\$ 40,173	\$ 38,988	\$ 39,726
Core ROE (annualized) (%)	15.5%	14.8%	14.1%	12.7%	15.1%	15.2%	14.5%	14.0%
Average common shareholders' equity								
Total shareholders' and other equity	\$ 45,707	\$ 47,375	\$ 46,876	\$ 47,778	\$ 46,061	\$ 45,707	\$ 46,061	\$ 46,876
Less: Preferred shares and other equity	6,660	6,660	6,660	6,660	6,660	6,660	6,660	6,660
Common shareholders' equity	\$ 39,047	\$ 40,715	\$ 40,216	\$ 41,118	\$ 39,401	\$ 39,047	\$ 39,401	\$ 40,216
Average common shareholders' equity	\$ 39,881	\$ 40,465	\$ 40,667	\$ 40,260	\$ 39,095	\$ 40,173	\$ 38,988	\$ 39,726

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

Core earnings related to strategic priorities

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

For the six months ended June 30,

(\$ millions, post-tax and based on actual foreign exchange rates in effect in the applicable reporting period)	2023	2022
Core earnings highest potential businesses ⁽¹⁾	\$ 1,875	\$ 1,790
Core earnings - All other businesses	1,293	1,129
Core earnings	3,168	2,919
Items excluded from core earnings	(737)	(1,426)
Net income (loss) attributed to shareholders / Transitional	\$ 2,431	\$ 1,493
Less: IFRS 9 transitional impacts (post-tax)	-	4,832
Net income (loss) attributed to shareholders	\$ 2,431	\$ (3,339)
Highest potential businesses core earnings contribution	59%	61%

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

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

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

	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
Per share dividend	\$ 0.37	\$ 0.37	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.73	\$ 0.66	\$ 1.32
Core EPS	\$ 0.83	\$ 0.79	\$ 0.77	\$ 0.68	\$ 0.76	\$ 1.63	\$ 1.45	\$ 2.90
Common share core dividend payout ratio	44%	46%	43%	49%	43%	45%	45%	46%

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

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

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

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

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

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

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

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

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

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

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

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

Drivers of Earnings ("DOE") – 2Q23

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

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

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

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

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

⁽²⁾ Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

Drivers of Earnings ("DOE") - 2Q23 (continued)

	2Q23					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Other reconciliation						
Other revenue per financial statements	\$ 47	\$ 72	\$ 16	\$ 1,647	\$ (91)	\$ 1,691
General expenses per financial statements	(61)	(127)	(25)	(709)	(101)	(1,023)
Commission related to non-insurance contracts	(2)	(13)	(3)	(329)	11	(336)
Interest expense per financial statements	(3)	(236)	(4)	(5)	(133)	(381)
Total financial statements values included in Other	(19)	(304)	(16)	604	(314)	(49)
Less: Reclassify Other in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	283	-	(604)	-	(321)
Less: Consolidation adjustments ⁽¹⁾	-	-	-	-	126	126
Other	-	-	-	-	-	-
Other	(19)	(21)	(16)	-	(188)	(244)
Less: Other attributed to:						
Items excluded from core earnings	23	(1)	(3)	-	19	38
NCI	4	-	-	-	-	4
Participating policyholders	1	(3)	-	-	-	(2)
Add: Par earnings transfer to shareholders	9	2	-	-	-	11
Core Other	(38)	(15)	(13)	-	(207)	(273)
Core Other, CER adjustment ⁽²⁾	-	-	-	-	-	-
Core Other, CER basis	\$ (38)	\$ (15)	\$ (13)	\$ -	\$ (207)	\$ (273)
Income tax recovery (expense) reconciliation						
Income tax recovery (expense) per financial statements	\$ (91)	\$ (64)	\$ (37)	\$ (44)	\$ (29)	\$ (265)
Less: Income tax recovery (expense) attributed to:						
Items excluded from core earnings	(4)	42	73	1	(47)	65
NCI	(6)	-	-	-	-	(6)
Participating policyholders	(8)	(9)	-	-	-	(17)
Core income tax recovery (expense)	(73)	(97)	(110)	(45)	18	(307)
Core income tax recovery (expense), CER adjustment ⁽²⁾	-	-	-	-	-	-
Core income tax recovery (expense), CER basis	\$ (73)	\$ (97)	\$ (110)	\$ (45)	\$ 18	\$ (307)
Net income attributable to shareholders, CER basis⁽³⁾						
Net insurance service result	\$ 460	\$ 262	\$ 131	\$ -	\$ 34	\$ 887
Net investment result	(96)	12	105	-	351	372
Global WAM	-	-	-	362	-	362
Manulife Bank	-	59	-	-	-	59
Other	(19)	(21)	(16)	-	(188)	(244)
Net income (loss) before income taxes, CER basis	\$ 345	\$ 312	\$ 220	\$ 362	\$ 197	\$ 1,436

⁽¹⁾ Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

⁽²⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

⁽³⁾ DOE on a CER basis adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 2Q23.

Drivers of Earnings ("DOE") – 1Q23

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

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

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

	1Q23					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	\$ 370	\$ 259	\$ 173	\$ -	\$ 47	\$ 849
Less: Insurance service result attributed to:						
Items excluded from core earnings	26	-	1	-	(1)	26
NCI	40	-	-	-	-	40
Participating policyholders	(51)	26	-	-	-	(25)
Core net insurance result	355	233	172	-	48	808
Core net insurance result, CER adjustment ⁽¹⁾	(4)	-	(2)	-	-	(6)
Core net insurance result, CER basis	\$ 351	\$ 233	\$ 170	\$ -	\$ 48	\$ 802
Total investment result reconciliation						
Total investment result per financial statements	\$ 285	\$ 463	\$ 101	\$ (260)	\$ 381	\$ 970
Less: Reclassify net investment result in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	(346)	-	260	-	(86)
Less: Consolidation adjustments ⁽²⁾	-	-	-	-	(137)	(137)
Less: Other	-	-	-	-	-	-
Net investment result	285	117	101	-	244	747
Less: Net investment result attributed to:						
Items excluded from core earnings	34	(40)	(200)	-	81	(125)
NCI	24	-	-	-	-	24
Participating policyholders	3	-	-	-	-	3
Core net investment result	224	157	301	-	163	845
Core net investment result, CER adjustment ⁽¹⁾	(5)	-	(2)	-	1	(6)
Core net investment result, CER basis	\$ 219	\$ 157	\$ 299	\$ -	\$ 164	\$ 839
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	\$ -	\$ 65	\$ -	\$ 345	\$ -	\$ 410
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	5	-	13	-	18
Core earnings in Manulife Bank and Global WAM	-	60	-	332	-	392
Core earnings in Manulife Bank and Global WAM, CER adjustment ⁽¹⁾	-	-	-	(1)	-	(1)
Core earnings in Manulife Bank and Global WAM, CER basis	\$ -	\$ 60	\$ -	\$ 331	\$ -	\$ 391

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

⁽²⁾ Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

Drivers of Earnings ("DOE") - 1Q23 (continued)

	1Q23					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Other reconciliation						
Other revenue per financial statements	\$ 10	\$ 72	\$ 24	\$ 1,665	\$ (80)	\$ 1,691
General expenses per financial statements	(48)	(123)	(74)	(726)	(115)	(1,086)
Commission related to non-insurance contracts	(2)	(16)	(1)	(329)	10	(338)
Interest expense per financial statements	(2)	(232)	(4)	(5)	(124)	(367)
Total financial statements values included in Other	(42)	(299)	(55)	605	(309)	(100)
Less: Reclassify Other in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	281	-	(605)	-	(324)
Less: Consolidation adjustments ⁽¹⁾	-	-	-	-	137	137
Other	-	-	-	-	-	-
Other	(42)	(18)	(55)	-	(172)	(287)
Less: Other attributed to:						
Items excluded from core earnings	(9)	(1)	(53)	-	36	(27)
NCI	-	-	-	-	-	-
Participating policyholders	(2)	(3)	-	-	-	(5)
Add: Par earnings transfer to shareholders	9	2	-	-	-	11
Core Other	(22)	(12)	(2)	-	(208)	(244)
Core Other, CER adjustment ⁽²⁾	-	-	-	-	(1)	(1)
Core Other, CER basis	\$ (22)	\$ (12)	\$ (2)	\$ -	\$ (209)	\$ (245)
Income tax recovery (expense) reconciliation						
Income tax recovery (expense) per financial statements	\$ (105)	\$ (99)	\$ (33)	\$ (48)	\$ (24)	\$ (309)
Less: Income tax recovery (expense) attributed to:						
Items excluded from core earnings	(21)	(8)	53	(3)	(38)	(17)
NCI	(10)	-	-	-	-	(10)
Participating policyholders	(6)	(6)	-	-	-	(12)
Core income tax recovery (expense)	(68)	(85)	(86)	(45)	14	(270)
Core income tax recovery (expense), CER adjustment ⁽²⁾	1	-	1	-	-	2
Core income tax recovery (expense), CER basis	\$ (67)	\$ (85)	\$ (85)	\$ (45)	\$ 14	\$ (268)
Net income attributable to shareholders, CER basis⁽³⁾						
Net insurance service result	\$ 366	\$ 259	\$ 172	\$ -	\$ 47	\$ 844
Net investment result	281	117	100	-	244	742
Global WAM	-	-	-	343	-	343
Manulife Bank	-	65	-	-	-	65
Other	(30)	(14)	(2)	-	(209)	(255)
Net income (loss) before income taxes, CER basis	\$ 617	\$ 427	\$ 270	\$ 343	\$ 82	\$ 1,739

⁽¹⁾ Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

⁽²⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

⁽³⁾ DOE on a CER basis adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 2Q23.

Drivers of Earnings ("DOE") – 4Q22

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

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

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

	4Q22					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	\$ 485	\$ 301	\$ 126	\$ -	\$ 49	\$ 961
Less: Insurance service result attributed to:						
Items excluded from core earnings	69	1	10	-	(1)	79
NCI	18	-	-	-	-	18
Participating policyholders	15	84	-	-	-	99
Core net insurance result	383	216	116	-	50	765
Core net insurance result, CER adjustment ⁽¹⁾	2	-	(2)	-	-	-
Core net insurance result, CER basis	\$ 385	\$ 216	\$ 114	\$ -	\$ 50	\$ 765
Transitional net investment result reconciliation						
Total investment result per financial statements	\$ (45)	\$ (60)	\$ (179)	\$ (149)	\$ 157	\$ (276)
IFRS 9 transitional impacts	214	312	(80)	-	7	453
Total including transitional impacts	169	252	(259)	(149)	164	177
Less: Reclassify net investment result in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	(324)	-	149	-	(175)
Less: Consolidation adjustments ⁽²⁾	-	-	-	-	(102)	(102)
Less: Other	-	3	-	-	-	3
Transitional net investment result	169	(69)	(259)	-	62	(97)
Less: Transitional net investment result attributed to:						
Items excluded from core earnings	(54)	(189)	(662)	-	(75)	(980)
NCI	31	-	-	-	-	31
Participating policyholders	(15)	(2)	-	-	-	(17)
Core net investment result	207	122	403	-	137	869
Core net investment result, CER adjustment ⁽¹⁾	1	-	(4)	-	-	(3)
Core net investment result, CER basis	\$ 208	\$ 122	\$ 399	\$ -	\$ 137	\$ 866
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	\$ -	\$ 72	\$ -	\$ 461	\$ -	\$ 533
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	5	-	140	-	145
Core earnings in Manulife Bank and Global WAM	-	67	-	321	-	388
Core earnings in Manulife Bank and Global WAM, CER adjustment ⁽¹⁾	-	-	-	(2)	-	(2)
Core earnings in Manulife Bank and Global WAM, CER basis	\$ -	\$ 67	\$ -	\$ 319	\$ -	\$ 386

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

⁽²⁾ Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

Drivers of Earnings ("DOE") - 4Q22 (continued)

4Q22

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Other reconciliation						
Other revenue per financial statements	\$ 15	\$ 67	\$ 17	\$ 1,646	\$ (74)	\$ 1,671
General expenses per financial statements	(42)	(135)	(29)	(715)	(81)	(1,002)
Commission related to non-insurance contracts	(3)	(14)	2	(316)	11	(320)
Interest expense per financial statements	(8)	(196)	(4)	(5)	(124)	(337)
Total financial statements values included in Other	(38)	(278)	(14)	610	(268)	12
Less: Reclassify Other in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	252	-	(610)	-	(358)
Less: Consolidation adjustments ⁽¹⁾	-	-	-	-	101	101
Other	(1)	(1)	(1)	-	-	(3)
Other	(39)	(27)	(15)	-	(167)	(248)
Less: Other attributed to:						
Items excluded from core earnings	-	-	-	-	22	22
NCI	-	-	-	-	-	-
Participating policyholders	(7)	(1)	-	-	-	(8)
Add: Par earnings transfer to shareholders	20	(2)	-	-	-	18
Core Other	(12)	(28)	(15)	-	(189)	(244)
Core Other, CER adjustment ⁽²⁾	(2)	-	-	-	1	(1)
Core Other, CER basis	\$ (14)	\$ (28)	\$ (15)	\$ -	\$ (188)	\$ (245)
Income tax recovery (expense) reconciliation						
Income tax recovery (expense) per financial statements	\$ (102)	\$ (14)	\$ 23	\$ (60)	\$ 379	\$ 226
IFRS 9 transitional impacts	(20)	(121)	19	-	(2)	(124)
Transitional income tax recovery (expense)	(122)	(135)	42	(60)	377	102
Less: Transitional income tax recovery (expense) attributed to:						
Items excluded from core earnings	(18)	6	138	(13)	306	419
NCI	(13)	-	-	-	-	(13)
Participating policyholders	(9)	(60)	-	-	-	(69)
Core income tax recovery (expense)	(82)	(81)	(96)	(47)	71	(235)
Core income tax recovery (expense), CER adjustment ⁽²⁾	2	(1)	2	(1)	-	2
Core income tax recovery (expense), CER basis	\$ (80)	\$ (82)	\$ (94)	\$ (48)	\$ 71	\$ (233)
Net income (loss) attributed to NCI	\$ 32	\$ -	\$ -	\$ -	\$ 1	\$ 33
IFRS 9 transitional impacts	2	-	-	-	-	2
Transitional net income (loss) to NCI	\$ 34	\$ -	\$ -	\$ -	\$ 1	\$ 35
Net income (loss) attributed to participating policyholders	\$ (47)	\$ 22	\$ -	\$ -	\$ -	\$ (25)
IFRS 9 transitional impacts	13	-	-	-	-	13
Transitional net income (loss) to participating policyholders	\$ (34)	\$ 22	\$ -	\$ -	\$ -	\$ (12)
Transitional net income attributable to shareholders, CER basis⁽³⁾						
Net insurance service result	\$ 488	\$ 301	\$ 125	\$ -	\$ 48	\$ 962
Net investment result	168	(69)	(256)	-	62	(95)
Global WAM	-	-	-	457	-	457
Manulife Bank	-	73	-	-	-	73
Other	(33)	(28)	(16)	-	(188)	(265)
Transitional net income (loss) before income taxes, CER basis	\$ 623	\$ 277	\$ (147)	\$ 457	\$ (78)	\$ 1,132

⁽¹⁾ Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

⁽²⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

⁽³⁾ DOE on a CER basis adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 2Q23.

Drivers of Earnings ("DOE") – 3Q22

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

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

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

	3Q22					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	\$ 296	\$ 319	\$ 40	\$ -	\$ (206)	\$ 449
Less: Insurance service result attributed to:						
Items excluded from core earnings	(13)	28	(12)	-	-	3
NCI	20	-	-	-	-	20
Participating policyholders	(56)	-	-	-	-	(56)
Core net insurance result	345	291	52	-	(206)	482
Core net insurance result, CER adjustment ⁽¹⁾	10	-	1	-	(5)	6
Core net insurance result, CER basis	\$ 355	\$ 291	\$ 53	\$ -	\$ (211)	\$ 488
Transitional net investment result reconciliation						
Total investment result per financial statements	\$ 17	\$ 968	\$ (631)	\$ (292)	\$ (19)	\$ 43
IFRS 9 transitional impacts	(116)	(406)	965	-	(1)	442
Total including transitional impacts	(99)	562	334	(292)	(20)	485
Less: Reclassify net investment result in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	(299)	-	292	-	(7)
Less: Consolidation adjustments ⁽²⁾	-	-	-	-	(105)	(105)
Less: Other	-	(3)	-	-	-	(3)
Transitional net investment result	(99)	260	334	-	(125)	370
Less: Transitional net investment result attributed to:						
Items excluded from core earnings	(262)	131	(135)	-	(200)	(466)
NCI	15	-	-	-	-	15
Participating policyholders	(5)	(16)	-	-	-	(21)
Core net investment result	153	145	469	-	75	842
Core net investment result, CER adjustment ⁽¹⁾	6	-	14	-	-	20
Core net investment result, CER basis	\$ 159	\$ 145	\$ 483	\$ -	\$ 75	\$ 862
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	\$ -	\$ 66	\$ -	\$ 324	\$ -	\$ 390
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	(4)	-	(81)	-	(85)
Core earnings in Manulife Bank and Global WAM	-	70	-	405	-	475
Core earnings in Manulife Bank and Global WAM, CER adjustment ⁽¹⁾	-	-	-	7	-	7
Core earnings in Manulife Bank and Global WAM, CER basis	\$ -	\$ 70	\$ -	\$ 412	\$ -	\$ 482

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

⁽²⁾ Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

Drivers of Earnings ("DOE") - 3Q22 (continued)

3Q22

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Other reconciliation						
Other revenue per financial statements	\$ 47	\$ 62	\$ 51	\$ 1,555	\$ (168)	\$ 1,547
General expenses per financial statements	(89)	(126)	(65)	(618)	(16)	(914)
Commission related to non-insurance contracts	(4)	(12)	1	(319)	2	(332)
Interest expense per financial statements	(1)	(182)	(3)	(2)	(121)	(309)
Total financial statements values included in Other	(47)	(258)	(16)	616	(303)	(8)
Less: Reclassify Other in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	233	-	(616)	-	(383)
Less: Consolidation adjustments ⁽¹⁾	-	-	-	-	106	106
Other	-	2	-	-	-	2
Other	(47)	(23)	(16)	-	(197)	(283)
Less: Other attributed to:						
Items excluded from core earnings	16	-	(15)	-	(85)	(84)
NCI	1	-	-	-	-	1
Participating policyholders	2	-	-	-	-	2
Add: Par earnings transfer to shareholders	9	2	-	-	-	11
Core Other	(57)	(21)	(1)	-	(112)	(191)
Core Other, CER adjustment ⁽²⁾	(1)	-	-	-	-	(1)
Core Other, CER basis	\$ (58)	\$ (21)	\$ (1)	\$ -	\$ (112)	\$ (192)
Income tax recovery (expense) reconciliation						
Income tax recovery (expense) per financial statements	\$ (43)	\$ (186)	\$ 160	\$ (37)	\$ 46	\$ (60)
IFRS 9 transitional impacts	23	35	(204)	-	1	(145)
Transitional income tax recovery (expense)	(20)	(151)	(44)	(37)	47	(205)
Less: Transitional income tax recovery (expense) attributed to:						
Items excluded from core earnings	47	(65)	39	14	34	69
NCI	(3)	-	-	-	-	(3)
Participating policyholders	(10)	8	-	-	-	(2)
Core income tax recovery (expense)	(54)	(94)	(83)	(51)	13	(269)
Core income tax recovery (expense), CER adjustment ⁽²⁾	(2)	-	(3)	-	-	(5)
Core income tax recovery (expense), CER basis	\$ (56)	\$ (94)	\$ (86)	\$ (51)	\$ 13	\$ (274)
Net income (loss) attributed to NCI	\$ 34	\$ -	\$ -	\$ -	\$ -	\$ 34
IFRS 9 transitional impacts	(1)	-	-	-	-	(1)
Transitional net income (loss) to NCI	\$ 33	\$ -	\$ -	\$ -	\$ -	\$ 33
Net income (loss) attributed to participating policyholders	\$ (91)	\$ (10)	\$ -	\$ -	\$ -	\$ (101)
IFRS 9 transitional impacts	12	-	-	-	-	12
Transitional net income (loss) to participating policyholders	\$ (79)	\$ (10)	\$ -	\$ -	\$ -	\$ (89)
Transitional net income attributable to shareholders, CER basis⁽³⁾						
Net insurance service result	\$ 301	\$ 319	\$ 41	\$ -	\$ (211)	\$ 450
Net investment result	(98)	260	343	-	(125)	380
Global WAM	-	-	-	332	-	332
Manulife Bank	-	66	-	-	-	66
Other	(67)	(22)	(1)	-	(112)	(202)
Transitional net income (loss) before income taxes, CER basis	\$ 136	\$ 623	\$ 383	\$ 332	\$ (448)	\$ 1,026

⁽¹⁾ Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

⁽²⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

⁽³⁾ DOE on a CER basis adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 2Q23.

Drivers of Earnings ("DOE") – 2Q22

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

	2Q22					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result	\$ 360	\$ 293	\$ 370	\$ -	\$ 12	\$ 1,035
Transitional net investment result	(492)	67	83	-	(159)	(501)
Global WAM	-	-	-	170	-	170
Manulife Bank	-	33	-	-	-	33
Other	(61)	(20)	(13)	-	(244)	(338)
Transitional net income (loss) before income taxes	(193)	373	440	170	(391)	399
Transitional income tax (expense) recovery	(52)	(87)	(85)	(20)	10	(234)
Transitional net income (loss)	(245)	286	355	150	(381)	165
Less: Transitional net income (loss) attributed to NCI	(46)	-	-	-	-	(46)
Less: Transitional net income (loss) attributed to participating policyholders	64	(15)	-	-	-	49
Transitional net income (loss) attributed to shareholders (post-tax)	\$ (227)	\$ 271	\$ 355	\$ 150	\$ (381)	\$ 168

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

	2Q22					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	\$ 360	\$ 293	\$ 370	\$ -	\$ 12	\$ 1,035
Less: Insurance service result attributed to:						
Items excluded from core earnings	(61)	(1)	184	-	(1)	121
NCI	24	-	-	-	-	24
Participating policyholders	(26)	21	-	-	-	(5)
Core net insurance result	423	273	186	-	13	895
Core net insurance result, CER adjustment ⁽¹⁾	15	-	11	-	-	26
Core net insurance result, CER basis	\$ 438	\$ 273	\$ 197	\$ -	\$ 13	\$ 921
Transitional net investment result reconciliation						
Total investment result per financial statements	\$ (249)	\$ (1,026)	\$ (1,918)	\$ (439)	\$ (65)	\$ (3,697)
IFRS 9 transitional impacts	(243)	1,296	2,001	-	-	3,054
Total including transitional impacts	(492)	270	83	(439)	(65)	(643)
Less: Reclassify net investment result in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	(197)	-	439	-	242
Less: Consolidation adjustments ⁽²⁾	-	-	-	-	(94)	(94)
Less: Other	-	(6)	-	-	-	(6)
Transitional net investment result	(492)	67	83	-	(159)	(501)
Less: Transitional net investment result attributed to:						
Items excluded from core earnings	(629)	(78)	(271)	-	(213)	(1,191)
NCI	20	-	-	-	-	20
Participating policyholders	(33)	(2)	-	-	-	(35)
Core net investment result	150	147	354	-	54	705
Core net investment result, CER adjustment ⁽¹⁾	5	-	18	-	-	23
Core net investment result, CER basis	\$ 155	\$ 147	\$ 372	\$ -	\$ 54	\$ 728
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	\$ -	\$ 33	\$ -	\$ 170	\$ -	\$ 203
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	(18)	-	(217)	-	(235)
Core earnings in Manulife Bank and Global WAM	-	51	-	387	-	438
Core earnings in Manulife Bank and Global WAM, CER adjustment ⁽¹⁾	-	-	-	14	-	14
Core earnings in Manulife Bank and Global WAM, CER basis	\$ -	\$ 51	\$ -	\$ 401	\$ -	\$ 452

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

⁽²⁾ Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

Drivers of Earnings ("DOE") - 2Q22 (continued)

2Q22

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Other reconciliation						
Other revenue per financial statements	\$ 30	\$ 67	\$ 16	\$ 1,552	\$ (219)	\$ 1,446
General expenses per financial statements	(85)	(131)	(25)	(619)	(24)	(884)
Commission related to non-insurance contracts	(4)	(14)	(1)	(324)	20	(323)
Interest expense per financial statements	(2)	(112)	(4)	-	(115)	(233)
Total financial statements values included in Other	(61)	(190)	(14)	609	(338)	6
Less: Reclassify Other in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	164	-	(609)	-	(445)
Less: Consolidation adjustments ⁽¹⁾	-	-	-	-	94	94
Other	-	6	1	-	-	7
Other	(61)	(20)	(13)	-	(244)	(338)
Less: Other attributed to:						
Items excluded from core earnings	(3)	-	(2)	-	(120)	(125)
NCI	6	-	-	-	-	6
Participating policyholders	2	-	-	-	-	2
Add: Par earnings transfer to shareholders	7	3	-	-	-	10
Core Other	(59)	(17)	(11)	-	(124)	(211)
Core Other, CER adjustment ⁽²⁾	(1)	-	(2)	-	-	(3)
Core Other, CER basis	\$ (60)	\$ (17)	\$ (13)	\$ -	\$ (124)	\$ (214)
Income tax recovery (expense) reconciliation						
Income tax recovery (expense) per financial statements	\$ (100)	\$ 327	\$ 336	\$ (20)	\$ 10	\$ 553
IFRS 9 transitional impacts	48	(414)	(421)	-	-	(787)
Transitional income tax recovery (expense)	(52)	(87)	(85)	(20)	10	(234)
Less: Transitional income tax recovery (expense) attributed to:						
Items excluded from core earnings	15	3	16	40	(2)	72
NCI	(4)	-	-	-	-	(4)
Participating policyholders	1	(2)	-	-	-	(1)
Core income tax recovery (expense)	(64)	(88)	(101)	(60)	12	(301)
Core income tax recovery (expense), CER adjustment ⁽²⁾	(1)	-	(5)	(2)	-	(8)
Core income tax recovery (expense), CER basis	\$ (65)	\$ (88)	\$ (106)	\$ (62)	\$ 12	\$ (309)
Net income (loss) attributed to NCI	\$ 52	\$ -	\$ -	\$ -	\$ -	\$ 52
IFRS 9 transitional impacts	(6)	-	-	-	-	(6)
Transitional net income (loss) to NCI	\$ 46	\$ -	\$ -	\$ -	\$ -	\$ 46
Net income (loss) attributed to participating policyholders	\$ (51)	\$ 15	\$ -	\$ -	\$ -	\$ (36)
IFRS 9 transitional impacts	(13)	-	-	-	-	(13)
Transitional net income (loss) to participating policyholders	\$ (64)	\$ 15	\$ -	\$ -	\$ -	\$ (49)
Transitional net income attributable to shareholders, CER basis⁽³⁾						
Net insurance service result	\$ 370	\$ 292	\$ 390	\$ -	\$ 13	\$ 1,065
Net investment result	(501)	68	87	-	(159)	(505)
Global WAM	-	-	-	183	-	183
Manulife Bank	-	32	-	-	-	32
Other	(68)	(19)	(13)	-	(124)	(224)
Transitional net income (loss) before income taxes, CER basis	\$ (199)	\$ 373	\$ 464	\$ 183	\$ (270)	\$ 551

⁽¹⁾ Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

⁽²⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

⁽³⁾ DOE on a CER basis adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 2Q23.

Drivers of Earnings ("DOE") – YTD 2023

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

	YTD 2023					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result	\$ 830	\$ 521	\$ 304	\$ -	\$ 81	\$ 1,736
Net investment result	189	129	206	-	595	1,119
Global WAM	-	-	-	707	-	707
Manulife Bank	-	124	-	-	-	124
Other	(61)	(39)	(71)	-	(360)	(531)
Net income (loss) before income taxes	958	735	439	707	316	3,155
Income tax (expense) recovery	(196)	(163)	(70)	(92)	(53)	(574)
Net income (loss)	762	572	369	615	263	2,581
Less: Net income (loss) attributed to NCI	(79)	-	-	(1)	-	(80)
Less: Net income (loss) attributed to participating policyholders	(34)	(36)	-	-	-	(70)
Net income (loss) attributed to shareholders (post-tax)	\$ 649	\$ 536	\$ 369	\$ 614	\$ 263	\$ 2,431

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

	YTD 2023					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	\$ 830	\$ 521	\$ 304	\$ -	\$ 81	\$ 1,736
Less: Insurance service result attributed to:						
Items excluded from core earnings	(18)	(4)	(25)	-	-	(47)
NCI	53	-	-	-	-	53
Participating policyholders	71	47	-	-	-	118
Core net insurance result	724	478	329	-	81	1,612
Core net insurance result, CER adjustment ⁽¹⁾	(5)	-	(1)	-	-	(6)
Core net insurance result, CER basis	\$ 719	\$ 478	\$ 328	\$ -	\$ 81	\$ 1,606
Total investment result reconciliation						
Total investment result per financial statements	\$ 189	\$ 817	\$ 206	\$ (504)	\$ 859	\$ 1,567
Less: Reclassify net investment result in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	(688)	-	504	-	(184)
Less: Consolidation adjustments ⁽²⁾	-	-	-	-	(264)	(264)
Less: Other	-	-	-	-	-	-
Net investment result	189	129	206	-	595	1,119
Less: Net investment result attributed to:						
Items excluded from core earnings	(284)	(224)	(519)	-	264	(763)
NCI	38	-	-	-	-	38
Participating policyholders	(4)	14	-	-	-	10
Core net investment result	439	339	725	-	331	1,834
Core net investment result, CER adjustment ⁽¹⁾	(4)	-	(2)	-	-	(6)
Core net investment result, CER basis	\$ 435	\$ 339	\$ 723	\$ -	\$ 331	\$ 1,828
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	\$ -	\$ 124	\$ -	\$ 707	\$ -	\$ 831
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	5	-	10	-	15
Core earnings in Manulife Bank and Global WAM	-	119	-	697	-	816
Core earnings in Manulife Bank and Global WAM, CER adjustment ⁽¹⁾	-	-	-	(1)	-	(1)
Core earnings in Manulife Bank and Global WAM, CER basis	\$ -	\$ 119	\$ -	\$ 696	\$ -	\$ 815

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

⁽²⁾ Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

Drivers of Earnings ("DOE") - YTD 2023 (continued)

	YTD 2023					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Other reconciliation						
Other revenue per financial statements	\$ 57	\$ 144	\$ 40	\$ 3,312	\$ (171)	\$ 3,382
General expenses per financial statements	(109)	(250)	(99)	(1,435)	(216)	(2,109)
Commission related to non-insurance contracts	(4)	(29)	(4)	(658)	21	(674)
Interest expense per financial statements	(5)	(468)	(8)	(10)	(257)	(748)
Total financial statements values included in Other	(61)	(603)	(71)	1,209	(623)	(149)
Less: Reclassify Other in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	564	-	(1,209)	-	(645)
Less: Consolidation adjustments ⁽¹⁾	-	-	-	-	263	263
Other	-	-	-	-	-	-
Other	(61)	(39)	(71)	-	(360)	(531)
Less: Other attributed to:						
Items excluded from core earnings	14	(2)	(56)	-	55	11
NCI	4	-	-	-	-	4
Participating policyholders	(1)	(6)	-	-	-	(7)
Add: Par earnings transfer to shareholders	18	4	-	-	-	22
Core Other	(60)	(27)	(15)	-	(415)	(517)
Core Other, CER adjustment ⁽²⁾	1	-	-	-	-	1
Core Other, CER basis	\$ (59)	\$ (27)	\$ (15)	\$ -	\$ (415)	\$ (516)
Income tax recovery (expense) reconciliation						
Income tax recovery (expense) per financial statements	\$ (196)	\$ (163)	\$ (70)	\$ (92)	\$ (53)	\$ (574)
Less: Income tax recovery (expense) attributed to:						
Items excluded from core earnings	(25)	34	126	(2)	(85)	48
NCI	(16)	-	-	-	-	(16)
Participating policyholders	(14)	(15)	-	-	-	(29)
Core income tax recovery (expense)	(141)	(182)	(196)	(90)	32	(577)
Core income tax recovery (expense), CER adjustment ⁽²⁾	1	-	1	-	-	2
Core income tax recovery (expense), CER basis	\$ (140)	\$ (182)	\$ (195)	\$ (90)	\$ 32	\$ (575)
Net income attributable to shareholders, CER basis⁽³⁾						
Net insurance service result	\$ 826	\$ 521	\$ 303	\$ -	\$ 81	\$ 1,731
Net investment result	185	129	205	-	595	1,114
Global WAM	-	-	-	705	-	705
Manulife Bank	-	124	-	-	-	124
Other	(48)	(35)	(19)	-	(397)	(499)
Net income (loss) before income taxes, CER basis	\$ 963	\$ 739	\$ 489	\$ 705	\$ 279	\$ 3,175

⁽¹⁾ Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

⁽²⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

⁽³⁾ DOE on a CER basis adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 2Q23.

Drivers of Earnings ("DOE") – YTD 2022

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

	YTD 2022					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result	\$ 773	\$ 570	\$ 367	\$ -	\$ 40	\$ 1,750
Transitional net investment result	(554)	189	1,197	-	(329)	503
Global WAM	-	-	-	506	-	506
Manulife Bank	-	77	-	-	-	77
Other	(189)	(35)	(21)	-	(483)	(728)
Transitional net income (loss) before income taxes	30	801	1,543	506	(772)	2,108
Transitional income tax (expense) recovery	(95)	(172)	(303)	(73)	17	(626)
Transitional net income (loss)	(65)	629	1,240	433	(755)	1,482
Less: Transitional net income (loss) attributed to NCI	(47)	-	-	-	-	(47)
Less: Transitional net income (loss) attributed to participating policyholders	90	(32)	-	-	-	58
Transitional net income (loss) attributed to shareholders (post-tax)	\$ (22)	\$ 597	\$ 1,240	\$ 433	\$ (755)	\$ 1,493

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

	YTD 2022					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	\$ 773	\$ 570	\$ 367	\$ -	\$ 40	\$ 1,750
Less: Insurance service result attributed to:						
Items excluded from core earnings	(90)	(1)	181	-	(1)	89
NCI	32	-	-	-	-	32
Participating policyholders	(32)	48	-	-	-	16
Core net insurance result	863	523	186	-	41	1,613
Core net insurance result, CER adjustment ⁽¹⁾	26	-	10	-	3	39
Core net insurance result, CER basis	\$ 889	\$ 523	\$ 196	\$ -	\$ 44	\$ 1,652
Transitional net investment result reconciliation						
Total investment result per financial statements	\$ (342)	\$ (2,208)	\$ (2,683)	\$ (759)	\$ (144)	\$ (6,136)
IFRS 9 transitional impacts	(212)	2,761	3,880	-	(2)	6,427
Total including transitional impacts	(554)	553	1,197	(759)	(146)	291
Less: Reclassify net investment result in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	(354)	-	759	-	405
Less: Consolidation adjustments ⁽²⁾	-	-	-	-	(183)	(183)
Less: Other	-	(10)	-	-	-	(10)
Transitional net investment result	(554)	189	1,197	-	(329)	503
Less: Transitional net investment result attributed to:						
Items excluded from core earnings	(842)	(73)	481	-	(442)	(876)
NCI	5	-	-	-	-	5
Participating policyholders	(34)	(13)	-	-	-	(47)
Core net investment result	317	275	716	-	113	1,421
Core net investment result, CER adjustment ⁽¹⁾	5	-	40	-	-	45
Core net investment result, CER basis	\$ 322	\$ 275	\$ 756	\$ -	\$ 113	\$ 1,466
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	\$ -	\$ 77	\$ -	\$ 506	\$ -	\$ 583
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	(16)	-	(289)	-	(305)
Core earnings in Manulife Bank and Global WAM	-	93	-	795	-	888
Core earnings in Manulife Bank and Global WAM, CER adjustment ⁽¹⁾	-	-	-	28	-	28
Core earnings in Manulife Bank and Global WAM, CER basis	\$ -	\$ 93	\$ -	\$ 823	\$ -	\$ 916

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

⁽²⁾ Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

Drivers of Earnings ("DOE") - YTD 2022 (continued)

YTD 2022

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Other reconciliation						
Other revenue per financial statements	\$ (6)	\$ 133	\$ 33	\$ 3,190	\$ (382)	\$ 2,968
General expenses per financial statements	(172)	(257)	(46)	(1,250)	(90)	(1,815)
Commission related to non-insurance contracts	(8)	(29)	1	(675)	30	(681)
Interest expense per financial statements	(3)	(170)	(9)	-	(223)	(405)
Total financial statements values included in Other	(189)	(323)	(21)	1,265	(665)	67
Less: Reclassify Other in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	277	-	(1,265)	-	(988)
Less: Consolidation adjustments ⁽¹⁾	-	-	-	-	182	182
Other	-	11	-	-	-	11
Other	(189)	(35)	(21)	-	(483)	(728)
Less: Other attributed to:						
Items excluded from core earnings	(45)	-	(2)	-	(195)	(242)
NCI	6	-	-	-	-	6
Participating policyholders	(9)	-	-	-	-	(9)
Add: Par earnings transfer to shareholders	17	4	-	-	-	21
Core Other	(124)	(31)	(19)	-	(288)	(462)
Core Other, CER adjustment ⁽²⁾	(1)	-	(1)	-	(1)	(3)
Core Other, CER basis	\$ (125)	\$ (31)	\$ (20)	\$ -	\$ (289)	\$ (465)
Income tax recovery (expense) reconciliation						
Income tax recovery (expense) per financial statements	\$ (173)	\$ 710	\$ 512	\$ (73)	\$ 17	\$ 993
IFRS 9 transitional impacts	78	(882)	(815)	-	-	(1,619)
Transitional income tax recovery (expense)	(95)	(172)	(303)	(73)	17	(626)
Less: Transitional income tax recovery (expense) attributed to:						
Items excluded from core earnings	25	(12)	(141)	51	(15)	(92)
NCI	4	-	-	-	-	4
Participating policyholders	3	-	-	-	-	3
Core income tax recovery (expense)	(127)	(160)	(162)	(124)	32	(541)
Core income tax recovery (expense), CER adjustment ⁽²⁾	(3)	-	(9)	(3)	-	(15)
Core income tax recovery (expense), CER basis	\$ (130)	\$ (160)	\$ (171)	\$ (127)	\$ 32	\$ (556)
Net income (loss) attributed to NCI	\$ 54	\$ -	\$ -	\$ -	\$ -	\$ 54
IFRS 9 transitional impacts	(7)	-	-	-	-	(7)
Transitional net income (loss) to NCI	\$ 47	\$ -	\$ -	\$ -	\$ -	\$ 47
Net income (loss) attributed to participating policyholders	\$ (73)	\$ 32	\$ -	\$ -	\$ -	\$ (41)
IFRS 9 transitional impacts	(17)	-	-	-	-	(17)
Transitional net income (loss) to participating policyholders	\$ (90)	\$ 32	\$ -	\$ -	\$ -	\$ (58)
Transitional net income attributable to shareholders, CER basis⁽³⁾						
Net insurance service result	\$ 791	\$ 569	\$ 387	\$ -	\$ 43	\$ 1,790
Net investment result	(555)	190	1,268	-	(328)	575
Global WAM	-	-	-	534	-	534
Manulife Bank	-	76	-	-	-	76
Other	(143)	(34)	(21)	-	(289)	(487)
Transitional net income (loss) before income taxes, CER basis	\$ 93	\$ 801	\$ 1,634	\$ 534	\$ (574)	\$ 2,488

⁽¹⁾ Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

⁽²⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

⁽³⁾ DOE on a CER basis adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 2Q23.

Drivers of Earnings ("DOE") – 2022

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

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

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

	2022					
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Net insurance service result reconciliation						
Total insurance service result - financial statements	\$ 1,554	\$ 1,190	\$ 533	\$ -	\$ (117)	\$ 3,160
Less: Insurance service result attributed to:						
Items excluded from core earnings	(34)	28	179	-	(2)	171
NCI	70	-	-	-	-	70
Participating policyholders	(73)	132	-	-	-	59
Core net insurance result	\$ 1,591	\$ 1,030	\$ 354	\$ -	\$ (115)	\$ 2,860
Core net insurance result, CER adjustment ⁽¹⁾	38	-	10	-	(4)	44
Core net insurance result, CER basis	\$ 1,629	\$ 1,030	\$ 364	\$ -	\$ (119)	\$ 2,904
Transitional net investment result reconciliation						
Total investment result per financial statements	\$ (370)	\$(1,300)	\$(3,493)	\$(1,200)	\$ (6)	\$(6,369)
IFRS 9 transitional impacts	(114)	2,667	4,765	-	4	7,322
Total including transitional impacts	(484)	1,367	1,272	(1,200)	(2)	953
Less: Reclassify net investment result in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	(977)	-	1,200	-	223
Less: Consolidation adjustments ⁽²⁾	-	-	-	-	(390)	(390)
Less: Other	-	(10)	-	-	-	(10)
Transitional net investment result	\$ (484)	\$ 380	\$ 1,272	\$ -	\$ (392)	\$ 776
Less: Transitional net investment result attributed to:						
Items excluded from core earnings	(1,158)	(131)	(316)	-	(717)	(2,322)
NCI	51	-	-	-	-	51
Participating policyholders	(54)	(31)	-	-	-	(85)
Core net investment result	677	542	1,588	-	325	3,132
Core net investment result, CER adjustment ⁽¹⁾	13	-	50	-	(1)	62
Core net investment result, CER basis	\$ 690	\$ 542	\$ 1,638	\$ -	\$ 324	\$ 3,194
Manulife Bank and Global WAM by DOE line reconciliation						
Manulife Bank and Global WAM net income attributed to shareholders	\$ -	\$ 215	\$ -	\$ 1,291	\$ -	\$ 1,506
Less: Manulife Bank and Global WAM attributed to:						
Items excluded from core earnings	-	(15)	-	(230)	-	(245)
Core earnings in Manulife Bank and Global WAM	\$ -	\$ 230	\$ -	\$ 1,521	\$ -	\$ 1,751
Core earnings in Manulife Bank and Global WAM, CER adjustment ⁽¹⁾	-	-	-	34	-	34
Core earnings in Manulife Bank and Global WAM, CER basis	\$ -	\$ 230	\$ -	\$ 1,555	\$ -	\$ 1,785

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

⁽²⁾ Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

Drivers of Earnings ("DOE") - 2022 (continued)

2022

	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total
Other reconciliation						
Other revenue per financial statements	\$ 56	\$ 262	\$ 101	\$ 6,391	\$ (624)	\$ 6,186
General expenses per financial statements	(303)	(518)	(140)	(2,583)	(187)	(3,731)
Commission related to non-insurance contracts	(15)	(55)	4	(1,310)	43	(1,333)
Interest expense per financial statements	(12)	(548)	(16)	(7)	(468)	(1,051)
Total financial statements values included in Other	(274)	(859)	(51)	2,491	(1,236)	71
Less: Reclassify Other in each of Manulife Bank in Canada and Global WAM to its own line of the DOE	-	762	-	(2,491)	-	(1,729)
Less: Consolidation adjustments ⁽¹⁾	-	-	-	-	389	389
Other	(1)	12	(1)	-	-	10
Other	(275)	(85)	(52)	-	(847)	(1,259)
Less: Other attributed to:						
Items excluded from core earnings	(29)	-	(17)	-	(258)	(304)
NCI	7	-	-	-	-	7
Participating policyholders	(14)	(1)	-	-	-	(15)
Add: Par earnings transfer to shareholders	46	4	-	-	-	50
Core Other	(193)	(80)	(35)	-	(589)	(897)
Core Other, CER adjustment ⁽²⁾	(4)	-	(2)	-	1	(5)
Core Other, CER basis	\$ (197)	\$ (80)	\$ (37)	\$ -	\$ (588)	\$ (902)
Income tax recovery (expense) reconciliation						
Income tax recovery (expense) per financial statements	\$ (318)	\$ 510	\$ 695	\$ (170)	\$ 442	\$ 1,159
IFRS 9 transitional impacts	81	(968)	(1,000)	-	(1)	(1,888)
Transitional income tax recovery (expense)	(237)	(458)	(305)	(170)	441	(729)
Less: Transitional income tax recovery (expense) attributed to:						
Items excluded from core earnings	54	(71)	36	52	325	396
NCI	(12)	-	-	-	-	(12)
Participating policyholders	(16)	(52)	-	-	-	(68)
Core income tax recovery (expense)	(263)	(335)	(341)	(222)	116	(1,045)
Core income tax recovery (expense), CER adjustment ⁽²⁾	(4)	-	(10)	(4)	-	(18)
Core income tax recovery (expense), CER basis	\$ (267)	\$ (335)	\$ (351)	\$ (226)	\$ 116	\$ (1,063)
Net income (loss) attributed to NCI	\$ 120	\$ -	\$ -	\$ -	\$ 1	\$ 121
IFRS 9 transitional impacts	(6)	-	-	-	-	(6)
Transitional net income (loss) to NCI	\$ 114	\$ -	\$ -	\$ -	\$ 1	\$ 115
Net income (loss) attributed to participating policyholders	\$ (211)	\$ 44	\$ -	\$ -	\$ -	\$ (167)
IFRS 9 transitional impacts	8	-	-	-	-	8
Transitional net income (loss) to participating policyholders	\$ (203)	\$ 44	\$ -	\$ -	\$ -	\$ (159)
Transitional net income attributable to shareholders, CER basis⁽³⁾						
Net insurance service result	\$ 1,580	\$ 1,189	\$ 553	\$ -	\$ (120)	\$ 3,202
Net investment result	(485)	381	1,355	-	(391)	860
Global WAM	-	-	-	1,323	-	1,323
Manulife Bank	-	215	-	-	-	215
Other	(243)	(84)	(38)	-	(589)	(954)
Transitional net income (loss) before income taxes, CER basis	\$ 852	\$ 1,701	\$ 1,870	\$ 1,323	\$ (1,100)	\$ 4,646

⁽¹⁾ Consolidation adjustments in Other DOE line reclassified to net investment result DOE line.

⁽²⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

⁽³⁾ DOE on a CER basis adjusted to reflect the foreign exchange rates for the Statement of Income in effect for 2Q23.

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

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

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

Changes in CSM that are classified as inorganic include:

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

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

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

CSM and post-tax CSM information

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

As at (\$ millions)	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022	Jun 30, 2022
CSM	\$ 18,103	\$ 18,200	\$ 17,977	\$ 17,798	\$ 17,452
Less: CSM for NCI	(680)	(733)	(694)	(712)	(741)
CSM, net of NCI	\$ 17,423	\$ 17,467	\$ 17,283	\$ 17,086	\$ 16,711
CER adjustment ⁽¹⁾	304	(189)	(156)	(139)	507
CSM, net of NCI, CER basis	\$ 17,727	\$ 17,278	\$ 17,127	\$ 16,947	\$ 17,218
CSM by segment					
Asia	\$ 9,630	\$ 9,678	\$ 9,420	\$ 9,309	\$ 9,025
Asia NCI	680	733	694	712	741
Canada	3,656	3,659	3,675	3,558	3,626
U.S.	4,106	4,080	4,136	4,185	4,026
Corporate and Other	31	50	52	34	34
CSM	\$ 18,103	\$ 18,200	\$ 17,977	\$ 17,798	\$ 17,452
CSM, CER adjustment⁽¹⁾					
Asia	\$ 244	\$ (158)	\$ (119)	\$ (44)	\$ 342
Asia NCI	32	(22)	(13)	(8)	(3)
Canada	(1)	-	-	-	-
U.S.	61	(31)	(36)	(94)	166
Corporate and Other	-	-	-	-	-
Total	\$ 336	\$ (211)	\$ (168)	\$ (146)	\$ 505
CSM, CER basis					
Asia	\$ 9,874	\$ 9,520	\$ 9,301	\$ 9,265	\$ 9,367
Asia NCI	712	711	681	704	738
Canada	3,655	3,659	3,675	3,558	3,626
U.S.	4,167	4,049	4,100	4,091	4,192
Corporate and Other	31	50	52	34	34
Total CSM, CER basis	\$ 18,439	\$ 17,989	\$ 17,809	\$ 17,652	\$ 17,957
Post-tax CSM					
CSM	\$ 18,103	\$ 18,200	\$ 17,977	\$ 17,798	\$ 17,452
Marginal tax rate on CSM	(2,645)	(2,724)	(2,726)	(2,632)	(2,595)
Post-tax CSM	\$ 15,458	\$ 15,476	\$ 15,251	\$ 15,166	\$ 14,857
CSM, net of NCI	\$ 17,423	\$ 17,467	\$ 17,283	\$ 17,086	\$ 16,711
Marginal tax rate on CSM net of NCI	(2,546)	(2,617)	(2,624)	(2,526)	(2,487)
Post-tax CSM net of NCI	\$ 14,877	\$ 14,850	\$ 14,659	\$ 14,560	\$ 14,224

⁽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 2Q23.

New business CSM detail, CER basis

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

	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
New business CSM, net of NCI								
Hong Kong	\$ 191	\$ 119	\$ 110	\$ 127	\$ 94	\$ 310	\$ 200	\$ 437
Japan	19	36	28	37	38	55	75	140
Asia Other	222	146	186	176	196	368	370	732
International High Net Worth								197
Mainland China								12
Singapore								189
Vietnam								305
Other Emerging Markets								29
Asia	432	301	324	340	328	733	645	1,309
Canada	57	46	47	44	47	103	108	199
U.S.	103	95	71	86	118	198	230	387
Total new business CSM net of NCI	592	442	442	470	493	1,034	983	1,895
Asia NCI	38	19	-	2	1	57	18	20
Total impact of new insurance business in CSM	\$ 630	\$ 461	\$ 442	\$ 472	\$ 494	\$ 1,091	\$ 1,001	\$ 1,915
New business CSM, net of NCI, CER adjustment⁽¹⁾								
Hong Kong	\$ -	\$ (1)	\$ (1)	\$ 3	\$ 5	\$ (1)	\$ 12	\$ 14
Japan	-	(1)	1	2	(1)	(1)	(4)	(3)
Asia Other	-	(2)	2	7	11	(2)	15	25
International High Net Worth								5
Mainland China								-
Singapore								12
Vietnam								8
Other Emerging Markets								-
Asia	-	(4)	2	12	15	(4)	23	36
Canada	-	-	-	-	(1)	-	-	-
U.S.	-	-	(1)	3	6	-	13	15
Total new business CSM net of NCI	-	(4)	1	15	20	(4)	36	51
Asia NCI	-	(1)	(1)	(1)	1	(1)	(1)	(1)
Total impact of new insurance business in CSM	\$ -	\$ (5)	\$ -	\$ 14	\$ 21	\$ (5)	\$ 35	\$ 50
New business CSM net of NCI, CER basis								
Hong Kong	\$ 191	\$ 118	\$ 109	\$ 130	\$ 99	\$ 309	\$ 212	\$ 451
Japan	19	35	29	39	37	54	71	137
Asia Other	222	144	188	183	207	366	385	757
International High Net Worth								202
Mainland China								12
Singapore								201
Vietnam								313
Other Emerging Markets								29
Asia	432	297	326	352	343	729	668	1,345
Canada	57	46	47	44	46	103	108	199
U.S.	103	95	70	89	124	198	243	402
Total new business CSM net of NCI, CER basis	592	438	443	485	513	1,030	1,019	1,946
Asia NCI, CER basis	38	18	(1)	1	2	56	17	19
Total impact of new insurance business in CSM, CER basis	\$ 630	\$ 456	\$ 442	\$ 486	\$ 515	\$ 1,086	\$ 1,036	\$ 1,965

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

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

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

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

General expenses, CER basis

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

	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
General expenses	\$ 1,022	\$ 1,086	\$ 1,002	\$ 914	\$ 884	\$ 2,108	\$ 1,815	\$ 3,731
CER adjustment ⁽¹⁾	-	(5)	(4)	17	25	(5)	57	70
General expenses, CER basis	\$ 1,022	\$ 1,081	\$ 998	\$ 931	\$ 909	\$ 2,103	\$ 1,872	\$ 3,801

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

Net income financial measures on a CER basis

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

	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
Net income (loss) attributed to shareholders:								
Asia	\$ 130	\$ 519	\$ 315	\$ 280	\$ (51)	\$ 649	\$ 88	\$ 683
Canada	227	309	(73)	853	(611)	536	(1,283)	(503)
U.S.	183	186	(44)	(447)	(1,226)	369	(1,825)	(2,316)
Global WAM	317	297	401	287	150	614	433	1,121
Corporate and Other	168	95	316	(482)	(381)	263	(752)	(918)
Total net income (loss) attributed to shareholders	1,025	1,406	915	491	(2,119)	2,431	(3,339)	(1,933)
Preferred share dividends and other equity distributions	(98)	(52)	(97)	(51)	(60)	(150)	(112)	(260)
Common shareholders' net income (loss)	\$ 927	\$ 1,354	\$ 818	\$ 440	\$ (2,179)	\$ 2,281	\$ (3,451)	\$ (2,193)
CER adjustment⁽¹⁾								
Asia	\$ -	\$ (4)	\$ 5	\$ 34	\$ 40	\$ (4)	\$ 137	\$ 175
Canada	-	(1)	(2)	17	20	(1)	48	64
U.S.	-	(2)	(1)	(9)	(71)	(2)	(113)	(123)
Global WAM	-	(3)	(3)	5	2	(3)	8	11
Corporate and Other	-	(1)	(5)	(14)	(18)	(1)	(42)	(62)
Total net income (loss) attributed to shareholders	-	(11)	(6)	33	(27)	(11)	38	65
Preferred share dividends and other equity distributions	-	-	-	-	-	-	-	-
Common shareholders' net income (loss)	\$ -	\$ (11)	\$ (6)	\$ 33	\$ (27)	\$ (11)	\$ 38	\$ 65
Net income (loss) attributed to shareholders, CER basis								
Asia	\$ 130	\$ 515	\$ 320	\$ 314	\$ (11)	\$ 645	\$ 225	\$ 858
Canada	227	308	(75)	870	(591)	535	(1,235)	(439)
U.S.	183	184	(45)	(456)	(1,297)	367	(1,938)	(2,439)
Global WAM	317	294	398	292	152	611	441	1,132
Corporate and Other	168	94	311	(496)	(399)	262	(794)	(980)
Total net income (loss) attributed to shareholders, CER basis	1,025	1,395	909	524	(2,146)	2,420	(3,301)	(1,868)
Preferred share dividends and other equity distributions, CER basis	(98)	(52)	(97)	(51)	(60)	(150)	(112)	(260)
Common shareholders' net income (loss), CER basis	\$ 927	\$ 1,343	\$ 812	\$ 473	\$ (2,206)	\$ 2,270	\$ (3,413)	\$ (2,128)
Asia net income attributed to shareholders, U.S. dollars								
Asia net income (loss) attributed to shareholders, US \$ ⁽²⁾	\$ 96	\$ 384	\$ 231	\$ 216	\$ (41)	\$ 480	\$ 69	\$ 516
CER adjustment, US \$ ⁽¹⁾	-	-	9	17	33	-	100	126
Asia net income (loss) attributed to shareholders, U.S. \$, CER basis⁽¹⁾	\$ 96	\$ 384	\$ 240	\$ 233	\$ (8)	\$ 480	\$ 169	\$ 642
Net income (loss) attributed to shareholders (pre-tax)								
Net income (loss) attributed to shareholders (post-tax)	\$ 1,025	\$ 1,406	\$ 915	\$ 491	\$ (2,119)	\$ 2,431	\$ (3,339)	\$ (1,933)
Tax on net income attributed to shareholders	242	287	(307)	59	(564)	529	(993)	(1,241)
Net income (loss) attributed to shareholders (pre-tax)	1,267	1,693	608	550	(2,683)	2,960	(4,332)	(3,174)
CER adjustment ⁽¹⁾	-	(12)	(6)	(1)	(66)	(12)	(77)	(84)
Net income (loss) attributed to shareholders (pre-tax), CER basis	\$ 1,267	\$ 1,681	\$ 602	\$ 549	\$ (2,749)	\$ 2,948	\$ (4,409)	\$ (3,258)

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

⁽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 reporting period.

Transitional net income financial measures on a CER basis

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

	Quarterly Results				YTD	Full Year
	4Q22	3Q22	2Q22	1Q22	Results	Results
					2022	2022
Transitional net income (loss) attributed to shareholders:						
Asia	\$ 493	\$ 176	\$ (227)	\$ 205	\$ (22)	\$ 647
Canada	120	481	271	326	597	1,198
U.S.	(106)	314	355	885	1,240	1,448
Global WAM	401	287	150	283	433	1,121
Corporate and Other	320	(481)	(381)	(374)	(755)	(916)
Total transitional net income (loss) attributed to shareholders	1,228	777	168	1,325	1,493	3,498
Preferred share dividends and other equity distributions	(97)	(51)	(60)	(52)	(112)	(260)
Common shareholders' transitional net income (loss)	\$ 1,131	\$ 726	\$ 108	\$ 1,273	\$ 1,381	\$ 3,238
CER adjustment⁽¹⁾						
Asia	\$ 10	\$ 16	\$ 17	\$ 52	\$ 69	\$ 95
Canada	(3)	12	6	10	16	25
U.S.	(1)	13	(3)	48	45	57
Global WAM	(2)	5	1	7	8	11
Corporate and Other	(4)	(16)	(17)	(25)	(42)	(62)
Total CER adjustment - transitional net income attributed to shareholders	-	30	4	92	96	126
Preferred share dividends and other equity distributions	-	-	-	-	-	-
Common shareholders' transitional net income (loss)	\$ -	\$ 30	\$ 4	\$ 92	\$ 96	\$ 126
Transitional net income (loss) attributed to shareholders, CER basis						
Asia	\$ 503	\$ 192	\$ (210)	\$ 257	\$ 47	\$ 742
Canada	117	493	277	336	613	1,223
U.S.	(107)	327	352	933	1,285	1,505
Global WAM	399	292	151	290	441	1,132
Corporate and Other	316	(497)	(398)	(399)	(797)	(978)
Total transitional net income (loss) attributed to shareholders, CER basis	1,228	807	172	1,417	1,589	3,624
Preferred share dividends and other equity distributions, CER basis	(97)	(51)	(60)	(52)	(112)	(260)
Common shareholders' net income (loss), CER basis	\$ 1,131	\$ 756	\$ 112	\$ 1,365	\$ 1,477	\$ 3,364
Asia transitional net income attributed to shareholders, U.S. dollars						
Asia transitional net income (loss) attributed to shareholders, US \$ ⁽²⁾	\$ 363	\$ 134	\$ (177)	\$ 161	\$ (16)	\$ 481
CER adjustment, US \$ ⁽¹⁾	13	9	21	32	53	75
Asia transitional net income (loss) attributed to shareholders, U.S. \$, CER basis⁽¹⁾	\$ 376	\$ 143	\$ (156)	\$ 193	\$ 37	\$ 556
Transitional net income (loss) attributed to shareholders (pre-tax)						
Transitional net income (loss) attributed to shareholders (post-tax)	\$ 1,228	\$ 777	\$ 168	\$ 1,325	\$ 1,493	\$ 3,498
Tax on transitional net income attributed to shareholders	(184)	200	230	403	633	649
Transitional net income (loss) attributed to shareholders (pre-tax)	1,044	977	398	1,728	2,126	4,147
CER adjustment ⁽¹⁾	(3)	23	39	99	138	158
Transitional net income (loss) attributed to shareholders (pre-tax), CER basis	\$ 1,041	\$ 1,000	\$ 437	\$ 1,827	\$ 2,264	\$ 4,305

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

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

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

(\$ millions, unless otherwise stated)	Quarterly Results				YTD Results	Full Year Results
	4Q22	3Q22	2Q22	1Q22	2022	2022
Total transitional net income (loss) attributed to shareholders	\$ 1,228	\$ 777	\$ 168	\$ 1,325	\$ 1,493	\$ 3,498
Preferred share dividends and other equity distributions	(97)	(51)	(60)	(52)	(112)	(260)
Common shareholders transitional net income (loss)	\$ 1,131	\$ 726	\$ 108	\$ 1,273	\$ 1,381	\$ 3,238
Annualized common shareholders transitional net income (loss)	\$ 4,487	\$ 2,876	\$ 437	\$ 5,163	\$ 2,785	\$ 3,238
Average common shareholders' equity (see below)	\$ 40,667	\$ 40,260	\$ 39,095	\$ 38,881	\$ 38,988	\$ 39,726
Transitional ROE (annualized) (%)	11.0%	7.1%	1.1%	13.3%	7.1%	8.2%

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

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

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

AUM and AUMA reconciliations

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

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

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

⁽²⁾ Corporate and Other segregated funds net assets represents elimination of amounts held by the Company.

⁽³⁾ Institutional asset management excludes Institutional segregated funds net assets.

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

⁽⁵⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

As at	CAD \$						US \$(⁴)	
	March 31, 2023						March 31, 2023	
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
Total invested assets								
Manulife Bank net lending assets	\$ -	\$ 24,747	\$ -	\$ -	\$ -	\$ 24,747	\$ -	\$ -
Derivative reclassification ⁽¹⁾	-	-	-	-	3,488	3,488	-	-
Invested assets excluding above items	138,029	82,733	136,454	5,565	21,460	384,241	102,014	100,827
Total	138,029	107,480	136,454	5,565	24,948	412,476	102,014	100,827
Segregated funds net assets								
Segregated funds net assets - Institutional	-	-	-	3,718	-	3,718	-	-
Segregated funds net assets - Other ⁽²⁾	24,203	36,374	67,935	231,860	(46)	360,326	17,893	50,197
Total	24,203	36,374	67,935	235,578	(46)	364,044	17,893	50,197
AUM per financial statements	162,232	143,854	204,389	241,143	24,902	776,520	119,907	151,024
Mutual funds	-	-	-	267,767	-	267,767	-	-
Institutional asset management ⁽³⁾	-	-	-	113,781	-	113,781	-	-
Other funds	-	-	-	14,302	-	14,302	-	-
Total AUM	162,232	143,854	204,389	636,993	24,902	1,172,370	119,907	151,024
Assets under administration	-	-	-	177,510	-	177,510	-	-
Total AUMA	\$ 162,232	\$ 143,854	\$ 204,389	\$ 814,503	\$ 24,902	\$ 1,349,880	\$ 119,907	\$ 151,024
Total AUMA, US \$(⁴)						\$ 997,399		
Total AUMA	\$ 162,232	\$ 143,854	\$ 204,389	\$ 814,503	\$ 24,902	\$ 1,349,880		
CER adjustment ⁽⁵⁾	(6,697)	-	(4,550)	(15,583)	-	(26,830)		
Total AUMA, CER basis	\$ 155,535	\$ 143,854	\$ 199,839	\$ 798,920	\$ 24,902	\$ 1,323,050		
Global WAM Managed AUMA								
Global WAM AUMA				\$ 814,503				
AUM managed by Global WAM for Manulife's other segments				208,013				
Total				\$ 1,022,516				

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

As at	CAD \$						US \$(4)	
	December 31, 2022						December 31, 2022	
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
Total invested assets								
Manulife Bank net lending assets	\$ -	\$ 24,779	\$ -	\$ -	\$ -	\$ 24,779	\$ -	\$ -
Derivative reclassification(1)	-	-	-	-	5,701	5,701	-	-
Invested assets excluding above items	132,808	82,150	133,635	5,752	15,317	369,662	98,007	98,628
Total	132,808	106,929	133,635	5,752	21,018	400,142	98,007	98,628
Segregated funds net assets								
Segregated funds net assets - Institutional	-	-	-	3,719	-	3,719	-	-
Segregated funds net assets - Other(2)	23,227	35,695	65,490	220,472	(40)	344,844	17,138	48,333
Total	23,227	35,695	65,490	224,191	(40)	348,563	17,138	48,333
AUM per financial statements	156,035	142,624	199,125	229,943	20,978	748,705	115,145	146,961
Mutual funds	-	-	-	258,273	-	258,273	-	-
Institutional asset management(3)	-	-	-	109,739	-	109,739	-	-
Other funds	-	-	-	13,617	-	13,617	-	-
Total AUM	156,035	142,624	199,125	611,572	20,978	1,130,334	115,145	146,961
Assets under administration	-	-	-	170,768	-	170,768	-	-
Total AUMA	\$ 156,035	\$ 142,624	\$ 199,125	\$ 782,340	\$ 20,978	\$ 1,301,102	\$ 115,145	\$ 146,961
Total AUMA, US \$(4)						\$ 960,259		
Total AUMA	\$ 156,035	\$ 142,624	\$ 199,125	\$ 782,340	\$ 20,978	\$ 1,301,102		
CER adjustment(5)	(6,392)	-	(4,675)	(15,342)	-	(26,409)		
Total AUMA, CER basis	\$ 149,643	\$ 142,624	\$ 194,450	\$ 766,998	\$ 20,978	\$ 1,274,693		
Global WAM Managed AUMA								
Global WAM AUMA				\$ 782,340				
AUM managed by Global WAM for Manulife's other segments				201,920				
Total				\$ 984,260				

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

As at	CAD \$						US \$(4)	
	September 30, 2022						September 30, 2022	
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
Total invested assets								
Manulife Bank net lending assets	\$ -	\$ 24,779	\$ -	\$ -	\$ -	\$ 24,779	\$ -	\$ -
Derivative reclassification(1)	-	-	-	-	5,880	5,880	-	-
Invested assets excluding above items	127,624	81,682	133,567	5,586	17,465	365,924	92,876	97,206
Total	127,624	106,461	133,567	5,586	23,345	396,583	92,876	97,206
Segregated funds net assets								
Segregated funds net assets - Institutional				4,118		4,118	-	-
Segregated funds net assets - Other(2)	22,033	34,773	63,996	210,351	(26)	331,127	16,042	46,575
Total	22,033	34,773	63,996	214,469	(26)	335,245	16,042	46,575
AUM per financial statements	149,657	141,234	197,563	220,055	23,319	731,828	108,918	143,781
Mutual funds	-	-	-	249,591	-	249,591	-	-
Institutional asset management(3)	-	-	-	100,474	-	100,474	-	-
Other funds	-	-	-	12,910	-	12,910	-	-
Total AUM	149,657	141,234	197,563	583,030	23,319	1,094,803	108,918	143,781
Assets under administration	-	-	-	168,316	-	168,316	-	-
Total AUMA	\$ 149,657	\$ 141,234	\$ 197,563	\$ 751,346	\$ 23,319	\$ 1,263,119	\$ 108,918	\$ 143,781
Total AUMA, US \$(4)						\$ 932,226		
Total AUMA	\$ 149,657	\$ 141,234	\$ 197,563	\$ 751,346	\$ 23,319	\$ 1,263,119		
CER adjustment(5)	(4,294)	-	(7,281)	(19,868)	-	(31,443)		
Total AUMA, CER basis	\$ 145,363	\$ 141,234	\$ 190,282	\$ 731,478	\$ 23,319	\$ 1,231,676		
Global WAM Managed AUMA								
Global WAM AUMA				\$ 751,346				
AUM managed by Global WAM for Manulife's other segments				199,285				
Total				\$ 950,631				

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

As at	CAD \$						US \$(4)	
	June 30, 2022						June 30, 2022	
	Asia	Canada	U.S.	Global WAM	Corporate and Other	Total	Asia	U.S.
Total invested assets								
Manulife Bank net lending assets	\$ -	\$ 24,779	\$ -	\$ -	\$ -	\$ 24,779	\$ -	\$ -
Derivative reclassification(1)	-	-	-	-	5,233	5,233	-	-
Invested assets excluding above items	123,925	79,402	131,463	5,698	20,598	361,086	96,091	101,913
Total	123,925	104,181	131,463	5,698	25,831	391,098	96,091	101,913
Segregated funds net assets								
Segregated funds net assets - Institutional	-	-	-	4,098	-	4,098	-	-
Segregated funds net assets - Other(2)	21,874	35,577	64,199	209,181	(26)	330,805	16,953	49,770
Total	21,874	35,577	64,199	213,279	(26)	334,903	16,953	49,770
AUM per financial statements	145,799	139,758	195,662	218,977	25,805	726,001	113,044	151,683
Mutual funds	-	-	-	250,517	-	250,517	-	-
Institutional asset management(3)	-	-	-	96,997	-	96,997	-	-
Other funds	-	-	-	15,075	-	15,075	-	-
Total AUM	145,799	139,758	195,662	581,566	25,805	1,088,590	113,044	151,683
Assets under administration	-	-	-	165,197	-	165,197	-	-
Total AUMA	\$ 145,799	\$ 139,758	\$ 195,662	\$ 746,763	\$ 25,805	\$ 1,253,787	\$ 113,044	\$ 151,683
Total AUMA, US \$(4)						\$ 925,339		
Total AUMA	\$ 145,799	\$ 139,758	\$ 195,662	\$ 746,763	\$ 25,805	\$ 1,253,787		
CER adjustment(5)	1,662	-	5,033	12,252	-	18,947		
Total AUMA, CER basis	\$ 147,461	\$ 139,758	\$ 200,695	\$ 759,015	\$ 25,805	\$ 1,272,734		
Global WAM Managed AUMA								
Global WAM AUMA				\$ 746,763				
AUM managed by Global WAM for Manulife's other segments				197,001				
Total				\$ 943,764				

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

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

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

As at	June 30, 2023	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022	June 30, 2022
Global WAM AUMA by business line					
Retirement	\$ 419,380	\$ 413,769	\$ 395,108	\$ 380,292	\$ 378,257
Retail	281,814	281,198	271,351	264,029	262,203
Institutional asset management	118,377	119,536	115,881	107,025	106,303
Total	\$ 819,571	\$ 814,503	\$ 782,340	\$ 751,346	\$ 746,763
Global WAM AUMA by business line, CER basis⁽¹⁾					
Retirement	\$ 419,380	\$ 406,582	\$ 387,908	\$ 369,281	\$ 385,904
Retail	281,814	276,162	266,352	257,551	265,711
Institutional asset management	118,377	116,176	112,738	104,646	107,400
Total	\$ 819,571	\$ 798,920	\$ 766,998	\$ 731,478	\$ 759,015
Global WAM AUMA by geographic source					
Asia	\$ 112,283	\$ 115,819	\$ 110,724	\$ 97,941	\$ 97,277
Canada	226,087	223,045	213,802	205,042	207,086
U.S.	481,201	475,639	457,814	448,363	442,400
Total	\$ 819,571	\$ 814,503	\$ 782,340	\$ 751,346	\$ 746,763
Global WAM AUMA by geographic source, CER basis⁽¹⁾					
Asia	\$ 112,283	\$ 110,814	\$ 106,086	\$ 94,638	\$ 98,102
Canada	226,087	223,045	213,802	205,042	207,086
U.S.	481,201	465,061	447,110	431,798	453,827
Total	\$ 819,571	\$ 798,920	\$ 766,998	\$ 731,478	\$ 759,015
Global WAM Managed AUMA by business line					
Retirement	\$ 419,380	\$ 413,769	\$ 395,108	\$ 380,292	\$ 378,257
Retail	357,539	358,098	346,200	338,181	337,058
Institutional asset management	246,477	250,649	242,952	232,158	228,449
Total	\$ 1,023,396	\$ 1,022,516	\$ 984,260	\$ 950,631	\$ 943,764
Global WAM Managed AUMA by business line, CER basis⁽¹⁾					
Retirement	\$ 419,380	\$ 406,582	\$ 387,908	\$ 369,281	\$ 385,904
Retail	357,539	352,015	340,118	329,999	341,759
Institutional asset management	246,477	244,810	237,286	225,883	232,184
Total	\$ 1,023,396	\$ 1,003,407	\$ 965,312	\$ 925,163	\$ 959,847
Global WAM Managed AUMA by geographic source					
Asia	\$ 185,198	\$ 191,720	\$ 183,893	\$ 169,985	\$ 168,893
Canada	274,957	272,101	261,756	252,669	255,501
U.S.	563,241	558,695	538,611	527,977	519,370
Total	\$ 1,023,396	\$ 1,022,516	\$ 984,260	\$ 950,631	\$ 943,764
Global WAM Managed AUMA by geographic source, CER basis⁽¹⁾					
Asia	\$ 185,198	\$ 185,035	\$ 177,539	\$ 164,025	\$ 171,562
Canada	274,957	272,101	261,756	252,669	255,501
U.S.	563,241	546,271	526,017	508,469	532,784
Total	\$ 1,023,396	\$ 1,003,407	\$ 965,312	\$ 925,163	\$ 959,847

⁽¹⁾ AUMA adjusted to reflect the foreign exchange rates for the Statement of Financial Position in effect for 2Q23.

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)	June 30, 2023	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022	June 30, 2022
Mortgages	\$ 51,459	\$ 52,128	\$ 51,765	\$ 51,445	\$ 51,276
Less: Mortgages not held by Manulife Bank	29,088	30,087	29,767	29,607	29,558
Total mortgages held by Manulife Bank	22,371	22,041	21,998	21,838	21,718
Loans to bank clients	2,632	2,706	2,781	2,799	2,782
Manulife Bank net lending assets	\$ 25,003	\$ 24,747	\$ 24,779	\$ 24,637	\$ 24,500
Manulife Bank average net lending assets					
Beginning of period	\$ 24,747	\$ 24,779	\$ 24,637	\$ 24,500	\$ 24,004
End of period	25,003	24,747	24,779	24,637	24,500
Manulife Bank average net lending assets by quarter	\$ 24,875	\$ 24,763	\$ 24,708	\$ 24,569	\$ 24,252
Manulife Bank average net lending assets – Year-to-date	\$ 24,891				\$ 23,973
Manulife Bank average net lending assets – full year			\$ 24,113		

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

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

As at (\$ millions)	June 30, 2023	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022	June 30, 2022
Common shareholders' equity	\$ 39,047	\$ 40,715	\$ 40,216	\$ 41,118	\$ 39,401
Post tax CSM, net of NCI	14,877	14,850	14,659	14,560	14,224
Adjusted book value	\$ 53,924	\$ 55,565	\$ 54,875	\$ 55,678	\$ 53,625

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)	June 30, 2023	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022	June 30, 2022
Total equity	\$ 47,156	\$ 48,751	\$ 48,226	\$ 49,180	\$ 47,589
Less: AOCI gain/(loss) on cash flow hedges	-	(38)	8	(18)	(48)
Total equity excluding AOCI on cash flow hedges	47,156	48,789	48,218	49,198	47,637
Post-tax CSM	15,458	15,476	15,251	15,166	14,857
Qualifying capital instruments	6,662	7,317	6,122	7,118	7,001
Consolidated capital	\$ 69,276	\$ 71,582	\$ 69,591	\$ 71,482	\$ 69,495

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

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

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

	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
Global WAM core earnings (post-tax)	\$ 320	\$ 287	\$ 274	\$ 354	\$ 327	\$ 607	\$ 671	\$ 1,299
Addback taxes, acquisition costs, other expenses and deferred sales commissions								
Core income tax (expense) recovery (see above)	45	45	47	51	60	90	124	222
Amortization of deferred acquisition costs and other depreciation	40	40	43	36	37	80	75	154
Amortization of deferred sales commissions	19	21	25	24	24	40	49	98
Core EBITDA	\$ 424	\$ 393	\$ 389	\$ 465	\$ 448	\$ 817	\$ 919	\$ 1,773
CER adjustment ⁽¹⁾	-	(2)	(3)	10	15	(2)	32	39
Core EBITDA, CER basis	\$ 424	\$ 391	\$ 386	\$ 475	\$ 463	\$ 815	\$ 951	\$ 1,812
Core EBITDA by business line								
Retirement	\$ 233	\$ 217	\$ 211	\$ 232	\$ 213	\$ 450	\$ 440	\$ 883
Retail	168	171	181	207	191	339	408	796
Institutional Asset Management	23	5	(3)	26	44	28	71	94
Total	\$ 424	\$ 393	\$ 389	\$ 465	\$ 448	\$ 817	\$ 919	\$ 1,773
Core EBITDA by geographic source								
Asia	\$ 125	\$ 113	\$ 108	\$ 117	\$ 110	\$ 238	\$ 230	\$ 455
Canada	148	136	129	168	158	284	320	617
U.S.	151	144	152	180	180	295	369	701
Total	\$ 424	\$ 393	\$ 389	\$ 465	\$ 448	\$ 817	\$ 919	\$ 1,773
Core EBITDA by business line, CER basis⁽²⁾								
Retirement	\$ 233	\$ 216	\$ 209	\$ 237	\$ 221	\$ 449	\$ 458	\$ 904
Retail	168	170	181	210	197	338	419	810
Institutional Asset Management	23	5	(4)	28	45	28	74	98
Total, CER basis	\$ 424	\$ 391	\$ 386	\$ 475	\$ 463	\$ 815	\$ 951	\$ 1,812
Core EBITDA by geographic source, CER basis⁽²⁾								
Asia	\$ 125	\$ 112	\$ 107	\$ 123	\$ 115	\$ 237	\$ 241	\$ 470
Canada	148	136	129	168	158	284	320	617
U.S.	151	143	150	184	190	294	390	725
Total, CER basis	\$ 424	\$ 391	\$ 386	\$ 475	\$ 463	\$ 815	\$ 951	\$ 1,812

⁽¹⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

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

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

(\$ millions, unless otherwise stated)	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
Core EBITDA margin								
Core EBITDA	\$ 424	\$ 393	\$ 389	\$ 465	\$ 448	\$ 817	\$ 919	\$ 1,773
Core revenue	\$ 1,722	\$ 1,756	\$ 1,646	\$ 1,610	\$ 1,596	\$ 3,478	\$ 3,260	\$ 6,516
Core EBITDA margin	24.6%	22.4%	23.6%	28.9%	28.1%	23.5%	28.2%	27.2%
Global WAM core revenue								
Other revenue per financial statements	\$ 1,691	\$ 1,691	\$ 1,671	\$ 1,547	\$ 1,446	\$ 3,382	\$ 2,968	\$ 6,186
Less: Other revenue in segments other than Global WAM	44	26	26	(9)	(106)	70	(222)	(205)
Other revenue in Global WAM (fee income)	\$ 1,647	\$ 1,665	\$ 1,645	\$ 1,556	\$ 1,552	\$ 3,312	\$ 3,190	\$ 6,391
Investment income per financial statements	\$ 4,135	\$ 3,520	\$ 4,271	\$ 3,832	\$ 3,531	\$ 7,655	\$ 7,101	\$ 15,204
Realized and unrealized gains (losses) on assets supporting insurance and investment contract liabilities per financial statements	950	1,944	(2,453)	(1,112)	(5,685)	2,894	(10,081)	(13,646)
Total investment income	5,085	5,464	1,818	2,720	(2,154)	10,549	(2,980)	1,558
Less: Investment income in segments other than Global WAM	5,010	5,357	1,672	2,748	(1,981)	10,367	(2,761)	1,659
Investment income in Global WAM	\$ 75	\$ 107	\$ 146	\$ (28)	\$ (173)	\$ 182	\$ (219)	\$ (101)
Total other revenue and investment income in Global WAM	\$ 1,722	\$ 1,772	\$ 1,791	\$ 1,528	\$ 1,379	\$ 3,494	\$ 2,971	\$ 6,290
Less: Total revenue reported in items excluded from core earnings								
Market experience gains (losses)	7	12	55	(82)	(217)	19	(289)	(316)
Revenue related to integration and acquisitions	(7)	4	90	-	-	(3)	-	90
Global WAM core revenue	\$ 1,722	\$ 1,756	\$ 1,646	\$ 1,610	\$ 1,596	\$ 3,478	\$ 3,260	\$ 6,516

Expense measures

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

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

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

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

(\$ millions, and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
Core expenses								
General expenses - Statements of Income	\$ 1,022	\$ 1,086	\$ 1,002	\$ 914	\$ 884	\$ 2,108	\$ 1,815	\$ 3,731
Directly attributable acquisition expense for contracts measured using the PAA method ⁽¹⁾	35	33	15	17	15	68	26	58
Directly attributable maintenance expense ⁽¹⁾	550	546	577	497	483	1,096	965	2,039
Total expenses	1,607	1,665	1,594	1,428	1,382	3,272	2,806	5,828
Less: General expenses included in items excluded from core earnings								
Restructuring charge	-	-	-	-	-	-	-	-
Integration and acquisition	-	-	18	-	-	-	8	26
Legal provisions and Other expenses	9	60	-	39	1	69	1	40
Total	9	60	18	39	1	69	9	66
Core expenses	\$ 1,598	\$ 1,605	\$ 1,576	\$ 1,389	\$ 1,381	\$ 3,203	\$ 2,797	\$ 5,762
CER adjustment ⁽²⁾	-	(11)	(3)	25	36	(11)	72	94
Core expenses, CER basis	\$ 1,598	\$ 1,594	\$ 1,573	\$ 1,414	\$ 1,417	\$ 3,192	\$ 2,869	\$ 5,856
Total expenses	\$ 1,607	\$ 1,665	\$ 1,594	\$ 1,428	\$ 1,382	\$ 3,272	\$ 2,806	\$ 5,828
CER adjustment ⁽²⁾	-	(10)	(3)	27	35	(10)	71	95
Total expenses, CER basis	\$ 1,607	\$ 1,655	\$ 1,591	\$ 1,455	\$ 1,417	\$ 3,262	\$ 2,877	\$ 5,923

⁽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 2Q23.

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

(\$ millions, and based on actual foreign exchange rates in effect in the applicable reporting period, unless otherwise stated)	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
Core expenditures								
Total expenses	\$ 1,607	\$ 1,665	\$ 1,594	\$ 1,428	\$ 1,382	\$ 3,272	\$ 2,806	\$ 5,828
Directly attributable acquisition expenses capitalized through the CSM ⁽¹⁾	501	507	532	467	454	1,008	910	1,909
Total expenditures	2,108	2,172	2,126	1,895	1,836	4,280	3,716	7,737
Less: General expenses included in items excluded from core earnings (see core expenses reconciliation above)	9	60	18	39	1	69	9	66
Core expenditures	\$ 2,099	\$ 2,112	\$ 2,108	\$ 1,856	\$ 1,835	\$ 4,211	\$ 3,707	\$ 7,671
CER adjustment ⁽²⁾	-	(17)	(3)	39	47	(17)	86	122
Core expenditures, CER basis	\$ 2,099	\$ 2,095	\$ 2,105	\$ 1,895	\$ 1,882	\$ 4,194	\$ 3,793	\$ 7,793
Total expenditures	\$ 2,108	\$ 2,172	\$ 2,126	\$ 1,895	\$ 1,836	\$ 4,280	\$ 3,716	\$ 7,737
CER adjustment ⁽²⁾	-	(17)	(3)	40	46	(17)	86	124
Total expenditures, CER basis	\$ 2,108	\$ 2,155	\$ 2,123	\$ 1,935	\$ 1,882	\$ 4,263	\$ 3,802	\$ 7,861

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

⁽²⁾ The impact of updating foreign exchange rates to that which was used in 2Q23.

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

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

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

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

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

Reconciliation of income before income taxes to net fee income yield

(\$ millions, unless otherwise stated)	Quarterly Results					YTD Results		Full Year Results
	2Q23	1Q23	4Q22	3Q22	2Q22	2023	2022	2022
Income before income taxes	\$ 1,436	\$ 1,719	\$ 697	\$ 484	\$ (2,656)	\$ 3,155	\$ (4,319)	\$ (3,138)
Less: Income before income taxes for segments other than Global WAM	1,074	1,374	236	160	(2,826)	2,448	(4,825)	(4,429)
Global WAM income before income taxes	362	345	461	324	170	707	506	1,291
Items unrelated to net fee income	674	676	527	658	793	1,350	1,468	2,653
Global WAM net fee income	1,036	1,021	988	982	963	2,057	1,974	3,944
Less: Net fee income from other segments	142	136	134	136	135	278	277	547
Global WAM net fee income excluding net fee income from other segments	894	885	854	846	828	1,779	1,697	3,397
Net annualized fee income	\$ 3,584	\$ 3,589	\$ 3,388	\$ 3,356	\$ 3,321	\$ 3,586	\$ 3,422	\$ 3,397
Average Assets under Management and Administration	\$ 814,945	\$ 804,455	\$ 779,642	\$ 773,575	\$ 778,180	\$ 809,457	\$ 801,233	\$ 790,268
Net fee income yield (bps)	44.0	44.6	43.5	43.4	42.7	44.3	42.7	43.0

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

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

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

in the period using assumptions that are consistent with the assumptions used in the calculation of embedded value.

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

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

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

Sales are measured according to product type:

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

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

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

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

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

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

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

E4 Caution regarding forward-looking statements

From time to time, MFC makes written and/or oral forward-looking statements, including in this document. In addition, our representatives may make forward-looking statements orally to analysts, investors, the media and

others. All such statements are made pursuant to the “safe harbour” provisions of Canadian provincial securities laws and the U.S. Private Securities Litigation Reform Act of 1995.

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

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

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

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

E5 Quarterly financial information

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

As at and for the three months ended ⁽¹⁾ (\$ millions, except per share amounts or otherwise stated, unaudited)	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sept 30, 2021
Revenue								
Insurance revenue	\$ 5,580	\$ 5,763	\$ 6,128	\$ 5,560	\$ 5,732	\$ 5,698		
Net investment income	4,819	5,153	1,440	2,439	(2,454)	(1,088)		
Other revenue	1,691	1,691	1,671	1,547	1,446	1,522		
Total revenue	\$ 12,090	\$ 12,607	\$ 9,239	\$ 9,546	\$ 4,724	\$ 6,132		
Income (loss) before income taxes	\$ 1,436	\$ 1,719	\$ 697	\$ 484	\$(2,656)	\$(1,663)		
Income tax (expense) recovery	(265)	(309)	226	(60)	553	440		
Net income (loss)	\$ 1,171	\$ 1,410	\$ 923	\$ 424	\$(2,103)	\$(1,223)		
Net income (loss) attributed to shareholders	\$ 1,025	\$ 1,406	\$ 915	\$ 491	\$(2,119)	\$(1,220)		
Basic earnings (loss) per common share	\$ 0.50	\$ 0.73	\$ 0.43	\$ 0.23	\$ (1.13)	\$ (0.66)		
Diluted earnings (loss) per common share	\$ 0.50	\$ 0.73	\$ 0.43	\$ 0.23	\$ (1.13)	\$ (0.66)		
Segregated funds deposits	\$ 10,147	\$ 11,479	\$ 10,165	\$ 9,841	\$ 10,094	\$ 12,328		
Total assets (in billions)	\$ 851	\$ 862	\$ 834	\$ 818	\$ 810	\$ 865		
Revenue								
Life and health insurance net premium income							\$ 9,159	\$ 9,269
Annuities and pensions net premium income							901	714
Total net premium income							10,060	9,983
Investment income							4,350	3,964
Realized and unrealized gains and losses on assets supporting insurance and investment contract liabilities							4,460	(958)
Other revenue							2,741	2,994
Total revenue							\$ 21,611	\$ 15,983
Income (loss) before income taxes							\$ 2,481	\$ 1,480
Income tax (expense) recovery							(430)	(166)
Net income (loss)							\$ 2,051	\$ 1,314
Net income (loss) attributed to shareholders							\$ 2,084	\$ 1,592
Basic earnings (loss) per common share							\$ 1.04	\$ 0.80
Diluted earnings (loss) per common share							\$ 1.03	\$ 0.80
Segregated funds deposits							\$ 10,920	\$ 10,929
Total assets (in billions)							\$ 918	\$ 898
Weighted average common shares (in millions)	1,842	1,858	1,878	1,902	1,921	1,938	1,943	1,942
Diluted weighted average common shares (in millions)	1,846	1,862	1,881	1,904	1,924	1,942	1,946	1,946
Dividends per common share	\$ 0.365	\$ 0.365	\$ 0.330	\$ 0.330	\$ 0.330	\$ 0.330	\$ 0.330	\$ 0.280
CDN\$ to US\$1 - Statement of Financial Position	1.3233	1.3534	1.3549	1.3740	1.2900	1.2496	1.2678	1.2741
CDN\$ to US\$1 - Statement of Income	1.3430	1.3524	1.3575	1.3057	1.2765	1.2663	1.2601	1.2602

⁽¹⁾ 2021 quarterly results are not restated for IFRS 17 and IFRS 9.

E6 Revenue

Revenue (\$ millions, unaudited)	Quarterly Results			YTD Results	
	2Q23	1Q23	2Q22	2023	2022
Insurance revenue	\$ 5,580	\$ 5,763	\$ 5,732	\$ 11,343	\$ 11,430
Net investment income	4,819	5,153	(2,454)	9,972	(3,542)
Other revenue	1,691	1,691	1,446	3,382	2,968
Total revenue	\$ 12,090	\$ 12,607	\$ 4,724	\$ 24,697	\$ 10,856
Asia	\$ 3,594	\$ 3,283	\$ 1,688	\$ 6,877	\$ 3,189
Canada	3,139	3,545	336	6,684	1,052
U.S.	3,422	3,856	1,726	7,278	4,380
Global Wealth and Asset Management	1,431	1,451	1,117	2,882	2,467
Corporate and Other	504	472	(143)	976	(232)
Total revenue	\$ 12,090	\$ 12,607	\$ 4,724	\$ 24,697	\$ 10,856

Total revenue in 2Q23 was \$12.1 billion compared with \$4.7 billion in 2Q22. The increase in total revenue of \$7.4 billion compared with 2Q22 was due to net realized and unrealized losses on derivatives in 2Q22 as a result of higher interest rates and net realized and unrealized public equity gains in 2Q23 compared with losses in 2Q22 partially offset by lower investment income from ALDA.

- Asia total revenue in 2Q23 was \$3.6 billion compared with \$1.7 billion in 2Q22. The increase in total revenue of \$1.9 billion was primarily driven by an increase in net investment income due to net realized and unrealized public equity gains in 2Q23 compared with losses in 2Q22.
- Canada total revenue in 2Q23 was \$3.1 billion compared with \$0.3 billion in 2Q22. The increase in total revenue of \$2.8 billion was primarily due to net realized and unrealized losses in 2Q22 from derivatives, as a result of higher interest rates, and net unrealized gains from public equities in 2Q23 compared with losses in 2Q22.
- U.S. total revenue in 2Q23 was \$3.4 billion compared with \$1.7 billion in 2Q22. The increase in total revenue of \$1.7 billion was primarily driven by net realized and unrealized losses on derivatives in 2Q22 as a result of higher interest rates partially offset by lower investment income from ALDA.
- Global WAM total revenue in 2Q23 was \$1.4 billion compared with \$1.1 billion in 2Q22. The increase in total revenue of \$0.3 billion was mainly due to the favourable impact of markets on seed money investments in 2Q23, compared with losses in 2Q22, the favourable impact of a weaker Canadian dollar compared with the U.S. dollar and higher fee income from higher fee spread and business mix.
- Corporate and Other total revenue in 2Q23 was \$0.5 billion compared with a loss of \$0.1 billion in 2Q22. The increase in total revenue of \$0.6 billion was driven by higher net investment income from equity and derivative instruments, higher yields on debt instruments, and lower net realized losses on the sale of FVOCI debt instruments.

On a year-to-date basis total revenue was \$24.7 billion in 2023 compared with \$10.9 billion for the same period in 2022. The increase in total revenue of \$13.8 billion compared with 2022 was due to similar reasons noted above for the quarter.

- Asia year-to-date total revenue in 2023 was \$6.9 billion compared with \$3.2 billion in 2022. The increase in year-to-date total revenue of \$3.7 billion was primarily driven by similar reasons noted above for the quarter.
- Canada year-to-date total revenue in 2023 was \$6.7 billion compared with \$1.1 billion in 2022. The increase in year-to-date total revenue of \$5.6 billion was primarily driven by similar reasons noted above for the quarter.
- U.S. year-to-date total revenue in 2023 was \$7.3 billion compared with \$4.4 billion in 2022. The increase in year-to-date total revenue of \$2.9 billion was primarily driven by similar reasons noted above for the quarter.

- Global WAM year-to-date total revenue in 2023 was \$2.9 billion compared with \$2.5 billion in 2022. The increase in year-to-date total revenue of \$0.4 billion was due mainly to the favourable impact of markets on seed money investments in 2023, compared with losses in 2022 and the favourable impact of a weaker Canadian dollar compared with the U.S. dollar.
- Corporate and Other year-to-date total revenue in 2023 was \$1.0 billion compared with a loss of \$0.2 billion in 2022. The increase in year-to-date total revenue of \$1.2 billion was primarily due to similar reasons noted above for the quarter.

E7 Other

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

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